REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery Clause

Docket No. 150009-EI
Submitted for Filing: March 18, 2015

DUKE ENERGY FLORIDA, INC.'S SECOND REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING PORTIONS OF THE TESTIMONIES AND EXHIBITS FILED AS PART OF THE COMPANY'S MARCH 2, 2015 TRUE-UP FILING

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 the Testimonies and Exhibits Filed as Part of the Company's March 2, 2015 True-Up Filing (the "Request"). 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 of Mr. Thomas G. Foster and Exhibit No.___ (TGF-1); (2) portions of the testimony of Mr. Christopher M. Fallon and Exhibit Nos. __(CMF-1), (CMF-2), (CMF-3), (CMF-4), (CMF-5), and (CMF-6); and (3) portions of the testimony of Mr. Mark R. Teague and Exhibit Nos.___(MT-4) and (MT-5). 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 competitive business information in those documents confidential.

In support of this Request, DEF states as follows:

The Confidentiality of the Documents at Issue

Section 366.093(1), Florida Statutes, provides that "any records received by the Commission which are shown and found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from [the Public Records

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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) 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 and Exhibits

Levy Nuclear Project

As listed above, portions of the testimony of Mr. Foster and attached Exhibit No. __ (TGF-1) ("Schedule") contain confidential and sensitive contractual information and cost numbers regarding the Levy Nuclear Project ("LNP"), 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 contracts. See Affidavit of Fallon, ¶ 4.

Regarding the LNP specifically, the testimony of Mr. Fallon also contains data that is competitively sensitive under the terms and conditions of the Engineering, Procurement, and Construction contract ("EPC Agreement") with Westinghouse Electric Company and Stone & Webster, Inc. (the "Consortium"). See Affidavit of Fallon, ¶¶ 4-5.

Additionally, DEF is requesting confidentiality classification of Exhibits CMF-1, CMF-2, CMF-3, CMF-4, CMF-5 and CMF-6 to the Testimony of Mr. Fallon because these exhibits

contain confidential settlement information between the DEF, the Consortium, and its vendors regarding the disposition of long lead equipment ("LLE") for the LNP. This information would adversely impact DEF's competitive business interests, and ongoing LLE disposition process and wind down negotiations, if disclosed to third parties. See Affidavit of Fallon, ¶ 6. As such, this information qualifies as "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information," and as proprietary confidential business information under subsection 366.093(3)(e), Fla. Stat.

DEF must be able to assure these vendors that sensitive business information will be kept confidential during negotiations. See Affidavit of Fallon, ¶ 7. Indeed, the contract at issue contains confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. See Affidavit of Fallon, ¶ 7-8. Additionally, revealing negotiated LLE disposition terms to third parties may compromise DEF's ability to negotiate additional LLE dispositions on a favorable basis. If third parties were made aware of confidential terms that DEF has with other parties, they may offer DEF less competitive contractual terms in future contractual negotiations and it would impair DEF in on-going negotiations. See id.

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 LNP would be undermined. Affidavit of Fallon, ¶¶ 7-8.

Extended Power Uprate Project

With regards to the EPU project, DEF is requesting confidential classification of portions of the Direct Testimony of Mr. Teague and Exhibit Nos. __(MT-4) and (MT-5) to Mr. Teague's testimony that contain confidential information regarding DEF's analysis of options for disposal of EPU equipment. Affidavit of Teague, ¶ 4-5. DEF is also requesting confidential

classification of certain cost numbers in the testimony and exhibits of Mr. Teague that reflect negotiations and sales of EPU equipment and materials. Affidavit of Teague, ¶ 5.

Disclosure of any of this information would adversely impact DEF's competitive business interests. Affidavit of Teague, ¶ 6. The Company must be able ensure that sensitive business information, including negotiated contractual terms and sales prices, will be kept confidential. If third parties were made aware of confidential terms and conditions that the Company has with other parties, they may offer DEF less competitive terms or offers in any future negotiations and the Company's efforts to obtain competitive offers for the EPU project assets would be undermined. Affidavit of Teague, ¶ 6.

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 Fallon, ¶ 9; Affidavit of Teague, ¶ 7.

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 Fallon, ¶ 9; Affidavit of Teague, ¶ 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 Request for 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 testimony and exhibits of Mr. Foster, the redacted portions of the testimony and exhibits of Mr. Fallon, and the redacted portions of the testimony and exhibits of Mr. Teague be classified as confidential for the reasons set forth above.

Respectfully submitted,

/s/ Blaise N. Gamba

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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 18th day of March, 2015.

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DUKE ENERGY FLORIDA
In re: Nuclear Cost Recovery Clause
Docket 150009-EI
Second Request for Confidential Classification

Exhibit B

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery Clause	DOCKET NO. 150009-EI Submitted for filing: March 2, 2015

REDACTED

DIRECT TESTIMONY OF MARK R. TEAGUE
IN SUPPORT OF ACTUAL COSTS

ON BEHALF OF
DUKE ENERGY FLORIDA, INC.

Q. The POD Cooling Tower assets are listed as being sold at a bid event, can you please describe the sale of the POD Cooling Tower assets?

A. Yes. A bid event for the sale of the POD Cooling Tower components was released in December 2013. The bid list was developed by contacting more than 50 cooling tower contacts, including utilities, as well as contacting targeted interested bidders using Supply Chain information. The Cooling Tower bid event was finalized, bids received and evaluated, and negotiations were conducted with the high bidder. These sale negotiations were completed on April 30, 2014 and the sale was finalized. The sales price is listed on my Exhibit No. ___(MT-4). The buyer absorbed the cost to remove the Cooling Tower components [redacted] The Nuclear Cost Recovery Clause ("NCRC") portion of the sales proceeds is shown on Exhibit No. __(MT-4) and it is also included in Line 1.b., Column May 2014, of Schedule Detail 2014 included in Mr. Foster's testimony as Exhibit No. __(TGF-2).

Q. Why did DEF decide to use an auction company to sell the CR3 equipment, including the remaining EPU-related equipment?

A. In accordance with its policies and procedures, DEF had exhausted efforts to disposition CR3 and EPU-related assets at fair market value through competitive bidding processes for direct sales to third parties or transfers to Duke Energy affiliates. DEF had already followed its process under these policies and procedures

EPU Asset(s)	Price	Transaction	Date
Blade vibration sensor, sensor adapter	[redacted]		
7.5 ton Gantry Crane			
Cooling Tower Equipment			
Sealand / contents			
Sealand / contents (4)			
Sealand (2)			
2 Gang boxes; 1 fire safe chest; 1 horz band saw; 5 carts w/lifting eye			
4 Gang boxes; 1 horz band saw; 4 carts w/lifting eye			
Lot 14 - tent, lighting & structural members			
(3) 3500 HP Motors & (2) Lube Oil Skids			
Tent 80 contents (construction tools / materials)			
BID 41681 - Lot 8 Fire cabinets for chemical storage			
Relief Valves			
Relief Valves			
BID 41184 - 34 AKPD 5 stage Pumps			
Reliance Motor, 600 HP, 3 Ph., 1192 RPM, 79.3 Amps,Frame 18EC 5808S, type P, ID No.,00VAAQB441558010A1FM. Cat ID# 9220171740. Bldg Location: BI-3-A. Assets Located in Crystal River, FL.			
Fisher 12 Inch Globe Valve, Butt Weld, Schedule 40, Ansi,Class 600, Chrome-Moly, Type 657, Gr WC9 Astm,A217, Size 70 Actuator, s/n 20159311. Cat ID# 9220215373. Nuclear Quality Level: 1. Bldg Location: 0-0-BH-007-00A. Assets Located in Crystal River, FL.			
Fisher 12 Inch Globe Valve, Butt Weld, Schedule 40, Ansi,Class 600, Chrome-Moly, Type 657, Gr WC9 Astm,A217, Size 70 Actuator, s/n 20159310. Cat ID# 9220215373. Nuclear Quality Level: 1. Bldg Location: 0-0-BH-007-00A. Assets Located in Crystal River, FL.			
Valtek 8 Inch Throttling Globe Valve, Butt Weld, Schedule, 40, Ansi Class 300 Grade CF8m, Class 2, s/n,BL351. Cat ID# 9220200091. Nuclear Quality Level: 1. Bldg Location: 0-0-BH-002-00A. Assets Located in Crystal River, FL.			

