

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for Determination )  
of Cost Effective Generation Alternative )  
to Meet Need Prior to 2018 for Duke )  
Energy Florida, Inc. )  
\_\_\_\_\_ )

DOCKET NO. 140111-EI  
Submitted for filing: August 20, 2014

**REDACTED**

**DUKE ENERGY FLORIDA, INC.'S SIXTEENTH REQUEST FOR  
CONFIDENTIAL CLASSIFICATION REGARDING PORTIONS OF REBUTTAL  
TESTIMONY AND EXHIBITS OF BENJAMIN M.H. BORSCH**

Duke Energy Florida, Inc. ("DEF" or the "Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006(3), Florida Administrative Code ("F.A.C."), files this Request for Confidential Classification Regarding Portions of Rebuttal Testimony and Exhibits of Benjamin M.H. Borsch filed in support of the Company's Petition for Determination of Cost Effective Generation Alternative to Meet Need Prior to 2018 for Duke Energy Florida, Inc. (the "Request"). DEF is seeking confidential classification of the Rebuttal Testimony of Benjamin M.H. Borsch and Exhibits BMHB-12 through BMHB-18 to that Rebuttal Testimony filed with the Florida Public Service Commission ("FPSC" or the "Commission") in the above referenced docket on August 5, 2014: (1). An unredacted version of the documents discussed above is being filed under seal with the Commission as Appendix A on a confidential basis to keep the

COM \_\_\_\_\_ competitive business information in those documents confidential.

AFD 1

APA \_\_\_\_\_ In support of this Request, DEF states as follows:

ECO 2  
ENC 2 + redacted  
EXT B

**The Confidentiality of the Documents at Issue**

GCL 1 Section 366.093(1), Florida Statutes, provides that "any records received by the

IDM 1 Commission which are shown and found by the Commission to be proprietary confidential

TEL \_\_\_\_\_ business information shall be kept confidential and shall be exempt from [the Public Records

CLK \_\_\_\_\_ Act]." § 366.093(1), Fla. Stat. Proprietary confidential business information means information

that is (i) intended to be and is treated as private confidential information by the Company, (ii)

that is (i) intended to be and is treated as private confidential information by the Company, (ii)

RECEIVED-FPSC  
14 AUG 20 AM 10:55  
COMMISSION CLERK

because disclosure of the information would cause harm, (iii) either to the Company's ratepayers or the Company's business operation, and (iv) the information has not been voluntarily disclosed to the public. § 366.093(3), Fla. Stat. Specifically, "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" is defined as proprietary confidential business information. § 366.093(3)(d), Fla. Stat. Additionally, subsection 366.093(3)(e) defines "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information," as proprietary confidential business information.

#### **Testimony Exhibits**

As listed above, the Rebuttal Testimony and Exhibits No. BMHB-12 through BMHB-18 of Mr. Borsch contains confidential and sensitive information and numbers regarding the supply-side generation proposal evaluated by the Company to meet its capacity needs in the summers of 2016 and 2017, the disclosure of which would impair DEF's competitive business interests and ability to negotiate favorable contracts, as well as violate contractual nondisclosure provisions of these bids. See Affidavit of Borsch, ¶ 4. In order to obtain such proposals, DEF must be able to ensure potential bidders that the terms of their bids will be kept confidential. If such assurances are not provided, potential bidders know that the terms of their bids are subject to public disclosure, they might withhold sensitive information necessary for the utility to fully understand and accurately assess the costs and benefits of their proposals. Persons or companies who otherwise would have submitted bids in response to the utility's RFP might not do so if there is no assurance that their proposals would be protected from disclosure. Furthermore, the information at issue relates to the competitive interests of DEF and the bidding entities, the disclosure of which would impair their competitive business interests. See Affidavit of Borsch, ¶ 4.

Disclosure of any of this information would adversely impact DEF's competitive business interests. Specifically, the information at issue relates to competitively negotiated contractual data the disclosure of which would impair the efforts of the Company to negotiate on favorable terms. Affidavit of Borsch, ¶ 5. The Company must be able to assure these vendors that sensitive business information 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. Id. If third parties were made aware of confidential contractual terms and conditions that the Company has with other parties, they may offer DEF less competitive contractual terms and conditions in any future contractual negotiations. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and these contractors, the Company's efforts to obtain competitive contracts would be undermined. Affidavits of Borsch, ¶ 5.

#### **Confidentiality Procedures**

Strict procedures are established and followed to maintain the confidentiality of the terms of all of the confidential documents and information at issue, including restricting access to those persons who need the information and documents to assist the Company. See Affidavit of Borsch, ¶ 6.

At no time has the Company publicly disclosed the confidential information or documents at issue; DEF has treated and continues to treat the information and documents at issue as confidential. See Affidavit of Borsch, ¶ 7. DEF requests this information be granted confidential treatment by the Commission.

#### **Conclusion**

The competitive, confidential information at issue in this Request fits the statutory definition of proprietary confidential business information under Section 366.093, Florida

Statutes, and Rule 25-22.006, F.A.C., and therefore that information should be afforded confidential classification. In support of this motion, DEF has enclosed the following:

(1) A separate, sealed envelope containing one copy of the confidential Appendix A to DEF's Sixteenth Request for Confidential Classification which DEF intends to request confidential classification with the appropriate section, pages, or lines containing the confidential information highlighted. **This information should be accorded confidential treatment pending a decision on DEF's Request by the Commission;**

(2) Two copies of the documents with the information for which DEF intends to request confidential classification redacted by section, pages, or lines where appropriate as Appendix B; and,

(3) A justification matrix of the confidential information contained in Appendix A supporting DEF's Request, as Appendix C.

WHEREFORE, DEF respectfully requests that the redacted portions of the Rebuttal Testimony and Exhibits BMHB-12 through BMHB-18 of Mr. Borsch be classified as confidential for the reasons set forth above.

Respectfully submitted this 20<sup>th</sup> day of August, 2014.

