

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

RECEIVED FPSC
13 JUL 30 PM 3:02
COMMISSION
CLERK

DATE: July 30, 2013
TO: Jennifer Crawford, Office of the General Counsel
FROM: John Slemkewicz, Division of Accounting & Finance JS
RE: Confidentiality Request by Duke Energy Florida, Inc. - Document No. 02350-13 - Undocketed

Duke Energy Florida, Inc. (DEF) has requested that certain information concerning the Budgeted and Actual In-Service Costs of Nuclear Power Plant schedule (page 464) included in its 2012 Annual Report be kept confidential. This information is required to be filed by Rule 25-6.0423(8)(f), Florida Administrative Code.

DEF requests confidentiality under Subsection 366.093(3)(d) and (e), Florida Statutes (F.S.), which states:

(3) Proprietary confidential business information means information, regardless of form or characteristics, which is owned or controlled by the person or company, is intended to be and is treated by the person or company as private in that the disclosure of the information would cause harm to the ratepayers or the person's or company's business operations, and has not been disclosed unless disclosed pursuant to a statutory provision, an order of a court or administrative body, or private agreement that provides that the information will not be released to the public. Proprietary confidential business information includes, but is not limited to:

- (a) Trade secrets.
- (b) Internal auditing controls and reports of internal auditors.
- (c) Security measures, systems, or procedures.
- (d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms.
- (e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

Ms. Jennifer Crawford

Page 2

July 30, 2013

(f) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities.

Staff has reviewed DEF's confidentiality request. In staff's opinion, the request does meet the criteria for confidentiality contained in Subsection 366.093(3)(d) and (e), F.S., for the following categories:

Licensing/Permits/Authorizations/Legal
Site/Site Preparation
Related Facilities
Generation Plant
Transmission Facilities

Therefore, staff recommends that the request for confidentiality of certain information included in the columns entitled "Remaining Budgeted Costs to Complete Plant:" and "Total Estimated Cost of Plant" be approved for the above listed categories.

cc: Andrew Maurey

Delores Reecy

Shari Cornelius

~~Office of Commission Clerk~~

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REDACTED

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

Docket No. Undocketed

Dated: April 30, 2013

COMMISSION CLERK

13 APR 30 PM 3:00

RECEIVED-FPSC

- claim of confidentiality
- notice of intent
- request for confidentiality
- filed by OPC

DUKE ENERGY FLORIDA INC.'S

REQUEST FOR CONFIDENTIAL CLASSIFICATION

For DN 02350-13, which is in locked storage. You must be authorized to view this DN.-CLK

Duke Energy Florida, Inc., ("DEF" or "Company"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code (F.A.C.), submits this Request for Confidential Classification for certain cost information provided in its 2012 Diversification Report submitted on April 30, 2013. In support of this Request, DEF states:

1. DEF has provided cost information in its Diversification Report that is "proprietary business information" under Section 366.093(3), Florida Statutes. This information was also provided in the Testimony & Exhibits of Thomas G. Foster, is deemed confidential, and will be submitted along with DEF's Third Notice of Intent to Request for Confidential Classification in the Nuclear Cost Recovery Clause (Dkt# 130009-EI) on May 1, 2013.

2. The following exhibits are included with this request:

(a) Sealed Composite Exhibit A is a package containing unredacted copies of all the documents for which DEF seeks confidential treatment. Composite Exhibit A is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unredacted versions, the information asserted to be confidential is highlighted by yellow marker.

(b) Composite Exhibit B is a package containing two copies of redacted versions of the documents for which the Company requests confidential classification. The specific

- COM
- AFD
- APA
- ECO
- ENG
- GCL
- IDM
- TEL
- CLK

02349 APR 30 13

FPSC-COMMISSION CLERK

information for which confidential treatment is requested has been blocked out by opaque marker or other means.

(c) Exhibit C is a table which identifies by page and line the information for which DEF seeks confidential classification and the specific statutory bases for seeking confidential treatment.