EPU Asset(s)	Price	Transaction Type	Date
Fisher 8 Inch Globe Valve ,CS,ASTM A216, GR. WCC, BW,Schedule 40, ANSI CLASS 600, Air Operated, AEAJ,9488. Cat ID# 9220218593. Nuclear Quality Level: 1. Bldg Location: BF. Assets Located in Crystal River, FL.	[redacted]		
Fisher EWD-69-376370 8 Inch Straight Thru Globe Valve, Butt Weld,Schedule 40, Ansi Class 600, ASTM A216, GR WCC,Air Operated, Type 657, Size 50 Actuator, Size 8x6, Stl - Body, s/n 0020245855. Cat ID# 9220215074. Nuclear Quality Level: 1. Bldg Location			
Fisher EWD-69-376370 8 Inch Straight Thru Globe Valve, Butt Weld,Schedule 40, Ansi Class 600, ASTM A216, GR WCC,Air Operated, Type 657, Size 50 Actuator, Size 8x6, Stl - Body, s/n 0020245854. Cat ID# 9220215074. Nuclear Quality Level: 1. Bldg Location			
Weir Valve and Controls 54960-A 6 Inch Valve Assembly, BW, ANSI Class 1500, ASME,SA351, Grade CF8M, Limitorque SMB-0-25-1800,Actuator, ASME Section III,CL 2,SCH 160,OS&Y, s/n,2-54960-A. Cat ID# 9220204609. Nuclear Quality Level: 1. Bldg Location: BF. Assets located in Crystal River, FL.			
Weir Valve and Controls 54960-A 6 Inch Valve Assembly, BW, ANSI Class 1500, ASME,SA351, Grade CF8M, Limitorque SMB-0-25-1800,Actuator, ASME Section III,CL 2,SCH 160,OS&Y, s/n,1-54960-A. Cat ID# 9220204609. Nuclear Quality Level: 1. Bldg Location: BF. Assets located in Crystal River, FL.			
Target Rock Corp. 11Z519-002 Globe Valve, 2", Schedule 80, Butt Weld, Stainless Steel, ASME Section III, Class 1,SolenoidOperated Isolation, with ECSA. Cat ID# 9220230957. Nuclear Quality Level: 1. Bldg Location: BF. Assets Located in Crystal River, FL.			

EPU Asset(s)	Price	Transaction Type	Date
Target Rock Corp. 11Z519-001 Globe Valve, 2", Schedule 80, Butt Weld, Stainless Steel, ANSI Class 900, ASME Section III, Class 1,Solenoid Operated Isolation, with ECSA. Cat ID# 9220219156. Nuclear Quality Level: 1. Bldg Location: BF. Assets Located in Crystal River, FL.	[redacted]		
Walworth Co. AC081C08MAC790000M Gate Valve, 8", Schedule 40, Butt Weld, ANSI Class 150, ASTM A216, GR WCB, Carbon Steel. Cat ID# 9220217960. Nuclear Quality Level: 1. Bldg Location: BF. Assets Located in Crystal River, FL.			
Fisher Model EZ Globe Valve, 1" Assembly, SW, Ansi Class 600 with Actuator. Cat ID#9220226161. Bldg Location: BB-BE-008-C Assets Located in Crystal River, FL.			
NUS Systems Rapid Cool Down System to include (3) ICC MSCabinets and (1) Pallet of Accessories. Bldg Location: BG-000-A. Asset Located in Crystal River, FL.			
Conax 7ST3-12000-01 , 7ZG5-10001-02 Lot to include (2) Electrical Canister Type Penetration Units with Power and Control, Instrumentation with Fiber Optic Feedthrough, s/n 8217 and 8218. Cat ID# 9220098490 , 9220211168. Nuclear Quality Level: 1. Bld			
Lot: (Qty-2) ANCHOR DARLING VALVES [For Further Description Info, Refer ToGuidelist PDF 'Lot Numbers 1625 - 1969 ' On Auction Landing Page]. Cat ID# 9220200095 . Nuclear Quality Level:1. Bldg Location: AB-015-00G. Assets Located in Crystal River, FL.			
Lot: (Qty-3) ANCHOR/DARLING VALVE CO VALVES [For Further Description Info, Refer ToGuidelist PDF 'Lot Numbers 1625 - 1969 ' On Auction Landing Page]. Cat ID# 9220215826 . Nuclear Quality Level:1. Bldg Location: AB-015-00G. Assets Located in Crystal River, FL.			

EPU Asset(s)	Price	Transaction Type	Date
Lot: (Qty-7) FLOWSERVE VALVES [For Further Description Info, Refer ToGuidelist PDF 'Lot Numbers 1625 - 1969 ' On Auction Landing Page]. Cat ID# 9220200094 . Nuclear Quality Level:1. Bldg Location: AB-015-00G. Assets Located in Crystal River, FL.	[redacted]		
FLOWSERVE VALVE [For Further Description Info, Refer ToGuidelist PDF 'Lot Numbers 1625 - 1969 ' OnAuction Landing Page]. Cat ID# 9220215408 . Nuclear Quality Level:1. Bldg Location: AB-015-00G. Assets Located in Crystal River, FL.			
Velan Valve B15-1064C-02TS Gate Valve, 8 In, Butt Weld, Ansi Class 300, ASTM A216, GR WCB, Manual, Flex Wedge, Schedule 40. Cat ID # 9220211426 , Building Location 0-0 DA-014-00B Assets Located In Crystal River, FL.			
Velan Valve B15-1064C-02TS Gate Valve, 8 In, Butt Weld, Ansi Class 300, ASTM A216, GR WCB, Manual, Flex Wedge, Schedule 40. Cat ID # 9220211426 , Building Location 0-0 DA-014-00B Assets Located In Crystal River, FL.			
Velan Valve B20-0064C-04TY-G Gate Valve, 16 In, Butt Weld, Ansi Class 150, Special Class, Chrome-Moly, ASTM A217, GR C5, VT-20 Gear Operator W/Chain Wheel, Sch 80. Cat ID # 9220214379 , Building Location 0-0-DA-016-00A Assets Located In Crystal River, FL.			
Velan Valve B20-0064C-04TY-G Gate Valve, 16 In, Butt Weld, Ansi Class 150, Special Class, Chrome-Moly, ASTM A217, GR C5, VT-20 Gear Operator W/Chain Wheel, Sch 80. Cat ID # 9220214379 , Building Location 0-0-DA-016-00A Assets Located In Crystal River, FL.			