John T. Burnett  
Deputy General Counsel  
Dianne M. Triplett  
Associate General Counsel  
DUKE ENERGY FLORIDA, INC.  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Telephone: (727) 820-5587  
Facsimile: (727) 820-5519

/s/ Blaise N. Gamba  
James Michael Walls  
Florida Bar No. 0706242  
Blaise N. Gamba  
Florida Bar No. 0027942  
CARLTON FIELDS JORDEN BURT, P.A.  
Post Office Box 3239  
Tampa, FL 33601-3239  
Telephone: (813) 223-7000  
Facsimile: (813) 229-4133

## 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 overnight mail this 20<sup>th</sup> day of August, 2014.

/s/ Blaise N. Gamba

Attorney

Michael Lawson  
Florida Public Service Commission Staff  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
Phone: (850) 413-6199  
Facsimile: (850) 413-6184  
Email: [mlawson@psc.state.fl.us](mailto:mlawson@psc.state.fl.us)

Charles Rehwinkel  
Deputy Public Counsel  
Erik Sayler  
Associate Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, FL 32399-1400  
Phone: (850) 488-9330  
Email: [rehwinkel.charles@leg.state.fl.us](mailto:rehwinkel.charles@leg.state.fl.us)  
[Sayler.erik@leg.state.fl.us](mailto:Sayler.erik@leg.state.fl.us)

Jon C. Moyle, Jr.  
Karen A. Putnal  
Moyle Law Firm  
118 North Gadsden Street  
Tallahassee, FL 32301  
Phone: (850) 681-3828  
Fax: (850) 681-8788  
Email: [jmoyle@moylelaw.com](mailto:jmoyle@moylelaw.com)  
[kputnal@moylelaw.com](mailto:kputnal@moylelaw.com)

James W. Brew  
F. Alvin Taylor  
Brickfield Burchette Ritts & Stone, PC  
1025 Thomas Jefferson St NW  
8th FL West Tower  
Washington, DC 20007-5201  
Phone: (202) 342-0800  
Fax: (202) 342-0807  
Email: [jbrew@bbrslaw.com](mailto:jbrew@bbrslaw.com)  
[ataylor@bbrslaw.com](mailto:ataylor@bbrslaw.com)

Robert Scheffel Wright  
John T. LaVia, III  
Gardner Law Firm  
1300 Thomaswood Drive  
Tallahassee, FL 32308  
Phone: (850) 385-0070  
Email: [Schef@gbwlegal.com](mailto:Schef@gbwlegal.com)  
[Jlavia@gbwlegal.com](mailto:Jlavia@gbwlegal.com)

Marsha E. Rule  
Rutledge Ecenia  
119 South Monroe Street, Ste. 202  
Tallahassee, FL 32301  
Phone: (850) 681-6788  
Fax: (850) 681-6515  
Email: [marsha@rutledge-ecenia.com](mailto:marsha@rutledge-ecenia.com)

Gordon D. Polozola  
NRG Energy, Inc.  
112 Telly Street  
New Roads, LA 70760  
Phone: (225) 618-4084  
Email: [Gordon.Polozola@nrgenergy.com](mailto:Gordon.Polozola@nrgenergy.com)

Richard A. Zambo  
Richard A. Zambo, P.A.  
2336 S.E. Ocean Boulevard, #309  
Stuart, FL 34966  
Phone: (772) 225-5400  
Email: [richzambo@aol.com](mailto:richzambo@aol.com)

DOCKET 140111-EI

In re: Petition for Determination of Cost Effective Generation  
Alternative to Meet Need Prior To 2018 For Duke Energy Florida, Inc.

Duke Energy Florida, Inc.'s  
Sixteenth  
Request for Confidential Classification

**EXHIBIT B**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Determination  
of Cost Effective Generation Alternative  
to Meet Need Prior to 2018 for Duke  
Energy Florida, Inc.

DOCKET NO. 140111-EI  
Submitted for filing:  
August 5, 2014

REDACTED

REBUTTAL TESTIMONY  
OF BENJAMIN M.H. BORSCH

ON BEHALF OF  
DUKE ENERGY FLORIDA, INC.

JOHN T. BURNETT  
Deputy General Counsel  
DIANNE M. TRIPLET  
Associate General Counsel  
DUKE ENERGY FLORIDA, INC.  
299 1<sup>st</sup> Avenue North  
St. Petersburg, Florida 33733  
Telephone: (727) 820-5184  
Facsimile: (727) 820-5519

JAMES MICHAEL WALLS  
Florida Bar No. 706272  
BLAISE N. GAMBA  
Florida Bar No. 027942  
CARLTON FIELDS JORDEN  
BURT, P.A.  
4221 W. Boy Scout Blvd., Ste.1000  
Tampa, Florida 33607  
Telephone: (813) 223-7000  
Facsimile: (813) 229-4133

REDACTED

1 Uprate Project, to determine the most cost effective alternative to meet its  
2 need prior to 2018.

3  
4 **Q. What were the NRG and Calpine generation capacity proposals to meet**  
5 **DEF's need prior to 2018?**

6 A. NRG made two proposals to DEF to meet DEF's generation capacity needs  
7 prior to 2018. One NRG proposal [REDACTED] and the second was  
8 an acquisition proposal or an offer to sell the NRG three combustion turbine  
9 ("CT"), 471MW plant to DEF. This is the "Acquisition 1" proposal that NRG  
10 witness Mr. Pollock recommends as an alternative to DEF's self-build  
11 generation projects in his direct testimony. Both NRG proposals are identified  
12 in Exhibit No. \_\_\_\_ (BMHB-7) and Exhibit No. \_\_\_\_ (BMHB-8) to my direct  
13 testimony.

14 Calpine also submitted [REDACTED] and an acquisition proposal to  
15 DEF to meet DEF's need for generation capacity prior to 2018. Calpine's  
16 separate acquisition proposal was an offer to sell its 594MW combined cycle  
17 power plant to DEF. Calpine's PPA and acquisition proposals are also  
18 identified in Exhibit No. \_\_\_\_ (BMHB-7) and Exhibit No. \_\_\_\_ (BMHB-8) to my  
19 direct testimony.

