

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear cost recovery clause.

DOCKET NO. 130009-EI

SERVED: May 22, 2013

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

Duke Energy Florida, Inc. ("DEF"), hereby gives notice of filing the affidavits of Garry D. Miller and Christopher M. Fallon in support of Duke Energy Florida, Inc.'s Fifth 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 22nd 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 22, 2013

**AFFIDAVIT OF GARRY D. MILLER IN SUPPORT OF DUKE ENERGY FLORIDA,
INC.'S FIFTH REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING
PORTIONS OF THE TESTIMONIES AND EXHIBITS FILED AS PART OF THE
COMPANY'S MAY 1, 2013 PETITION FOR
APPROVAL OF COSTS TO BE RECOVERED**

STATE OF NORTH CAROLINA

COUNTY OF MECKELLENBURG

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

1. My name is Garry D. Miller. I am over the age of 18 years old and I have been authorized by Duke Energy Florida (hereinafter "DEF" or the "Company") to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's Fifth Request for Confidential Classification. The facts attested to in my affidavit are based upon my personal knowledge.

2. I am employed by Duke Energy Corporation ("Duke Energy") in the Nuclear Engineering Group and I am the Senior Vice President – Nuclear Engineering. As Senior Vice President – Nuclear Engineering, I am responsible for all corporate engineering, design engineering, engineering technical programs, and nuclear fuels functions in Duke Energy's nuclear generation fleet. This includes engineering projects and programs at the Crystal River Unit 3 ("CR3") nuclear power plant located at the Crystal River power plant site in Florida. The

CR3 extended power uprate ("EPU") project at CR3 ("CR3 Uprate") included engineering work under my overall supervisory responsibility for engineering projects.

3. DEF is seeking confidential classification of the following materials filed with the Florida Public Service Commission ("FPSC" or the "Commission") in the above referenced docket: (1) portions of Exhibit GM-3, portions of the exhibits, the Nuclear Filing Requirements ("NFRs"), of Mr. Thomas G. Foster; and (2) portions of the testimony and exhibits of Mr. Christopher M. Fallon.

3. Unredacted versions of the testimonies and exhibits at issue are contained in confidential Appendix A to DEF's Request and the confidential portions thereof are outlined in DEF's Justification Matrix that is attached to DEF's Request as Appendix C. DEF is requesting confidential classification of the portions of the testimonies and exhibits that contain confidential contractual information regarding the purchase of goods and services necessary to complete the close-out of the Crystal River 3 ("CR3") Extended Power Uprate ("CR3 Uprate") project, the disclosure of which would compromise DEF's competitive business interests.

4. Certain portions of the NFRs contain contractual quantities, durations, and pricing arrangements between DEF and providers of various equipment and services required for the close-out of the CR3 Uprate project that would adversely impact DEF's competitive business interests if disclosed to the public. The Company must be able to assure vendors that sensitive business information, such as the pricing and quantity terms of their contracts, will be kept confidential. Indeed, most of the contracts at issue contain confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. Specifically, the information at issue relates to competitively negotiated contractual data, such as quantity and pricing of goods and services and other contractual terms such as the agreements' duration, the disclosure of which would impair the efforts of the Company to negotiate these contracts on favorable

terms. If third parties were made aware of confidential contractual terms that the Company has with other parties, they may offer DEF less competitive contractual terms in future contractual negotiations. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and these nuclear contractors, the Company's efforts to obtain competitive contracts for the close-out of the CR3 Uprate project would be undermined.


5. As stated above, most of the contracts at issue contain confidentiality provisions; therefore, DEF is requesting confidential classification of this information to avoid public disclosure that would violate the confidentiality agreements between DEF and the other parties. DEF has kept confidential and has not publicly disclosed the proprietary contract terms and provisions at issue here. Absent such measures, DEF would run the risk that sensitive business information regarding what the Company is willing to pay for necessary equipment, goods and supplies would be made available to the public and, as a result, other potential sellers of similar materials and services could change their position in their negotiations to the detriment of DEF. In addition, by the terms of these contracts, all parties thereto - including DEF - have agreed to protect proprietary and confidential information, which is defined to include the pricing provisions, from public disclosure.