EPU Asset(s)	Price	Transaction Type	Date
Flowserve FIGURE B1911JTY Gate Valve, 8 In, Butt Weld, Asme Section III Section NC,CL 2, 1050 Psig, Asme SA-216, Grade WCB, Schedule 60, Manual. S/N- B1672 Cat ID# 9220200780Nuclear Quality Level:1Building Location 0-0-DA-012-00A Assets Located in Crystal River, FL.	[redacted]		
Flowserve FIGURE B1911JTY Gate Valve, 8 In, Butt Weld, ASME Section III Section NC,CL 2, 1050 Psig, ASME SA-216, Grade WCB, Schedule 60, Manual. Cat ID# 9220200780 Nuclear Quality Level:1Building Location 0-0-DA-012-00A Assets Located In Crystal River, FL.			
Weir Valve & Controls A23903W Gate Valve, A216wcb body bwe, Parallel Disc, 18X12X18, Ansi Class 300, ASME Section III Subsection ND 1998 Edition With 2000 Addenda. Cat ID# 9220204624 Nuclear (Q Level) 1 Building Location 0-0-DA-039-00A Assets Located in Crystal River, FL.			
Weir Valve & Controls A23903W Gate Valve, Parallel Disc, A216wcb body bwe, 18X12X18, Ansi Class 300, ASME Section III Subsection ND 1998 Edition With 2000 Addenda. Cat ID# 9220204624 Nuclear (Q Level) 1 Building Location 0-0-DA-039-00A Assets Located in Crystal River, FL.			
Williams 152W2 Globe Valve, Assembly, 8 In, Sch 40, BW, Ansi Class 150, Astm A216, Grade WCB Carbon Steel, With Limitorque SMB-00-10-4P Motor Operator. Cat ID# 9220216698 , Building Location 0-0-DA-045-00A Assets Located In Crystal River, FL.			
Mcjunkin Red Man Corp. B16-1064C-06TS-G Velan Gate Valve, 10 In, Schedule 40, Butt Weld, Ansi Class 300, Chrome-Moly, ASTM A217, GR WC9, Bevel Gear Operator, Full Port, T-Pattern Body B. Cat ID # 9220217111 , Building Location 0-0-DA-018-00C Assets Located in Crystal River, FL.			

EPU Asset(s)	Price	Transaction Type	Date
Velan Valve B16-1064C-06TS Valve, Globe, 10 In, Schedule 40, Butt Weld, Ansi Class 300, Chrome-Moly, ASTM A217, GR WC9, Manual. Cat ID# 9220217098 , Building Location 0-0-DB-002-00B Assets Located In Crystal River, FL.	[redacted]		
Anchor Darling 4002221 Valve, Gate, 10 In, Butt Weld, Class 2, 2500 Psig, SA351, Grade CF3M, Manual, OS&Y, Standard or Full Port, Date of Mfg: 8/2011. Cat ID# 9220199412 Nuclear Quality Level:1Building Location 0-0-DD-059-00A Assets Located In Crystal River, FL.			
Anchor Darling 4002221 Gate Valve,10 In, Butt Weld, Class 2, 2500 Psig, SA351, Grade CF3M, Manual, OS&Y, Standard or Ful Port Date of Mfg: 8/2011. Cat ID# 9220199412 Nuclear Quality Level:1Building Location 0-0-DD-059-00A Assets Located In Crystal River, FL.			
Edwards Valve Co 735270 Angled Check Valve, Stop, 10 In, Butt Weld, Class 2, 520 PSIG, SA351, Grade CF8M, Manual, Date of Mfg: 8/2011. Cat ID# 9220200075 Nuclear (Q Level) 1 Building Location 0-0-DD-055-00A Assets Located In Crystal River, FL.			
Edwards Valve Co 735270 Check Valve, Stop, 10 In, Butt Weld, Class 2, 520 PSIG, SA351, Grade CF8M, Manual, Date of Mfg: 8/2011. Cat ID# 9220200075Nuclear Quality Level:1 Building Location 0-0-DD-055-00A Assets Located In Crystal River, FL.			
Edwards Valve Co 735277 Globe Angle Valve 10 In, Butt Weld, Class 2, 2500 Psig, Sa351, Grade CF8M, Manual, OS&Y,Standard or Full Port, Date of Mfg: 8/2011. Cat ID# 9220199987Nuclear Quality Level:1Building Location 0-0-DE-063-00A Assets Located in Crystal River, FL.			

EPU Asset(s)	Price	Transaction Type	Date
Edwards Valve Co 735277 Globe Angle Valve, 10 In, Butt Weld, Class 2, 2500 Psig, Sa351, Grade CF8M, Manual, OS&Y,Standard or Full Port, Date of Mfg: 9/2011. Cat ID# 9220199987Nuclear Quality Level:1Building Location 0-0-DE-063-00A Assets Located in Crystal River, FL.	[redacted]		
Valtek 4002224 Globe Valve, 8 In, Butt Weld, ASME Section III, Class 2, 450 PSIG, ASME SA351, Grade CF8M, Manual, OS&Y, Date of Mfg: 11/2011. Cat ID# 9220200093 Nuclear Quality Level:1Building Location 0-0-DD-063-00A Assets Located In Crystal River, FL.			
Flowserve 4.000E+13 Gate Valve, 6 In, Butt Weld, Class 1, 2500 PSIG, SA351, Grade CF3M, Manual, OS&Y, Standard or Full Port Date of Mfg: 8/2011. Cat ID# 9220199839 Nuclear Quality Level:1Building Location 0-0-DD-071-00A Assets Located In Crystal River, FL.			
Williams 30W-2 C5 GO (12") Gate Valve, Flexible Wedge, 12 In, Butt Weld, Schedule 40, Ansi Class 300, Chrome-Moly, ASTM A217, GR C5, Trim 8, Manual, OS&Y. Cat ID# 9220214637 , Building Location 0-0-DE-054-00A Assets Located In Crystal River, FL.			
Williams 30W-2 C5 GO (12") Gate Valve, Flexible Wedge, 12 In, Butt Weld, Schedule 40, Ansi Class 300, Chrome-Moly, ASTM A217, GR C5, Trim 8, Manual, OS&Y. Cat ID# 9220214637 , Building Location 0-0-DE-054-00A Assets Located In Crystal River, FL.			
Masoneilan 88N-41445A Valve Assembly , Angle,8 In Sch 80 Inlet X 12 In Sch 60 Outlet,Asme Sa-216,Grade Wcc, Mfg. 2011. Cat ID# 9220219086Nuclear Quality Level:1Building Location 0-0-DD-059-00A Assets Located In Crystal River, FL.			