20 These NRG and Calpine proposals were evaluated in DEF's generation  
21 resource options assessment that is described in detail in my direct testimony  
22 and exhibits in this Docket. As I explain there, based on that assessment,  
23 including all quantitative and qualitative costs and risks, the Company



REDACTED

1 consummated; and (iii) all costs, including legal and expert fees, at FERC to  
2 attempt to obtain FERC approval of the PPA with the acquisition option. In  
3 other words, DEF expected NRG and Calpine to take all the risk --- not DEF's  
4 customers --- that FERC would not approve their proposed PPA structure with  
5 the plant acquisition to get DEF the value of the acquisition as soon as  
6 possible without substantial mitigation. Structuring the deal to accomplish this  
7 objective was complicated.

8  
9 **1. NRG'S FINAL AND BEST OFFER.**

10 **Q. Did NRG make a final and best offer to DEF?**

11 A. Yes. NRG submitted a final and best offer to DEF on June 18, 2014. NRG's  
12 final and best offer was intended, we believe, to address DEF's quantitative  
13 and qualitative concerns with NRG's original acquisition proposal including the  
14 FERC Competitive Analysis Screen failure. NRG's final and best offer is  
15 included as Exhibit No. \_\_\_\_ (BMHB-14) to my rebuttal testimony.

16  
17 **Q. Were DEF's concerns addressed in NRG's final and best offer?**

18 A. No. NRG's final and best offer was at least [REDACTED] negative on a  
19 Cumulative Present Value Revenue Requirements ("CPVRR") basis compared  
20 to the Suwannee Simple Cycle Project and Hines Chillers Power Uprate  
21 Project. NRG proposed [REDACTED]

22 [REDACTED]

23 [REDACTED]

REDACTED

1 [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED] DEF's response to NRG and evaluation of NRG's final and best  
22 offer is included in Exhibit No. \_\_\_\_ (BMHB-15) to my rebuttal testimony.

REDACTED

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

Direct Test., pp. 8-9). Calpine's July 3<sup>rd</sup> final and best offer is included as Exhibit No. \_\_\_\_ (BMHB-17) to my rebuttal testimony.

**Q. What was the first final and best offer that Calpine made to DEF?**

**A. Calpine proposed a**

[REDACTED]

REDACTED

1

[REDACTED]

2

[REDACTED]

3

[REDACTED]

4

[REDACTED]

5

[REDACTED]

6

[REDACTED]

7

[REDACTED]

8

[REDACTED] See Exhibit No. \_\_\_\_ (BMHB-16) to my rebuttal testimony.

9

10 Q. What was DEF's response to the Calpine June 16<sup>th</sup> offer?

11 A. DEF could not accept this offer because it did not "close the gap" between the

12

[REDACTED]

13

[REDACTED]

14

[REDACTED]

15

[REDACTED]

16

[REDACTED]

17

[REDACTED]

18

[REDACTED]

19

[REDACTED]

20

[REDACTED]

21

[REDACTED]

22

[REDACTED]

23

[REDACTED]

REDACTED

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

[REDACTED]

[REDACTED] DEF explained this to Calpine in a June 26, 2014 letter that is included in Exhibit No. \_\_\_\_ (BMHB-13) to my rebuttal testimony.

**Q. What was Calpine's response to DEF's concerns in DEF's June 26, 2014 letter to Calpine?**

A. Calpine's response was to make its July 3<sup>rd</sup> final and best offer to DEF. Calpine witness Mr. Thornton correctly describes this July 3<sup>rd</sup> offer in his direct testimony as a five-year PPA for 515MW of capacity and energy with a guaranteed heat rate and plant availability. Calpine lowered the capacity payments during the PPA. (Thornton Direct Test., p. 8, lines 2-15; Exhibit No. \_\_\_\_ (BMHB-17) to my rebuttal testimony). [REDACTED] provided DEF the option to purchase the plant for [REDACTED] "subject to certain adjustments the terms of which would be negotiated by Calpine" and DEF. (Thornton Direct Test., p. 8, lines 15-19). Calpine further provided for the first time terms that addressed the risk that FERC might not approve the Calpine

REDACTED

1 PPA-acquisition proposal or that FERC might approve it only with mitigation.  
2 All other terms of the Calpine July 3<sup>rd</sup> final and best offer remained the same  
3 as the June 16<sup>th</sup> Calpine offer. See Exhibit No. \_\_\_\_ (BMHB-17) to my rebuttal  
4 testimony. In this final and best offer Calpine attempted to address DEF's  
5 concerns with its initial plant acquisition proposal and its June 16<sup>th</sup> final and  
6 best offer and to "close the gap" between the cost effectiveness of the Calpine  
7 plant acquisition and the Company's Suwannee Simple Cycle Project and the  
8 Hines Chillers Power Uprate Project to meet DEF's need prior to 2018.

9  
10 **Q. Was the Calpine July 3<sup>rd</sup> final and best offer more cost effective for**  
11 **DEF's customers than the Company's self-build generation projects?**

12 **A.** No. On a CPVRR basis, accounting for all the costs to DEF of the Calpine  
13 July 3<sup>rd</sup> final and best offer, the Calpine July 3<sup>rd</sup> offer is still [REDACTED] less  
14 cost effective in a FERC no mitigation scenario, [REDACTED] less cost effective  
15 in a FERC mitigation scenario where DEF has to default to a delayed DEF  
16 self-build generation plan, and [REDACTED] less cost effective if DEF were to  
17 accept the full five years of the PPA with no acquisition. Calpine moved closer  
18 to the cost-effectiveness of DEF's self-build generation resources to meet  
19 DEF's need prior to 2018, but Calpine did not fully close that gap, thus, the  
20 Company's Suwannee Simple Cycle Project and the Hines Chillers Power  
21 Uprate Project are still the most cost effective generation capacity resources to  
22 meet DEF's need prior to 2018. Please see DEF's evaluation of Calpine's July

REDACTED

1 plant capacity year-round, DEF does not have firm transmission rights to  
2 obtain the full plant capacity across TEC's system and onto DEF's system.