3. As indicated in Exhibit C, the information for which DEF requests confidential classification is "proprietary confidential business information" within the meaning of Section 366.093(3), F.S. Specifically, the information at issue relates to contractual information and competitively negotiated data, such as the budgeted and in-service costs associated with the Levy Nuclear Plant, the disclosure of which would impair the efforts of the Company to negotiate contracts on favorable terms. See § 366.093(3)(d), F.S.; Affidavit of Geoff Foster at ¶ 6. Accordingly, such information constitutes "proprietary confidential business information" which is exempt from disclosure under the Public Records Act pursuant to Section 366.093(1), F.S.

4. The information identified as Exhibit "A" is intended to be and is treated as confidential by the Company. See Affidavit of Geoff Foster at ¶ 7. The information has not been disclosed to the public, and the Company has treated and continues to treat the information and contracts at issue as confidential. See Affidavit of Geoff Foster ¶ 7.

5. DEF requests that the information identified in Exhibit A be classified as "proprietary confidential business information" within the meaning of section 366.093(3), F.S., that the information remain confidential for a period of at least 18 months as provided in section 366.093(4) F.S., and that the information be returned as soon as it is no longer necessary for the Commission to conduct its business..

WHEREFORE, for the foregoing reasons, DEF respectfully requests that this Request for Confidential Classification be granted.

RESPECTFULLY SUBMITTED this 30th day of April, 2013.

A handwritten signature in cursive script, appearing to read "Dianne M. Triplett", written over a horizontal line.

Dianne M. Triplett
Associate General Counsel
Duke Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, Florida 33733-4042
Telephone: 727-820-4692
Facsimile: 727-820-5041
Email: dianne.triplett@duke-energy.com

Attorney for
DUKE ENERGY FLORIDA, INC.

Exhibit B
REDACTED

REDACTED

REDACTED

Budgeted and Actual In-Service Costs of Nuclear Power Plant

Company: Duke Energy - Florida
For the Year Ended December 31, 2012

Redacted

Report the budgeted and actual costs as compared to the estimated in-service costs of the proposed power plant as provided in the petition for need determination or revised estimate as necessary. Per Rule 25-6.0423(8)(f)

Item				
Plant Name: <u>Levy County Nuclear Unit 1 and 2</u>	Actual Costs as of December 31, 2012	Remaining Budgeted Costs to Complete Plant:	Total Estimated Cost of Plant	Note 1 Estimated Cost provided in the Petition for Need Determination (or revised estimate as necessary)
Licensing/Permits/Authorizations/Legal				\$ -
Site/Site Preparation				\$ -
Related Facilities				\$ -
Generation Plant				\$ 10,516,097,000
Transmission Facilities				\$ 2,446,841,000
Total	\$ 724,820,373	\$ 17,704,742,328	\$ 18,429,562,701	\$ 12,962,938,000

Note 1: These amounts are based on our Need Determination which was filed March 11, 2008. At that point DEF did not have negotiated or signed contracts in place. Therefore the estimates provided are high level and only broken out between generation and transmission as presented in the Need Petition. As the project continues DEF will have better estimates and contracts in place.

Note 2: Costs included herein are exclusive of AFUDC and Carrying Costs as well as initial fuel load costs.

Budgeted and Actual In-Service Costs of Nuclear Power Plant

Company: Duke Energy - Florida
For the Year Ended December 31, 2012

Redacted

Report the budgeted and actual costs as compared to the estimated in-service costs of the proposed power plant as provided in the petition for need determination or revised estimate as necessary. Per Rule 25-6.0423(8)(f)

Item				
Plant Name: <u>Levy County Nuclear Unit 1 and 2</u>	Actual Costs as of December 31, 2012	Remaining Budgeted Costs to Complete Plant:	Total Estimated Cost of Plant	Note 1 Estimated Cost provided in the Petition for Need Determination (or revised estimate as necessary)
Licensing/Permits/Authorizations/Legal			\$	-
Site/Site Preparation			\$	-
Related Facilities			\$	-
Generation Plant			\$	10,516,097,000
Transmission Facilities			\$	2,446,841,000
Total	\$ 724,820,373	\$ 17,704,742,328	\$ 18,429,562,701	\$ 12,962,938,000

Note 1: These amounts are based on our Need Determination which was filed March 11, 2008. At that point DEF did not have negotiated or signed contracts in place. Therefore the estimates provided are high level and only broken out between generation and transmission as presented in the Need Petition. As the project continues DEF will have better estimates and contracts in place.