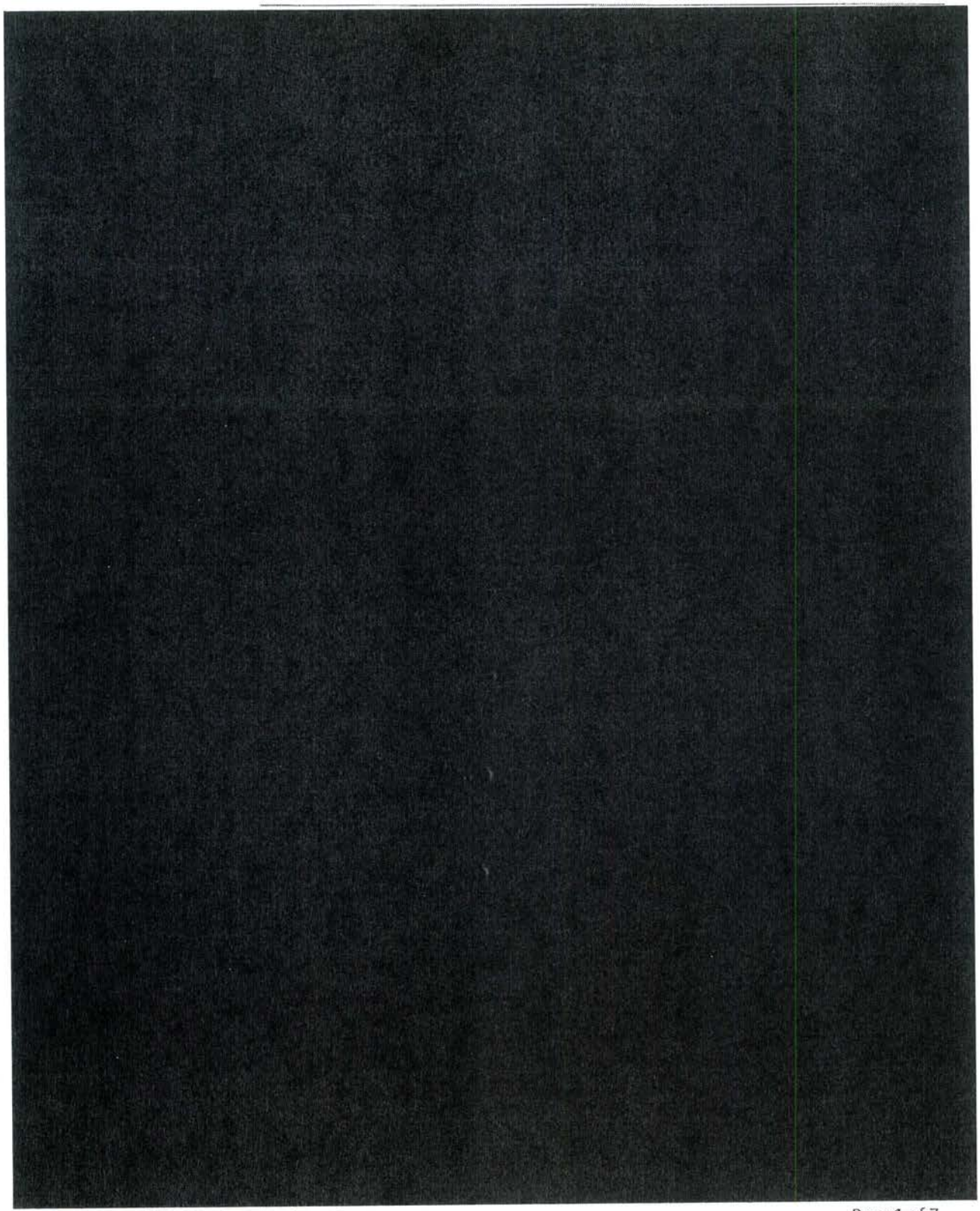
EPU Asset(s)	Price	Transaction Type	Date
Masoneilan 88N-41445A Valve Assembly, Angle,8 In Sch 80 Inlet X 12 In Sch 60 Outlet,Asme Sa-216,Grade WCC, Mfg. 2011. Cat ID# 9220219086Nuclear Quality Level:1Building Location 0-0-DD-061-00A Assets Located In Crystal River, FL.	[redacted]		
General Electric 5KV85573446501 Induction Motor, Pump, 2500 Hp, 3 Ph, 4000V, 60 Hz, 1186 Rpm, 8557P70 Frame, WPII Enclosure, Class F Insulation, 1.15 SF, 315A, Nema Code F. S/N- KEH 285001404 Cat ID# 9220225708 Nuclear (Q Level) 4 Building Location.			
Fluidic Techniques Inc Vane, Straightening, Spool Piece, Flanged Both Ends, 16 In, 300 Lb, Astm A106. Cat ID# 9220222128 , Building Location 0-0-DA-012-00B Assets Located In Crystal River, FL.			
Fluidic Techniques Inc Vane, Straightening, Spool Piece, Flanged Both Ends, 16 In, 300 Lb, Astm A106. Cat ID# 9220222128 , Building Location 0-0-DA-012-00C Assets Located In Crystal River, FL.			
Grinnell 24663225NM Valve, Diaphragm, 2-1/2", Fig 2466-3225N-M31.1 Cat ID# 62590810. Nuclear Quality Level: 1. Bldg Location: 0-0-BB-032-00B. Assets Located in Crystal River, FL.			
Yuba, SPX Heat Transfer Lot to include (2) Heat Exchangers, Test Pressure PSI Shell 445, Tubes 650, Test Temperature Min Degree F Shell 70, Tubes 70, Customer Item EH-5A, Mfg. S/n 10-H-468-1A, Feedwater Heaters, Item No. FW-E-2A. Assets Located in Crystal River, FL.			
YUBA HEAT TRANSFER DIV Inlet Channel Head, Heat Exchanger, TYPE AEL. Cat ID # 9220260193 , Building Location D-D-DE-001 00A Assets Located In Crystal River, FL.			

EPU Asset(s)	Price	Transaction Type	Date
Velan Valve B16-1064C-06TS Globe , 10 In, Schedule 40, Butt Weld, Ansi Class 300, Chrome-Moly, Astm A217, Gr Wc9, Manual. Cat ID# 9220217098 , Building Location 0-0-DA-012-00B Assets Located In Crystal River, FL.	[redacted]		
Mcjunkin Red Man Corp. B16-1064C-06TS-G Velan Gate Valve, 10 In, Schedule 40, Butt Weld, Ansi Class 300, Chrome-Moly, ASTM A217, GR WC9, Bevel Gear Operator, Full Port, T-Pattern Body B Cat ID # 9220217111 , Building Location 0-0-DA-018-00B Assets Located in Crystal River, FL.			

REDACTED

Integrated Change Form (ICF)

DATE INITIATED	July 15, 2014	TYPE OF CHANGE	
INITIATOR	Jeff LaPratt	CONTRACT/PO#	
MAJOR CONTRACTOR	N/A	ICF NUMBER	
ICF TITLE	IRP Auction		



REDACTED

Integrated Change Form (ICF)

DATE INITIATED	July 15, 2014	TYPE OF CHANGE	
INITIATOR	Jeff LaPratt	CONTRACT/PO#	
MAJOR CONTRACTOR	N/A	ICF NUMBER	
ICF TITLE	IRP Auction		

Approve ICF

[redacted]

REASON FOR CHANGE (CHECK ALL THAT APPLY)