3 Mr. Hibbard admits --- contrary to Mr. Simpson's testimony --- that only  
4 249MW of the Calpine plant capacity can be supplied on a firm basis under  
5 the PPA prior to the new \$150 million transmission infrastructure. (Hibbard  
6 Direct Test., p. 13, lines 21-23). While Mr. Simpson takes the position that the  
7 Calpine plant can firmly deliver DEF more than 249MW of plant capacity even  
8 before the new transmission infrastructure is constructed with the use of  
9 operating procedures and re-dispatch of generation resources by both DEF  
10 and TEC, he at least admits that "additional transmission service will need to  
11 be purchased from TEC for the delivery of additional energy and capacity"  
12 from Calpine's plant to DEF. (Simpson Direct Test., p. 8, lines 12-14). Mr.  
13 Hibbard does not include the costs for this additional transmission service to  
14 deliver the full plant capacity to DEF under the PPA in the Calpine July 3<sup>rd</sup>  
15 offer in his CPVRR adjustments. DEF, in its evaluation of the Calpine offer,  
16 attempted to address these issues by modeling a scenario in which the  
17 available transmission capacity was limited to 249MW during four peak  
18 months of the year and the full 515MW was available during the remaining  
19 eight months, shaping the expected transmission charges owed to TEC  
20 accordingly. The cost of this transmission service over the term of the PPA in  
21 the July 3<sup>rd</sup> offer has a negative CPVRR impact of [REDACTED] for the Calpine  
22 PPA-acquisition proposal. Mr. Hibbard ignores these costs in his adjustments  
23 to the CPVRR evaluation in his direct testimony.

REDACTED

1 customers and TEC's customers to assume this uneconomic re-dispatch cost  
2 to enable Calpine to deliver its full plant capacity to DEF when it is needed.  
3

4 **Q. What costs are associated with the plant acquisition at a later date under**  
5 **the July 3<sup>rd</sup> offer that Mr. Hibbard does not include in his analysis?**

6 A. DEF included costs to account for the Calpine plant condition including  
7 necessary expected maintenance contract and other costs to align the  
8 maintenance of the Calpine plant with DEF's other combined cycle generation  
9 plants if the Calpine plant was acquired by DEF. The Calpine plant, despite  
10 Calpine's witnesses' claims about its reliable operation, is ten years old and it  
11 will be at least 15 years old at the latest time of the acquisition under the  
12 Calpine July 3<sup>rd</sup> PPA-acquisition offer. Notably, Calpine failed to guarantee  
13 upon acquisition the performance or maintenance of the Calpine plant in its  
14 July 3<sup>rd</sup> offer. DEF included direct costs of [REDACTED] with a CPVRR impact  
15 o [REDACTED]. It is unreasonable for Calpine and Mr. Hibbard to ignore any  
16 additional cost to DEF to maintain and incorporate a 15-year old plant into its  
17 system. See Exhibit No. \_\_\_\_ (BMHB-18).

18 In addition, DEF included transaction costs for the actual plant  
19 acquisition, which again, Calpine failed to include in its July 3<sup>rd</sup> offer and Mr.  
20 Hibbard failed to include in his CPVRR adjustments. Calpine must admit that  
21 there would necessarily be such transaction costs, because even Calpine  
22 explains that its offer was not final, but instead subject to negotiation.  
23 (Thornton Direct Test., pl. 8, lines 15-16; p. 9, lines 10-12). These costs also



REDACTED

1 impact the economic comparison of the Calpine July 3<sup>rd</sup> offer to the  
2 Company's self-build generation projects. DEF included a [REDACTED] estimate  
3 for these costs. See Exhibit No. \_\_ (BMHB-18).  
4

5 **Q. Why is Mr. Hibbard's firm gas transportation cost adjustment incorrect?**

6 A. Mr. Hibbard makes a substantial [REDACTED] adjustment to the CPVRR  
7 economic evaluation of the Calpine July 3<sup>rd</sup> proposal based on his  
8 unwarranted and unsupported assumption that [REDACTED]  
9 [REDACTED]  
10 [REDACTED]. (Hibbard  
11 Direct Test., p. 32, lines 1-6). In other words, Mr. Hibbard says DEF should  
12 simply [REDACTED]

13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED] Mr. Hibbard claims this is a fair allocation because DEF  
16 purchases gas on a system or fleet-wide basis, and, therefore, according to  
17 him, to level "the playing field" between DEF generation resources and third-  
18 party proposals the DEF firm gas transportation contracts should be  
19 transferable to any proposal including Calpine's proposal. (Hibbard Direct  
20 Test., pp. 30-31).

21 Mr. Hibbard makes an unsupported assumption that the gas  
22 transportation contracts which supply the Suwannee site can be redirected to  
23 the Calpine Osprey plant location. This is not correct. Different gas

REDACTED

1 As mentioned above, there is another reason Mr. Hibbard's simplistic  
2 view is inaccurate. If DEF has reserved firm gas transportation now for its  
3 Suwannee Simple Cycle Project it does not make economic sense for DEF  
4 and its customers to give that firm gas transportation up now for the Calpine  
5 proposal or any other proposal only for DEF to have to buy back future firm  
6 gas transportation at a higher price when DEF knows its system is growing.  
7 Mr. Hibbard's firm gas transportation CPVRR adjustment fails to compensate  
8 DEF's customers for the differential cost that is lost if DEF must purchase firm  
9 gas transportation in the future at a higher cost to replace the firm gas  
10 transportation it has now but must give up to Calpine under Mr. Hibbard's  
11 simplistic view of the use of system firm gas transportation resources.