Note 2: Costs included herein are exclusive of AFUDC and Carrying Costs as well as initial fuel load costs.

EXHIBIT C

DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF's 2012 Diversification Report	Page 464; budgeted and actual in-service costs of Levy Nuclear Plant	<p>§366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost
recovery clause with generating
performance incentive factor

Docket No.: Undocketed

Dated: April 30, 2013

**AFFIDAVIT OF THOMAS G. FOSTER IN SUPPORT OF
DUKE ENERGY FLORIDA'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

RECEIVED - FPSC
13 APR 30 PM 3:01
COMMISSION
CLERK

STATE OF FLORIDA

COUNTY OF PINELLAS

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

1. My name is Thomas G. Foster. 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 Request for Confidential Classification. The facts attested to in my affidavit are
based upon my personal knowledge.

2. I am the Manager of Retail Riders and Rate Cases for Duke Energy
Florida.

3. As the Manager of Retail Riders and Rate Cases, I am responsible, along
with the other members of the section, for the regulatory strategy, compliance and
planning functions of the Florida electric utility.

DOCUMENT NUMBER DATE

02351 APR 30 2013

FPSC-COMMISSION CLERK

4. DEF is seeking confidential classification for certain cost information contained in its 2012 Diversification Report submitted to the Florida Public Service Commission on April 30, 2013. A detailed description of the confidential information at issue is contained in confidential Exhibit A to DEF's Request for Confidential Classification and is outlined in DEF's Justification Matrix that is attached to DEF's Request for Confidential Classification as Exhibit C. DEF is requesting confidential classification of this information because it contains sensitive business information, the disclosure of which would impair the Company's efforts to contract for goods or services on favorable terms.

5. DEF contracts with outside suppliers to obtain competitive contracts for construction options that provide economic value to DEF and its ratepayers. In order to obtain such contracts, however, DEF must be able to assure outside suppliers that sensitive business information, such as certain cost information, will be kept confidential pursuant to contractual agreement. With respect to the information at issue in this Request, DEF has kept confidential and has not publicly disclosed confidential information pertaining to the costs associated with generation facilities, site preparations, licensing, permits, and transmission facilities. Absent such measures, suppliers would run the risk that sensitive business information that they provided in their contracts with DEF would be made available to the public and, as a result, end up in possession of potential competitors. Faced with that risk, persons or companies who otherwise would contract with DEF might decide not to do so if DEF did not keep specific information confidential. Without DEF's measures to maintain the confidentiality of sensitive terms

in contracts between DEF and outside suppliers, the Company's efforts to obtain competitive contracts could be undermined.

6. Additionally, the disclosure of confidential information pursuant to contractual agreements, could adversely impact DEF's competitive business interests. If such information was disclosed to DEF's competitors, DEF's efforts to obtain competitive options that provide economic value to both DEF and its ratepayers could be compromised by DEF's competitors changing their behavior within the relevant markets.

7. Upon receipt of confidential information from outside suppliers, 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, and restricting the number of, and access to the information. At no time since receiving the contract information in question has the Company publicly disclosed that information. The Company has treated and continues to treat the information and contracts at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated the 26th day of April, 2013.

Thomas G. Foster

(Signature)
Thomas G. Foster
Manager
Rates and Regulatory Strategy Department
Duke Energy Florida, Inc.
Post Office Box 14042
St. Petersburg, FL 33733

26th THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of April, 2013 by Thomas G. Foster is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

Suzanne H. Miller

(Signature)
SUZANNE H. MILLER

(Printed Name)
NOTARY PUBLIC, STATE OF Florida

5/27/17

(Commission Expiration Date)

EE 854446

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)