OWNER		REGULATORY		OTHER:	
ENGINEER		VENDOR / NAME		DESCRIBE:	
CONSTRUCTION		OTHER / DESCRIBE			

COST IMPACT

CRAFT LABOR	CRAFT	HOURS	RATE		TOTAL

MATERIALS	DESCRIPTION	QTY	COST	TOTAL
	N/A			

EQUIPMENT	DESCRIPTION	QTY	COST	TOTAL
	N/A			

SUB CONTRACTOR	DESCRIPTION	COST	TOTAL
	N/A		

PROF. SERVICES	DESCRIPTION	TOTAL

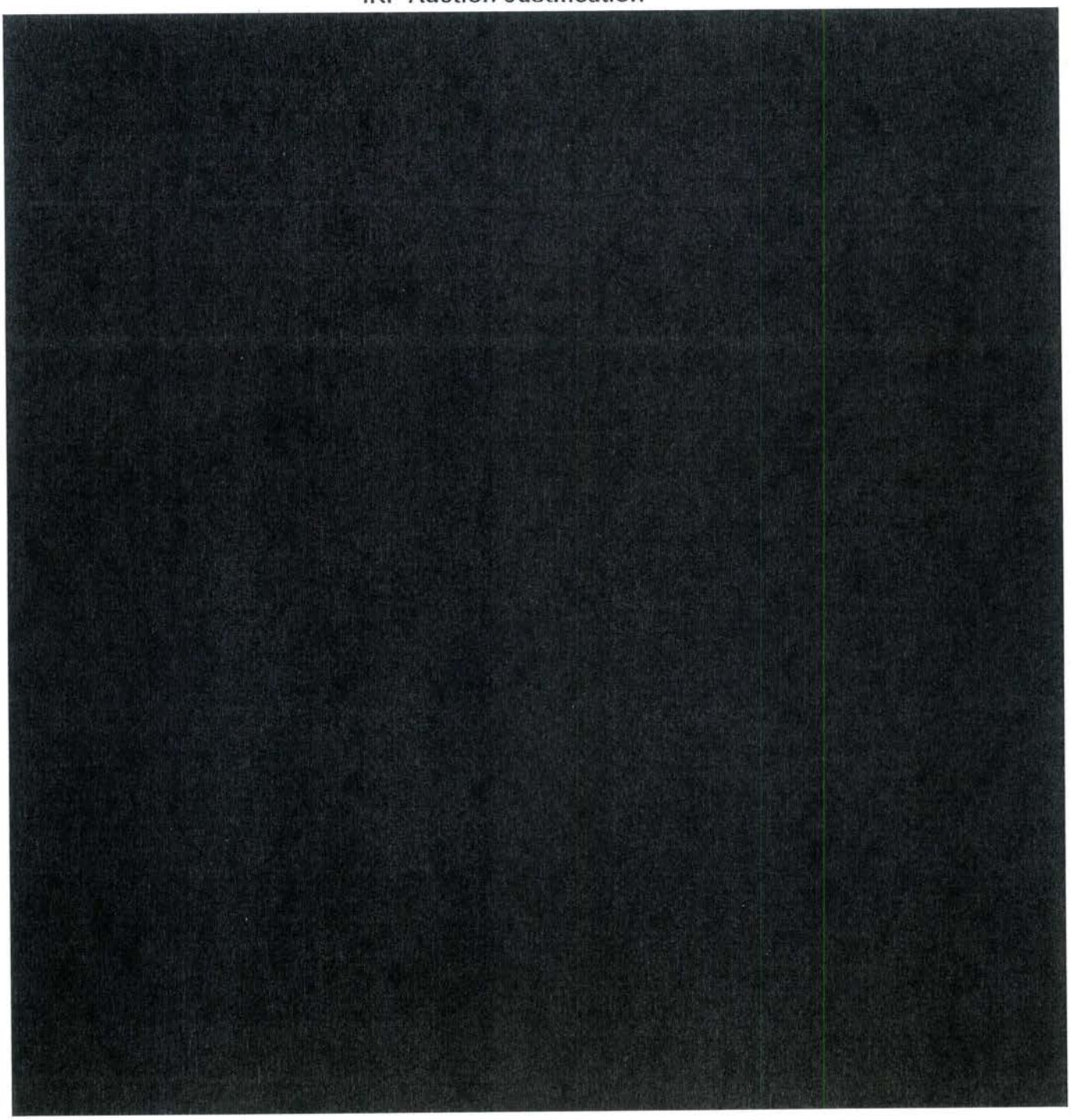
TOTAL IMPACT COST	

ESTIMATED BY:		DATE	

Integrated Change Form (ICF)

DATE INITIATED	July 15, 2014	TYPE OF CHANGE	
INITIATOR	Jeff LaPratt	CONTRACT/PO#	
MAJOR CONTRACTOR	N/A	ICF NUMBER	
ICF TITLE	IRP Auction		

