

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear cost recovery clause.

DOCKET NO. 130009-EI

SERVED: May 16, 2013

**DUKE ENERGY FLORIDA, INC.'S
NOTICE OF FILING**

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Duke Energy Florida, Inc. ("DEF"), hereby gives notice of filing the affidavit of Christopher M. Fallon in support of Duke Energy Florida, Inc.'s Fourth Request for Confidential Classification.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic and U.S. Mail this 16th day of May, 2013.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery Clause

Docket No: 130009-EI
Submitted for Filing: May 16, 2013

**AFFIDAVIT OF CHRISTOPHER M. FALLON IN SUPPORT OF DUKE ENERGY
FLORIDA, INC.'S FOURTH REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

BEFORE ME, the undersigned authority duly authorized to administer oaths, personally appeared Christopher M. Fallon, who being first duly sworn, on oath deposes and says that:

1. My name is Christopher M. Fallon. I am employed by Duke Energy Corporation ("Duke Energy") in the capacity of Vice President of Nuclear Development. I am over the age of 18 years old and I have been authorized to give this affidavit in the above-styled proceeding on Duke Energy Florida's ("DEF" or the "Company") behalf and in support of DEF's Fourth Request for Confidential Classification. The facts attested to in my affidavit are based upon my personal knowledge.

2. DEF is seeking confidential classification for portions of the Florida Public Service Commission Staff's ("Staff") auditors' workpapers for *Audit Control No. 13-010-2-2* (the "Workpapers"). These documents contain confidential contractual and financial information, the disclosure of which would impair DEF's competitive business interests, as well as information pertaining to internal audit reports and controls. A detailed description of the confidential information at issue is contained in confidential Attachment A to DEF's Request and is outlined in DEF's Justification Matrix that is attached to the Request as Attachment C. DEF is requesting confidential classification of these documents because they include internal audit reports and controls, confidential and proprietary contractual and financial information, and

other information related to the Company's competitive business interests, the disclosure of which would compromise DEF's competitive business interests.

3. The Company is requesting confidential classification of this information because the Workpapers contain proprietary and confidential financial information that would impair DEF's competitive business interests if publicly disclosed, including information concerning contractual and financial data, the disclosure of which would impair the Company's ability to contract on favorable terms and, in many cases, the information constitutes trade secrets of the Company and its contract partners. Specifically, portions of these documents contain confidential internal audit reports and controls, as well as contractual data, including pricing agreements, payment information and other confidential financial and contractual terms regarding the LNP, the release of which would impair DEF's competitive business interests. The disclosure of this information would compromise DEF's competitive business interests and in certain instances violate contractual confidentiality provisions with DEF's vendors under the Company's Engineering, Procurement, and Construction Agreement (the "EPC Agreement") with Westinghouse, Shaw, Stone & Webster (the "Consortium").

4. In many instances, the disclosure of this information would violate contractual confidentiality provisions. Portions of the workpapers reflect the Company's internal strategies for evaluating projects and meeting deadlines. If such information was disclosed to DEF's competitors and/or other potential suppliers, DEF's efforts to obtain competitive nuclear equipment and service options that provide economic value to both the Company and its customers could be compromised by the Company's competitors and/or suppliers changing their offers, consumption, or purchasing behavior within the relevant markets. DEF must be able to assure these vendors that sensitive business information, such as the terms of their contracts, will

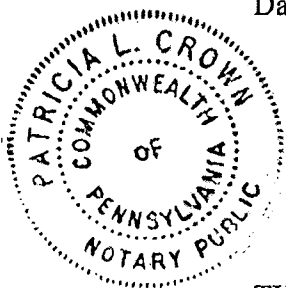
be kept confidential. If other third parties were made aware of confidential contractual terms that DEF has with other parties, they may offer less competitive contractual terms in future contractual negotiations. Without the Company's measures to maintain the confidentiality of sensitive terms in contracts with these nuclear contractors, the Company's efforts to obtain competitive contracts could be undermined to the detriment of DEF and its ratepayers.

5. Upon receipt of all this confidential information, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company. At no time since negotiating and receiving the contracts and performing the analyses in question has the Company publicly disclosed the information or the terms of the contracts at issue. The Company has treated and continues to treat the information at issue as confidential.

6. This concludes my affidavit.

Further affiant sayeth not.

Dated this 14th day of May, 2013.



Christopher M. Fallon
(Signature)
Christopher M. Fallon

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 14th day of May, 2013 by Christopher M. Fallon. He is personally known to me, or has produced his NORTH CAROLINA driver's license, or his _____ as identification.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Patricia L. Crown, Notary Public
Cranberry Twp., Butler County
My Commission Expires Feb. 7, 2017
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES
(AFFIX NOTARIAL SEAL)

Patricia L. Crown
(Signature)
PATRICIA L. CROWN
(Printed Name)
NOTARY PUBLIC, STATE OF PENNSYLVANIA