6. Upon receipt of this confidential information, as with all confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided therein. Such procedures include, but are not limited to, restricting access to the documents and information to only those persons who require it to assist the Company. At no time since developing or entering the contracts in question has DEF publicly disclosed the contracts' terms; DEF has treated and continues to treat the information contained in the subject contracts as confidential.

7. This concludes my affidavit.

Further affiant sayeth not.


Dated this 20 day of May, 2013.



(Signature) Garry D. Miller

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 20 day of May, 2013, by Garry D. Miller. He is personally known to me, or has produced his North Carolina driver's license, or his _____ as identification.





(Signature)

Debra Reese

(Printed Name)

NOTARY PUBLIC, STATE OF North Carolina

September 6, 2015

(Commission Expiration Date)

(Serial Number, If Any)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery
Clause

Docket No. 130009-EI
Submitting for filing: May 22, 2013

**AFFIDAVIT OF CHRISTOPHER M. FALLON IN SUPPORT OF DUKE
ENERGY FLORIDA, INC.'S FIFTH REQUEST FOR CONFIDENTIAL
CLASSIFICATION REGARDING PORTIONS OF THE TESTIMONIES AND
EXHIBITS FILED AS PART OF THE COMPANY'S MAY 1, 2013 PETITION FOR
APPROVAL OF COSTS TO BE RECOVERED**

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 Fifth Request for Confidential Classification. The facts attested to in my affidavit are based upon my personal knowledge.

2. As Vice President of Nuclear Development, I am responsible for the licensing and engineering design for the Levy nuclear power plant project ("LNP" or "Levy"), including the direct management of the Engineering, Procurement, and Construction ("EPC") Agreement with Westinghouse and Shaw, Stone & Webster (the "Consortium"), and I am responsible for reporting on the LNP to senior management.

3. DEF is seeking confidential classification of the following materials filed with the Florida Public Service Commission ("FPSC" or the "Commission") in the above referenced docket: (1) portions of the testimony and the exhibits, the Nuclear Filing Requirements ("NFRs"), of Mr. Thomas Geoff Foster, (2) portions of Exhibit GM-3 to the testimony of Mr. Garry Miller; and (3) portions of my testimony and Exhibit No. ___(CMF-3) to my testimony. 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 portions of the testimonies and exhibits that contain confidential contractual information and costs, as well as other competitively sensitive information the disclosure of which would impair the Company's competitive business interests.

4. The Company is requesting confidential classification of this information because portions thereof contain and include proprietary and confidential numbers and capital costs that would impair DEF's competitive business interests if publicly disclosed. In many instances, the disclosure of this information would violate contractual confidentiality provisions. Specifically, portions of the testimonies and exhibits contain details regarding DEF's budgeted and estimated capital costs for the LNP under its EPC Agreement as well as cost numbers and information relating to decisions regarding disposition of items of Long Lead Equipment ("LLE") for the LNP. In addition, Exhibit No. ___(CMF-3) to my testimony shows the current disposition of LLE for the LNP.

5. All of these documents contain contractual quantities, timing, pricing arrangements and payments made between DEF and third parties that would adversely impact DEF's competitive business interests if disclosed to the public. 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.

6. DEF must be able to assure these vendors that sensitive business information, such as the terms of their contracts, will be kept confidential. Indeed, as discussed above, the contract at issue contains confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. Specifically, the information at issue relates to competitively negotiated contractual data and costs the disclosure of which would impair the efforts of the Company to negotiate these contracts on favorable terms. If other third parties were made aware of confidential contractual terms that DEF has with other parties, such as pricing arrangements, 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. Indeed, most of the contracts described in the NFRs contain confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties.

7. 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. Indeed, the information at issue has previously been produced by the Company in response to various discovery requests during the proceedings in this docket, and at all times the Company has taken the appropriate steps to maintain the confidentiality of this information.

8. This concludes my affidavit.

Dated this 20th day of May, 2013.

Christopher M. Fallon

(Signature) Christopher M. Fallon

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

(Signature)

(Printed Name)

NOTARY PUBLIC, STATE OF _____

(Commission Expiration Date)

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)