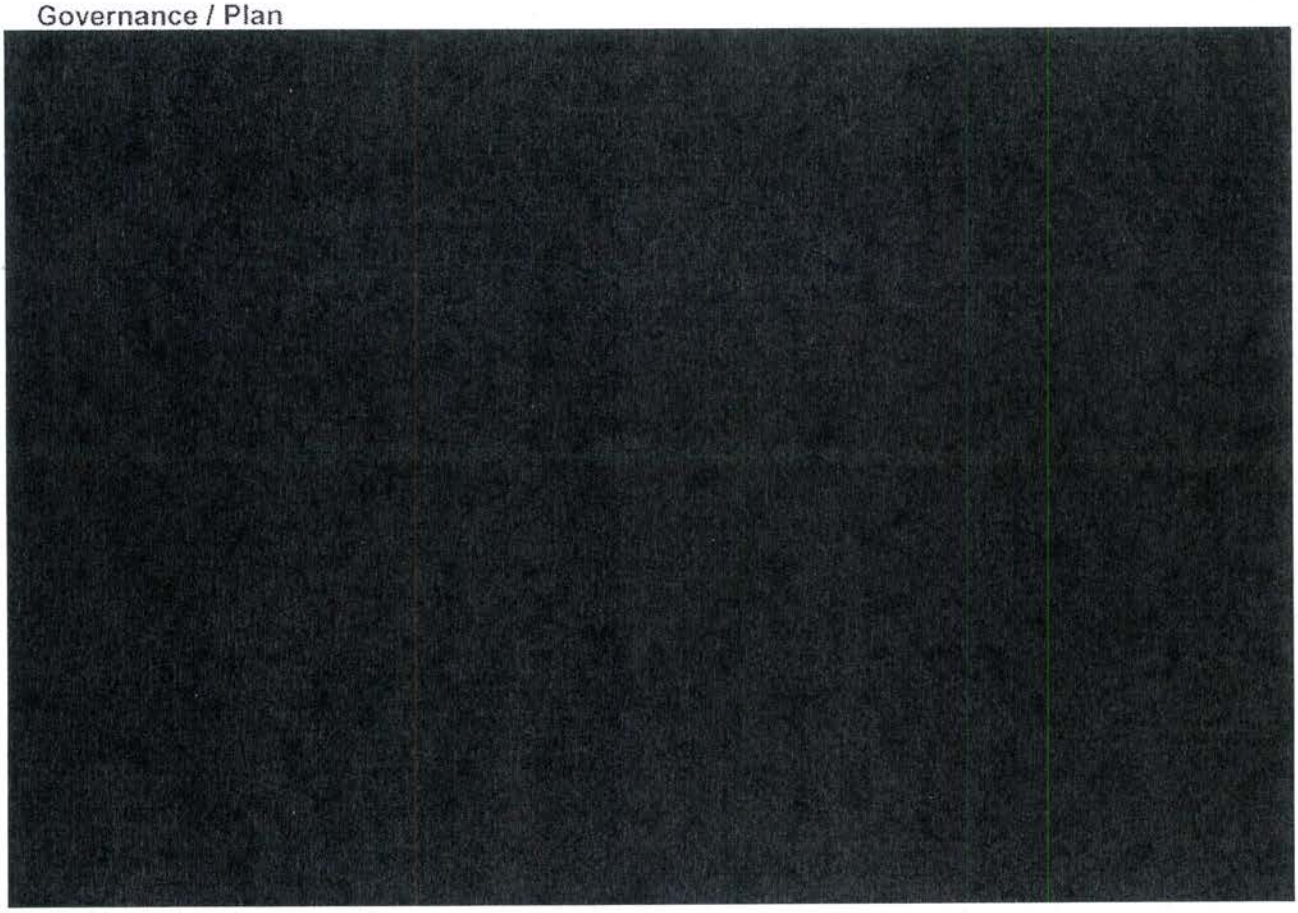
IRP Auction Justification

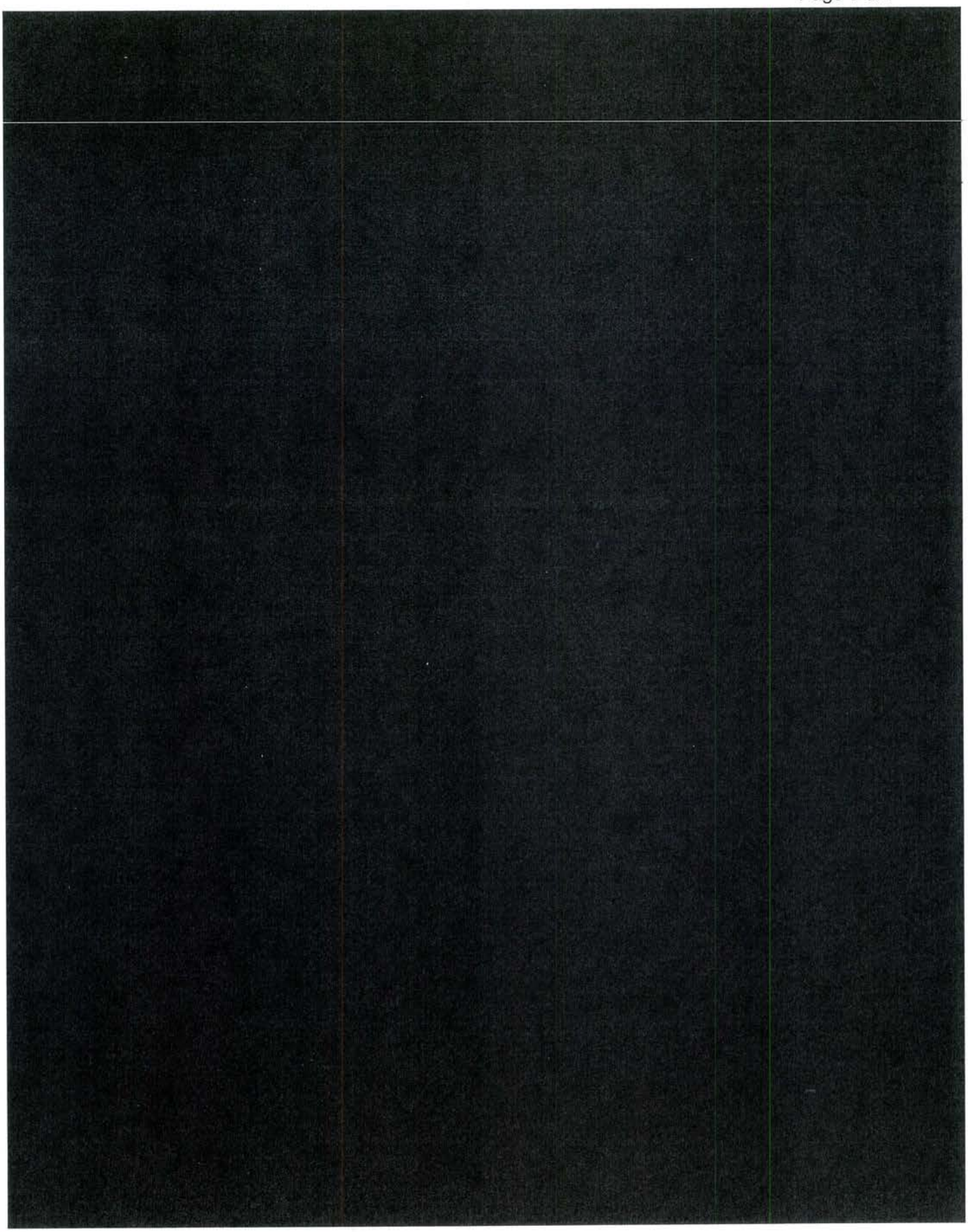


Integrated Change Form (ICF)

DATE INITIATED	July 15, 2014	TYPE OF CHANGE	
INITIATOR	Jeff LaPratt	CONTRACT/PO#	
MAJOR CONTRACTOR	N/A	ICF NUMBER	
ICF TITLE	IRP Auction		

Governance / Plan





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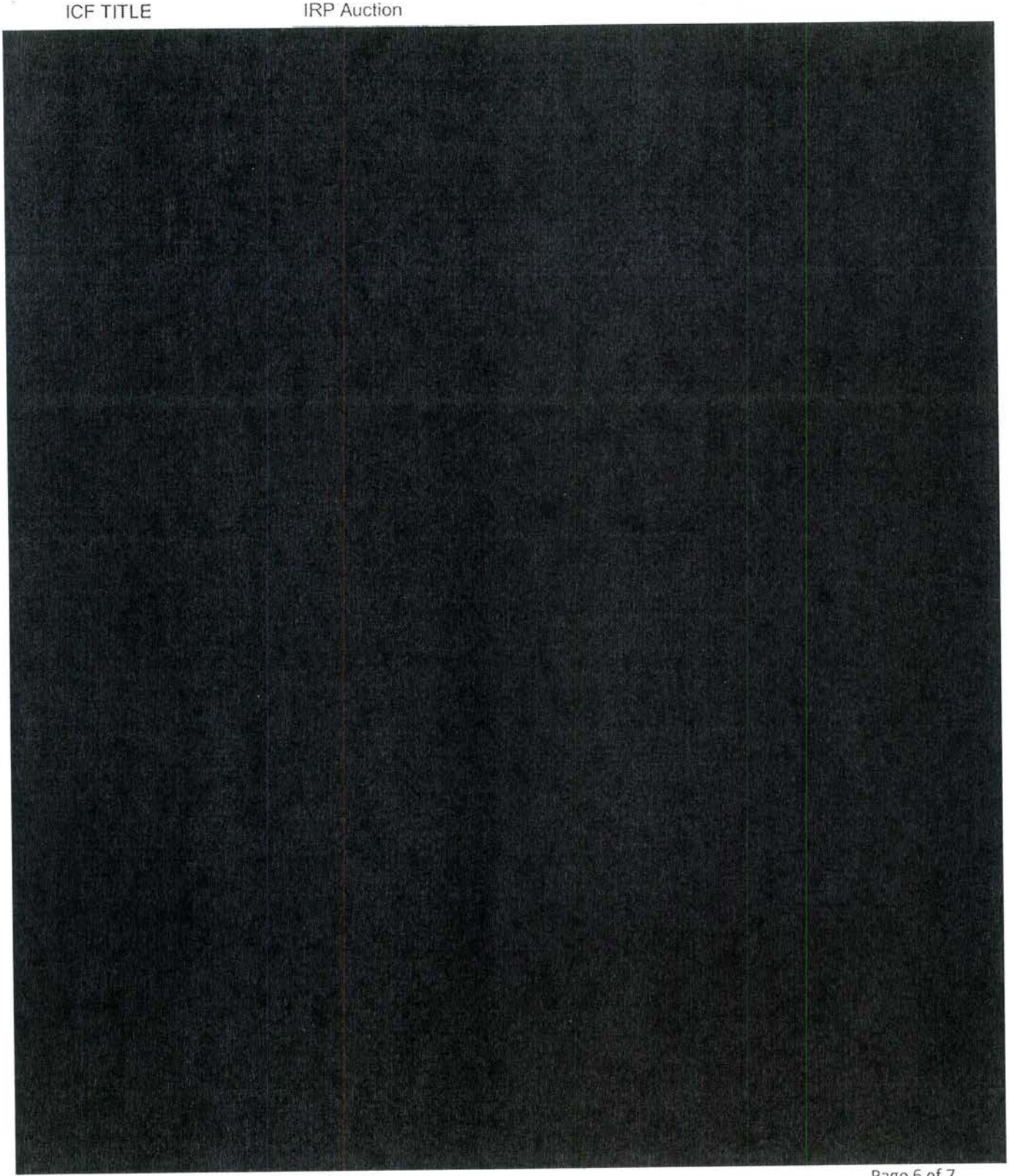
Integrated Change Form (ICF)

DATE INITIATED	July 15, 2014	TYPE OF CHANGE	
INITIATOR	Jeff LaPratt	CONTRACT/PO#	
MAJOR CONTRACTOR	N/A	ICF NUMBER	
ICF TITLE	IRP Auction		



REDACTED

Integrated Change Form (ICF)

DATE INITIATED	July 15, 2014	TYPE OF CHANGE	
INITIATOR	Jeff LaPratt	CONTRACT/PO#	
MAJOR CONTRACTOR	N/A	ICF NUMBER	
ICF TITLE	IRP Auction		

[redacted]

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery Clause

DOCKET NO. 150009-EI
Submitted for filing: March 2, 2015

REDACTED

DIRECT TESTIMONY OF CHRISTOPHER M. FALLON IN SUPPORT OF ACTUAL COSTS

ON BEHALF OF DUKE ENERGY FLORIDA, INC.

costs for the LNP wind-down activities in 2014. DEF has prudently managed the LNP in 2014, consistent with merged policies and procedures that implement Duke Energy best practices, that in substance are similar to the project management, contracting and cost control policies and procedures previously audited by the Commission Staff and reviewed and approved by the Commission.