12  
13 **Q. Did Mr. Hibbard account for the costs associated with the extended**  
14 **operation of the Suwannee Steam units?**

15 **A.** No. One of the benefits of the construction of the Suwannee Simple Cycle  
16 Project is that it allows for retirement of the more than 50-year old Suwannee  
17 Steam units in 2016. Both Calpine and Mr. Hibbard failed to account for the  
18 cost to extend the retirement of the Suwannee steam units from 2016 to 2018  
19 if FERC approves the Calpine July 3<sup>rd</sup> PPA-acquisition proposal without  
20 mitigation. The Suwannee steam units are needed for transmission grid  
21 reliability in the North Florida area between 2016 and 2018 if the Suwannee  
22 Simple Cycle Project is not placed in commercial operation in 2016. DEF  
23 included these costs with a CPVRR impact of [REDACTED] in its analysis.

REDACTED

1 Q. What additional costs did Mr. Hibbard fail to include for the deferral of  
2 the self-build generation projects while DEF and Calpine attempt to  
3 obtain FERC approval for the Calpine PPA-acquisition proposal?

4 A. As explained above, DEF announced in May 2014 that the Suwannee Simple  
5 Cycle Project and the Hines Chillers Power Uprate Project were the most cost  
6 effective generation capacity to meet DEF's need prior to 2018. DEF filed its  
7 Petition and Direct Testimony in support of that determination and DEF  
8 necessarily is incurring costs to ensure that the Suwannee Simple Cycle  
9 Project can be completed in time to meet DEF's need in 2016 --- all before  
10 DEF received the Calpine final and best offer, which is still subject to FERC  
11 approval. There are, therefore, sunk costs associated with this Project that  
12 Calpine --- not DEF's customers --- must assume. [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED] Mr.

16 Hibbard fails to include this cost in his CPVRR analysis entirely.

17 Finally, there obviously will be costs, including legal and expert fees,  
18 associated with any attempt to obtain FERC approval of the Calpine July 3<sup>rd</sup>  
19 PPA-acquisition proposal. [REDACTED]

20 [REDACTED]

21 [REDACTED] See Exhibit No. \_\_\_\_ (BMHB-17). Mr. Hibbard never  
22 included these costs in his CPVRR analysis. DEF and its customers obviously

REDACTED

1 should not be responsible for the costs of obtaining FERC approval for  
2 Calpine's July 3<sup>rd</sup> proposal.

3 Recognizing that these costs totaling at least [REDACTED] might be the  
4 subject of a future "negotiation" on the final purchase price, DEF did not  
5 directly include these in its CPVRR analysis, but DEF has identified them as a  
6 potential reduction in any benefit to customers if Calpine is not willing to fully  
7 net them against the purchase price.

8  
9 **Q: Did Calpine offer any offset to the Suwannee Project Costs?**

10 A. Calpine offered [REDACTED]  
11 its July 3<sup>rd</sup> offer. (See Exhibit No. \_\_\_ (BMHB-17); Thornton Direct Test., p. 9,  
12 lines 7-9); [REDACTED]  
13 [REDACTED] See Exhibit No. \_\_\_ (BMHB-18) to my rebuttal testimony. [REDACTED]  
14 [REDACTED]  
15 [REDACTED] See Exhibit  
16 No. \_\_\_(BMHB-17).

17  
18 **Q. Please explain the qualitative factors that add risk and cost to the**  
19 **Calpine July 3<sup>rd</sup> offer.**

20 A. As I explained above, Calpine acknowledges that many of the terms and  
21 conditions of Calpine's July 3<sup>rd</sup> PPA-acquisition proposal remain to be  
22 negotiated and, in Calpine's view, are "subject to certain adjustments."  
23 (Thornton Direct Test., p. 8, lines 9-10). This includes the terms for the actual

REDACTED

1 plant acquisition value --- if there was economic value to DEF customers to the plant  
2 acquisition in the deal --- as soon as possible by obtaining early FERC  
3 approval of the PPA-acquisition offer, and, if FERC did not approve the PPA-  
4 acquisition proposal or FERC approved it subject to required mitigation, DEF  
5 could get out of the PPA. Hence, the "escape" clause that DEF required and  
6 that Calpine finally provided in the July 3<sup>rd</sup> PPA-acquisition proposal, albeit still  
7 subject to further negotiation on the final terms. See Exhibit No. \_\_\_\_ (BMHB-  
8 17).

9 This "escape" clause provision necessarily committed DEF to a  
10 minimum two-year PPA with Calpine while DEF and Calpine sought FERC  
11 approval of the PPA-acquisition proposal and, if it was not approved or was  
12 only approved subject to required mitigation, DEF deferred the in-service of  
13 the Suwannee Simple Cycle Project to 2017. This "escape" clause detracted  
14 from the value of the Calpine July 3<sup>rd</sup> offer. In fact, the minimum two-year PPA  
15 under the "escape" clause resulted in a negative CPVRR impact of [REDACTED]  
16 compared to the Company's self-build generation projects. See Exhibit No.  
17 \_\_\_\_ (BMHB-18). Neither Calpine nor Mr. Hibbard account for this negative  
18 CPVRR impact. They both ignore it in their direct testimony.

19  
20  
21  
22  
23

**Q: Did Calpine offer an offsetting payment in this case?**

A: DEF identified, and Calpine recognized, that in the event that DEF suspended the Suwannee Project during the period of consideration by FERC, DEF would incur costs regardless of FERC's eventual ruling on the Calpine PPA-

REDACTED

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

acquisition proposal. In the event of FERC approval, DEF and Calpine would have to negotiate, in advance, a settlement for the project costs so that they would not accrue to customers as discussed earlier. In the event that FERC does not approve the Calpine PPA-acquisition proposal, or requires mitigation, DEF would incur cost for suspending and restarting the project as well as carrying costs for the funds already committed and the costs for extended operation of the Suwannee steam units.