III. 2014 LNP WIND-DOWN COSTS.

Q. What were the total LNP actual 2014 costs?

A. As can be seen in Appendix D of Exhibit No.___(TGF-1), total actual LNP costs for 2014, excluding the carrying costs on the unrecovered investment balance, were approximately [redacted]. This is about [redacted] less than DEF's actual/estimated costs for 2014. The reasons for this variance are described below.

Q. Please describe the Levy wind-down activities and costs.

A. DEF's LNP wind-down activities involved the LLE disposition and EPC Agreement. Costs for these wind-down activities were incurred for (1) final EPC Agreement contract payments to S&W to close out S&W's module program development work for the LNP; (2) storage, insurance, and quality assurance of the completed and partially completed LNP LLE until final disposition; (3) internal Duke Energy labor to assist with the LLE disposition; (4) WEC support to gather information from its LLE suppliers and assist with LLE disposition; and (5) regulatory and administrative LNP wind-down support.

Q. What were the costs to terminate the EPC Agreement with S&W?

A. DEF incurred approximately [redacted] to close out the S&W costs for S&W's module program development work for the LNP pursuant to the EPC Agreement. A copy of the agreement to close out this work under the EPC Agreement with S&W is attached as Exhibit No. ___ (CMF-3) to my direct testimony.

Q. Is S&W a party to the lawsuit with WEC in North Carolina?

A. No. S&W only sought to recover the costs for the work actually necessary to close out the LNP module development work under the EPC Agreement. S&W did not claim that DEF owed S&W a termination fee under the EPC Agreement and S&W did not claim that DEF owed S&W termination costs for additional work on the LNP that was never billed to or included in a change order request to DEF. As a result, DEF was able to resolve all costs for the LNP with S&W under the EPC Agreement, but DEF was not able to resolve all costs for the LNP with WEC under the EPC Agreement.

Q. What were the wind-down costs for the LNP LLE disposition in 2014?

A. The principle LNP LLE disposition cost in 2014 was the negotiated settlement payment to terminate the LLE purchase order with WEC and the sub-contractor Tioga for the reactor coolant-loop ("RCL") piping components for the LNP. These costs included a [redacted] payment and the reversal of an accrual for an RCL milestone payment of approximately [redacted] that was not made because of the cancellation of the purchase order for this equipment for a net cost impact of [redacted]. The decision to make this settlement payment to disposition the

to contact Tioga about the cost to cancel the RCL piping purchase order and manufacture of the RCL piping. Tioga provided WEC with an all-inclusive cancellation cost of [redacted]. This settlement offer to cancel the RCL piping purchase order and resolve all WEC and Tioga claims with respect to this LNP LLE component was evaluated by DEF under the DEF's LLE Disposition Plan objectives and determined to be the most cost-effective option for DEF and its customers.

Q. How was the RCL LLE component settlement consistent with the objectives in DEF's LLE Disposition Plan and cost effective for customers?

A. DEF evaluated the quantitative and qualitative factors in the LLE Disposition Plan guidelines to determine that the settlement was the most cost-effective option for DEF and its customers. This evaluation is explained in the confidential evaluation memo included as Exhibit No. ___ (CMF-4). The settlement with WEC and Tioga for the RCL LLE piping resulted in a minimum net savings of [redacted] to DEF's customers, compared to all other reasonably available options, accordingly, DEF accepted the offer. DEF's letter to WEC confirming that DEF accepted the Tioga LLE disposition settlement offer is included as Exhibit No. ___ (CMF-5).

Q. What is the disposition status of the remaining LNP LLE?

A. There were thirteen LNP LLE components in addition to the RCL piping component for the LNP. Four of these LLE components were with Mangiarotti

payment will be reflected as salvage value in 2015.

Q. What does DEF plan to do with the VFDs?

A. At this time, DEF is evaluating various disposition options consistent with DEF's LLE Disposition Plan. DEF previously canvassed Duke Energy affiliates and contacted external utilities through WEC and on its own for any interest in acquiring the completed VFDs. These contacts included utilities with existing or potential AP1000 nuclear power plant projects. None of these entities expressed an interest in acquiring the VFDs. The most likely potential buyer, then, is the original equipment manufacturer. DEF is pursuing a potential sale of the VFDs to the original equipment manufacturer. DEF has also offered the VFDs for sale on RAPID, a utility industry parts sales website, and recently initiated a bid event on Feb. 15, 2015 for the VFDs utilizing Power Advocate bidding/sourcing software to further canvas the market. DEF will continue to evaluate the potential disposition of the VFDs in a reasonable and prudent manner consistent with the objectives in DEF's LLE Disposition Plan.

Q. How did DEF's actual LNP wind-down expenditures for 2014 compare to DEF's estimated/actual wind-down costs for 2014?

A. As I explained above, LNP wind-down costs were approximately [redacted], or [redacted] less than DEF's actual/estimated wind-down costs for 2014. One reason for this variance is that approximately [redacted] in projected LLE storage costs were not incurred in 2014 because DEF was able to disposition the majority of the LNP LLE items sooner than projected. The status of the majority

of the LNP LLE items is described above and in confidential Exhibit No. ___ (CMF-6).

Another reason for this variance is that DEF did not make an approximately [redacted] LLE disposition payment that it expected to make in 2014. As DEF has explained previously, DEF anticipated a [redacted]. As I explained above and as explained in confidential Exhibit No. ___ (CMF-6), DEF did not assume the purchase order for this LLE component and, therefore, WEC is obligated under the EPC Agreement to preserve and protect this LLE material and to take commercially reasonable steps to disposition this incomplete LLE component material. DEF is not aware of any actions WEC may or may not have taken to cancel the purchase order or disposition the Steam Generator Balance at this time.

Q. To summarize, were all of the wind-down costs that the Company incurred in 2014 for the LNP reasonable and prudent?

A. Yes, the specific costs for the LNP contained in the 2014 Detail schedules, which are attached as exhibits to Mr. Foster's testimony, reflect the reasonable and prudent wind-down costs DEF incurred for LNP work in 2014. DEF took

REDACTED

CHRISTOPHER M. FALLON
Vice President
Nuclear Development

Duke Energy
EC12L/526 South Church Street
Charlotte, NC 28202

Mailing Address:
EC12L / P.O. Box 1006
Charlotte, NC 28201-1006

o: 704.382.9248
c: 704.519.6173
f: 980.373.2551

christopher.fallon@duke-energy.com

January 28, 2014
LNP-EPC-2014-0003
Response (Action) Required YES X /NO

SENT BY E-MAIL AND HAND DELIVERY

Stone & Webster, Inc.
Attn: Mr. Kevin Holderness
Consortium Project Manager
CB&I Stone & Webster
128 S. Tryon Street
Charlotte, NC 28202

Reference: Levy Nuclear Plant EPC Agreement
Progress Energy Florida Contract No. 414310

Subject: Notice of Termination

Dear Mr. Holderness:

Duke Energy Florida, Inc. (DEF, formerly known as Progress Energy Florida, Inc.) hereby gives Westinghouse Electric Company and Stone & Webster, Inc. (Contractor) notice that DEF is terminating Contract Number 414310 – the Engineering, Procurement and Construction Agreement (Agreement) for the Levy County Nuclear Plant (Levy) – under Article 22.4(a) (Failure to Obtain Regulatory Approvals), due to DEF's inability to obtain a Combined Construction Permit and Operating License (COL) for Levy by January 1, 2014.

[redacted]

Should you have any questions regarding this matter, please feel free to contact me.