Calpine offered [REDACTED] [REDACTED] (See Exhibit No. \_\_\_\_ (BMHB-17) and Thornton Direct Test., p. 9, lines 7-9). [REDACTED]

[REDACTED]  
[REDACTED]

[REDACTED] See Exhibit No. \_\_\_\_ (BMHB-18) to my rebuttal testimony. [REDACTED]

[REDACTED]  
[REDACTED] See Exhibit No. \_\_\_\_ (BMHB-17). Mr. Hibbard, however, failed to include [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] in his analysis.

Finally, [REDACTED] [REDACTED] are based on DEF's ability to exercise the "escape clause" at the end of year two of the PPA ( or in 2016). If the PPA

REDACTED

1 Calpine July 3<sup>rd</sup> final and best offer is less cost effective by [REDACTED] in a  
2 FERC approval scenario and [REDACTED] to [REDACTED] less cost effective in a  
3 FERC disapproval or FERC mitigation scenario than the Company's self-build  
4 generation projects, depending on the length of the eventual PPA. Please see  
5 DEF's evaluation of the Calpine July 3<sup>rd</sup> offer in Exhibit No. \_\_\_\_ (BMHB-18).  
6

7 **IV. DEF EVIDENCE UNCONTESTED BY INTERVENOR TESTIMONY IN THIS DOCKET.**

8 **Q. What issues will the Commission decide in this Docket?**

9 **A.** My understanding is that the Commission will determine:

(i) Are the proposed Suwannee Simple Cycle Project and Hines Chillers Power Uprate Project needed, taking into account the need for electric system reliability and integrity;

(ii) Are the proposed Suwannee Simple Cycle Project and Hines Chillers Power Uprate Project needed, taking into account the need for adequate electricity at a reasonable cost;

(iii) Are the proposed Suwannee Simple Cycle Project and Hines Chillers Power Uprate Project needed, taking into account the need for fuel diversity and fuel supply reliability;

(iv) Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to DEF that might mitigate the need for the proposed Suwannee Simple Cycle Project and Hines Chillers Power Uprate Project;

(v) Are the proposed Suwannee Simple Cycle Project in 2016 and the Hines Chillers Power Uprate Project in 2017 the most cost-effective alternative available to meet the needs of DEF and its customers; and

(vi) Did DEF reasonably evaluate all alternative scenarios for cost effectively meeting the needs of its customers over the relevant planning horizon.

## REDACTED

1 the point of Exhibit No. \_\_\_\_ (PJH-6). This means that new generation on  
2 DEF's system affects the cost effectiveness of the Calpine plant as a DEF  
3 generation system resource in the DEF resource evaluation. So Mr. Hibbard  
4 develops a chart comparing the projected energy growth on DEF's system to  
5 the projected growth in potential new combined cycle generation from 2018 to  
6 2043 to claim that DEF doesn't need all the new combined cycle generation in  
7 its resource evaluation that is negatively affecting the value of Calpine's plant  
8 in the production cost dispatch analysis of the system. See Exhibit No. \_\_\_\_  
9 (PJH-5). What Mr. Hibbard has done to create this apparent "overbuild" in  
10 future combined cycle generation capacity is to assume that all the existing  
11 and new combined cycle generation will always operate at a [REDACTED]  
12 [REDACTED]. That assumption is obviously unrealistic and incorrect.

13 The whole point of resource planning is to add additional generation  
14 capacity when it is economic to do so to meet system reliability needs.  
15 Arbitrarily forcing the production cost model to run older, more costly to  
16 operate and maintain, and less fuel efficient units on the system will yield an  
17 overall more expensive system for customers than allowing the production  
18 cost model to select the most cost efficient resources even if that means  
19 adding new generation and reducing the operation of existing generation on  
20 the system. What Mr. Hibbard fails to mention is that the Calpine plant runs at  
21 a capacity factor of [REDACTED] from 2014 to 2026 in his own Exhibit No.  
22 \_\_\_\_ (PJH-6) when the Calpine plant is 10 to 22 years old. Of course, the  
23 Calpine plant operation will fall off when the plant is over 20 years old as new,



REDACTED

1 more fuel efficient generation units are added to the system. DEF's existing,  
2 older generation units on the system are not immune from these effects, the  
3 same thing happens to the capacity factor and number of starts for DEF's  
4 existing combined cycle generation.

5  
6 **Q. You testified that the LCOE analysis that Mr. Hibbard recommends**  
7 **should only be used to compare "like type" resources. Does Mr. Hibbard**  
8 **use the LCOE analysis to compare "like type" resources?**

9 **A.** No. Mr. Hibbard uses his LCOE analysis to compare combined cycle  
10 generation – the Calpine plant – to CT generation --- the Suwannee Simple  
11 Cycle Project. It should not surprise anyone in the utility industry that  
12 combined cycle and CT generation have different capital, fixed and variable  
13 operation and maintenance ("O&M"), and other costs and different capacity  
14 factors. Using the LCOE analysis to make a selection between these two  
15 different resource options is not a meaningful exercise to determine which  
16 generation option is the most cost effective generation on DEF's system.

17 Mr. Hibbard's Exhibit No. \_\_\_\_ (PJH-3) illustrates this point. According  
18 to Mr. Hibbard, Exhibit No. \_\_\_\_ (PJH-3) demonstrates that the Calpine asset  
19 sale at \$85.3 (\$2014/MWh) is more cost effective than the DEF Suwannee  
20 Simple Cycle Project at \$168 (\$2014/MWh). But Mr. Hibbard is comparing the  
21 Calpine asset sale value at a [REDACTED] capacity factor to the value of the  
22 Suwannee Simple Cycle Project at a 9.3 percent capacity factor, which is the  
23 expected capacity factor for the Suwannee Simple Cycle Project. See Exhibit

REDACTED

1 No. \_\_\_\_ (PJH-4). If Mr. Hibbard is suggesting that DEF should always  
2 compare combined cycle generation costs on a \$/MWh basis at a [REDACTED]  
3 capacity factor to CT generation on a \$/MWh basis at a roughly 9 percent  
4 capacity factor, then, DEF --- or any other public utility for that matter --- will  
5 always select the combined cycle generation over the CT generation. Since  
6 this will never be the case in the real world where DEF and every other public  
7 utility will build generation to meet base, intermediate, and peaking load the  
8 LCOE analysis is clearly a meaningless exercise when the utility must  
9 determine what type of generation is the most cost effective generation on its  
10 system.

11  
12 **Q. Based on DEF's actual system need prior to 2018, does Mr. Hibbard's**  
13 **LCOE analysis tell you anything about the most cost effective generation**  
14 **resource to meet that need?**

15 **A.** It could be read this way. DEF identified a peaking generation need prior to  
16 2018 and that is why the production cost model evaluations in DEF's IRP  
17 process identified the Suwannee Simple Cycle Project in 2016. Based on  
18 DEF's need for peaking generation on its system prior to 2018, Mr. Hibbard's  
19 own exhibit demonstrates that the Suwannee Simple Cycle Project is more  
20 cost effective than the Calpine plant. On Exhibit No. \_\_\_\_ (PJH-4), at any  
21 capacity factor below [REDACTED], the Suwannee Simple Cycle Project is more  
22 cost effective on a \$/MWh basis than the Calpine plant. At the expected  
23 capacity factor of 9.3 percent for the Suwannee Simple Cycle Project, then,

Docket No. 140111-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_ (BMHB-12)  
Pages 1 through 49

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Determination  
of Cost Effective Generation Alternative  
to Meet Need Prior to 2018 for Duke  
Energy Florida, Inc.

DOCKET NO. 140111-EI  
Submitted for filing:  
August 5, 2014

**EXHIBIT BMHB-12 OF  
REBUTTAL TESTIMONY  
OF BENJAMIN M.H. BORSCH  
IS COMPETITIVELY SENSITIVE CONFIDENTIAL INFORMATION  
IN ITS ENTIRETY**

Docket No. 140111-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_\_ (BMHB-13)  
Pages 1 through 51

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Determination  
of Cost Effective Generation Alternative  
to Meet Need Prior to 2018 for Duke  
Energy Florida, Inc.

DOCKET NO. 140111-EI  
Submitted for filing:  
August 5, 2014

**EXHIBIT BMHB-13 OF  
REBUTTAL TESTIMONY  
OF BENJAMIN M.H. BORSCH  
IS COMPETITIVELY SENSITIVE CONFIDENTIAL INFORMATION  
IN ITS ENTIRETY**

Docket No. 140111-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_\_ (BMHB-14)  
Pages 1 through 3

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Determination  
of Cost Effective Generation Alternative  
to Meet Need Prior to 2018 for Duke  
Energy Florida, Inc.

DOCKET NO. 140111-EI  
Submitted for filing:  
August 5, 2014

**EXHIBIT BMHB-14 OF  
REBUTTAL TESTIMONY  
OF BENJAMIN M.H. BORSCH  
IS COMPETITIVELY SENSITIVE CONFIDENTIAL INFORMATION  
IN ITS ENTIRETY**

Docket No. 140111-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_ (BMHB-15)  
Pages 1 through 9

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Determination  
of Cost Effective Generation Alternative  
to Meet Need Prior to 2018 for Duke  
Energy Florida, Inc.

DOCKET NO. 140111-EI  
Submitted for filing:  
August 5, 2014

**EXHIBIT BMHB-15 OF  
REBUTTAL TESTIMONY  
OF BENJAMIN M.H. BORSCH  
IS COMPETITIVELY SENSITIVE CONFIDENTIAL INFORMATION  
IN ITS ENTIRETY**

Docket No. 140111-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_\_ (BMHB-16)  
Pages 1 through 4

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Determination  
of Cost Effective Generation Alternative  
to Meet Need Prior to 2018 for Duke  
Energy Florida, Inc.

DOCKET NO. 140111-EI  
Submitted for filing:  
August 5, 2014

**EXHIBIT BMHB-16 OF  
REBUTTAL TESTIMONY  
OF BENJAMIN M.H. BORSCH  
IS COMPETITIVELY SENSITIVE CONFIDENTIAL INFORMATION  
IN ITS ENTIRETY**

Docket No. 140111-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_ (BMHB-17)  
Pages 1 through 2

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Determination  
of Cost Effective Generation Alternative  
to Meet Need Prior to 2018 for Duke  
Energy Florida, Inc.

DOCKET NO. 140111-EI  
Submitted for filing:  
August 5, 2014

**EXHIBIT BMHB-17 OF  
REBUTTAL TESTIMONY  
OF BENJAMIN M.H. BORSCH  
IS COMPETITIVELY SENSITIVE CONFIDENTIAL INFORMATION  
IN ITS ENTIRETY**



Docket No. 140111-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_ (BMHB-18)  
Pages 1 through 3

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Determination  
of Cost Effective Generation Alternative  
to Meet Need Prior to 2018 for Duke  
Energy Florida, Inc.

DOCKET NO. 140111-EI  
Submitted for filing:  
August 5, 2014

**EXHIBIT BMHB-18 OF  
REBUTTAL TESTIMONY  
OF BENJAMIN M.H. BORSCH  
IS COMPETITIVELY SENSITIVE CONFIDENTIAL INFORMATION  
IN ITS ENTIRETY**

**DUKE ENERGY FLORIDA**  
**DOCKET NO. 140111-EI**  
**Sixteenth Request for Confidential Classification**  
**Confidentiality Justification Matrix**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
<p>Rebuttal Testimony of Benjamin M.H. Borsch on behalf of Duke Energy Florida, Inc.</p>	<p>Page 13, Line 7, seventh through eleventh words, Line 14, fourth through seventh words; Page 23, Line 18, tenth and eleventh words, Line 21, all words except first three, Lines 22 and 23 in their entirety; Page 24, Lines 1 through 20 in their entirety, Line 21, first word; Page 29, Line 5, all words except first two, Lines 6 through 23 in their entirety; Page 30, Lines 1 through 7 in their entirety, Line 8, first word, Lines 12 through 23 in their entirety; Page 31, Lines 1 through 7 in their entirety, Line 8, first two words, Line 18, last five words, Line 19, all words except last word, Line 20, ninth and tenth words; Page 32, Line 13 second and third word from end, Line 14, ninth and tenth words, Line 16, sixth and seventh words; Page 35, Line 21, fourth and fifth words from end; Page 38, Line 14, ninth and tenth words, Line 15, second and third words; Page 39, Line 2, second and third word from end, Line 6, sixth and seventh words, Line 8, last four words, Line 9 in its entirety, Line 10, all words except last word, Line 12, entire line except first word, Lines 13 and 14 in</p>	<p>366.093(3)(a), Fla. Stat.  The document in question contains proprietary confidential information relating to trade secrets, the disclosure of which would impair DEF's business operations.</p> <p>§366.093(3)(d), Fla. Stat.  The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.  The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

**DUKE ENERGY FLORIDA**  
**DOCKET NO. 140111-EI**  
**Sixteenth Request for Confidential Classification**  
**Confidentiality Justification Matrix**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
	<p>their entirety, Line 15, 1<sup>st</sup> three words; Page 41, Line 23, ninth and tenth words; Page 42, 12<sup>th</sup> line, last five words, Lines 13 and 14 in their entirety, Line 15, all words except last one, Line 19, last six words, Line 20 in its entirety, Line 21, first five words; Page 43, Line 3, eighth and ninth words, Line 10, all words except first two, Line 12, all words except first two, Line 13, first, second and last words, Line 14 in its entirety, Line 15, all words except last two words; Page 45, Line 15, last two words; Page 46, Line 8, all words except first two, Line 9, first six words; Line 10, last seven words, Lines 11 and 12 in their entirety, Line 13, first and last words, Line 14 in its entirety, Line 15, all words except last two, Line 16, last three words, Lines 17 through 19 in their entirety, Line 20, first four words, Line 21, all words except first one, Line 22, first four words; Page 49, Line 1 third and fourth words from the end, Line 2, fifth, sixth eighth and ninth words; Page 63, Line 11, last two words, Line 12, first two words, Line 21, fifth through seventh words; Page 64, Line 21, seventh and eighth words;</p>	

**DUKE ENERGY FLORIDA**  
**DOCKET NO. 140111-EI**  
**Sixteenth Request for Confidential Classification**  
**Confidentiality Justification Matrix**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
	Page 65, Line 2, last word, Line 21, fourth and fifth words	
Rebuttal Testimony of Benjamin M.H. Borsch on behalf of Duke Energy Florida, Inc., Exhibit BMHB-12	Entire Document	<p>366.093(3)(a), Fla. Stat. The document in question contains proprietary confidential information relating to trade secrets, the disclosure of which would impair DEF's business operations.</p> <p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Rebuttal Testimony of Benjamin M.H. Borsch on behalf of Duke Energy Florida, Inc., Exhibit BMHB-13	Entire Document	<p>366.093(3)(a), Fla. Stat. The document in question contains proprietary confidential information relating to trade secrets, the disclosure of which would impair DEF's business operations.</p> <p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to</p>

**DUKE ENERGY FLORIDA**  
**DOCKET NO. 140111-EI**  
**Sixteenth Request for Confidential Classification**  
**Confidentiality Justification Matrix**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
		<p>contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.  The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
<p>Rebuttal Testimony of Benjamin M.H. Borsch on behalf of Duke Energy Florida, Inc., Exhibit BMHB-14</p>	<p>Entire Document</p>	<p>366.093(3)(a), Fla. Stat.  The document in question contains proprietary confidential information relating to trade secrets, the disclosure of which would impair DEF's business operations.</p> <p>§366.093(3)(d), Fla. Stat.  The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.  The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
<p>Rebuttal Testimony of Benjamin M.H. Borsch on behalf of Duke Energy Florida, Inc., Exhibit BMHB-15</p>	<p>Entire Document</p>	<p>366.093(3)(a), Fla. Stat.  The document in question contains proprietary confidential information relating to trade secrets, the disclosure of which would impair DEF's business operations.</p>

**DUKE ENERGY FLORIDA**  
**DOCKET NO. 140111-EI**  
**Sixteenth Request for Confidential Classification**  
**Confidentiality Justification Matrix**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
		<p>§366.093(3)(d), Fla. Stat.  The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.  The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Rebuttal Testimony of Benjamin M.H. Borsch on behalf of Duke Energy Florida, Inc., Exhibit BMHB-16	Entire Document	<p>366.093(3)(a), Fla. Stat.  The document in question contains proprietary confidential information relating to trade secrets, the disclosure of which would impair DEF's business operations.</p> <p>§366.093(3)(d), Fla. Stat.  The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.  The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Rebuttal Testimony of	Entire Document	366.093(3)(a), Fla. Stat.

**DUKE ENERGY FLORIDA**  
**DOCKET NO. 140111-EI**  
**Sixteenth Request for Confidential Classification**  
**Confidentiality Justification Matrix**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
Benjamin M.H. Borsch on behalf of Duke Energy Florida, Inc., Exhibit BMHB-17		<p>The document in question contains proprietary confidential information relating to trade secrets, the disclosure of which would impair DEF's business operations.</p> <p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Rebuttal Testimony of Benjamin M.H. Borsch on behalf of Duke Energy Florida, Inc., Exhibit BMHB-18	Entire Document	<p>366.093(3)(a), Fla. Stat. The document in question contains proprietary confidential information relating to trade secrets, the disclosure of which would impair DEF's business operations.</p> <p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business</p>

**DUKE ENERGY FLORIDA**  
**DOCKET NO. 140111-EI**  
**Sixteenth Request for Confidential Classification**  
**Confidentiality Justification Matrix**

<b>DOCUMENT</b>	<b>PAGE/LINE/ COLUMN</b>	<b>JUSTIFICATION</b>
		interests, the disclosure of which would impair the competitive business of the provider/owner of the information.