Oct – Dec 2013	Westinghouse develops RFQs for sub-contractors
Oct 2013 – May 2014	Westinghouse works with suppliers for RFQ responses
Oct 2013 – June 2014	Westinghouse reviews RFQ results with Duke
Nov 2013– July 2014	Duke Energy finalizes decisions on LLE components

Table 2. Approximate schedule for EPC contract wind-down activities

Disposition Decision Methodology

There are six disposition options currently being considered for the LLE which can be grouped into two categories: (1) options which permanently dispose of the LLE today and (2) options which store the LLE for future use or disposition. Each LLE component will be analyzed for which option best meets the LLE disposition objectives. A schematic representation of the LLE disposition evaluation process is presented in Figure 1 and each disposition option is described more fully below.

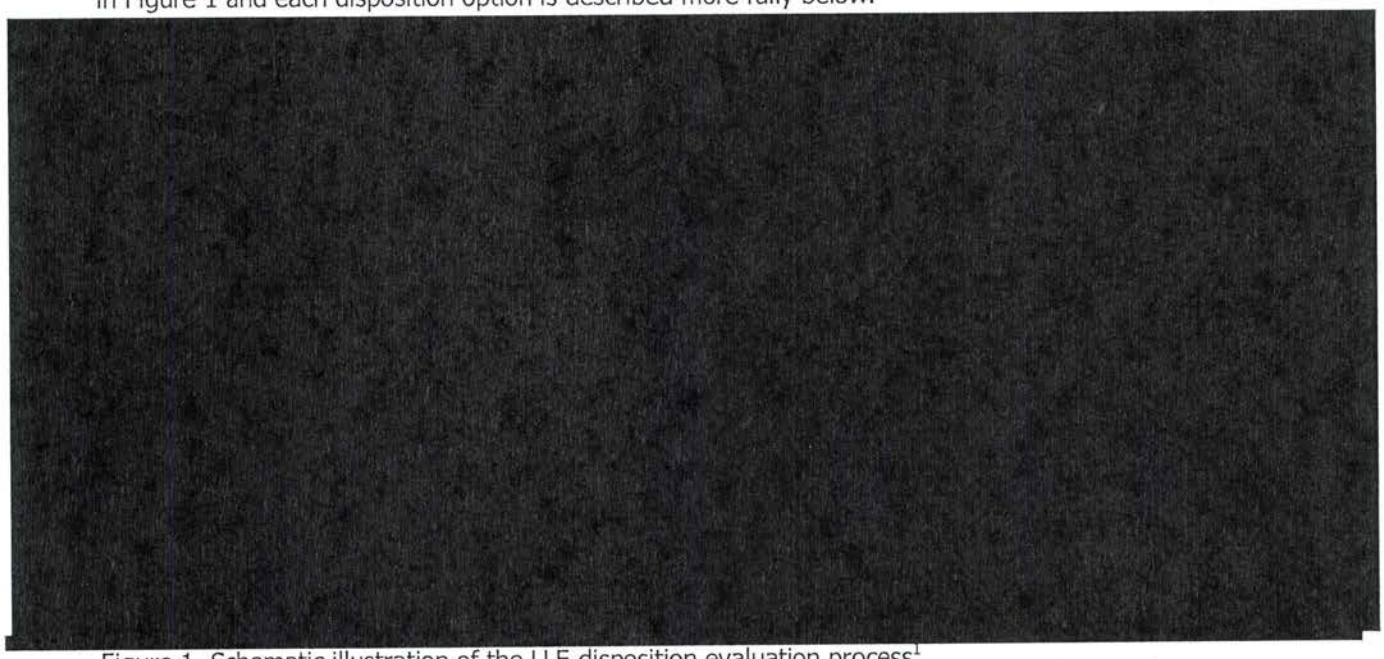


Figure 1. Schematic illustration of the LLE disposition evaluation process[1]

Options which permanently dispose of LLE[2]

Reuse: For some LLE components there could be an alternate application beyond use at Levy or another AP1000 station.

1 Grey shading indicates the option is no longer under consideration.

2

[redacted]

Salvage: The constituent materials of each LLE component have residual value as a raw material. These constituent materials can be sold for recycling, with an offsetting cost to prepare the raw materials for salvage. For this option [redacted]

Sell: The LLE components could be used on another AP1000 project which is either under construction or in the planning stage. DEF requested [redacted]

Purchase: Because some LLE components are in fabrication and are not complete there is the possibility for reuse of the in-process material for an alternate use. [redacted]

Options which store LLE for later disposition

Consignment: Given the costs incurred to produce the LLE and Levy or another AP1000 project in the future, DEF proposed a [redacted]

Continue storage: The final option considered is to continue the status quo with DEF continuing to pay for storage of the LLE. Initially, there were two possibilities which, if realized, would provide value for this option: construction of Levy or future sale of the LLE if the market for AP1000s improves. If neither of these options could be realized, then the LLE would have to be disposed of through one of the disposition options listed in the "Options which permanently dispose of LLE" section.

Dispose of LLE: This option will occur if no future use for the LLE is realized and DEF chooses to either storage or consign the LLE. Permanent disposition of the LLE will occur if there is no future use for the LLE. The continue storage option for potential future construction of Levy was considered and rejected as a viable option at this time based on the qualitative analysis of the risks of proceeding with this option under the 2013 statutory amendments to the nuclear cost recovery statute, Section 366.93, F.S. DEF determined at the time of the Settlement that the statutory amendments to Section 366.93 fundamentally changed the external risks to the Levy Nuclear Project, resulting in substantial uncertainty and unacceptable risk to DEF and its customers to proceed with the Levy Nuclear Project. The same analysis results in the determination that the disposition of LLE by continuing to store LLE for potential future construction of Levy is not at this time a viable option.

The statutory amendments to Section 366.93 sequentially stage regulatory approval to proceed with the project, precluding preconstruction and construction work until the COL is obtained, and requiring Commission approval based upon untested and in some cases undefined statutory standards to proceed with preconstruction, certain material and equipment purchases for the project, and then construction of the project. Receipt of the required regulatory approvals therefore is uncertain, and the time required to obtain them and address any potential appeals during the regulatory approval process is unknown. In addition, the statutory amendments establish new, undefined, and potentially subjective requirements for the utility to demonstrate annually its intent to build the nuclear power plants. For these reasons, DEF determined that the statutory amendments qualitatively result in additional uncertainty and therefore

unacceptable additional risk to the schedule and cost of the Levy Nuclear Project. As a result of this determination, DEF elected not to complete construction of the Levy nuclear power plants pursuant to Section 366.93(6) and Rule 25-6.0423(6). That decision is reflected in the Settlement provisions providing for the recovery of prudent Levy Nuclear Project wind down costs, including the cost to prudently disposition LLE.

The disposition of LLE by continuing to store LLE for future construction of Levy presents DEF and its customers with the same uncertainty and unacceptable risk that resulted in the election not to complete the Levy Nuclear Project that is reflected in the Settlement. Under the statutory amendments DEF cannot determine if and when the sequential regulatory approvals would be obtained and the project constructed, precluding DEF from determining with any accuracy the period necessary to store LLE for potential future construction of Levy. As a result of this uncertainty, there is substantial risk and therefore additional cost to DEF and customers to continue to store LLE for potential future construction of Levy. For all these reasons, this was not considered a viable LLE disposition option.

Decisional process

DEF is in the process of gathering the information needed to accomplish the LLE disposition objectives for each Levy LLE component. Once this information is accumulated, a financial analysis will be prepared for each LLE component that will compare the future costs of each proposed option. Additionally, the risks and other qualitative considerations will be described for each option and each component. For each LLE component the option which minimizes both the financial cost and risks given the qualitative constraints will be selected by the Levy project team.

The approval of the decision on each LLE component will follow the requirements of the appropriate internal policy as provided in the Nuclear Development Project Governance Procedure, PD-BO-NDP-0001. The best effort will be made to aggregate the decisions on each component into a single decision for all of the LLE components, but, at times, the optimal path may prevent such aggregation.

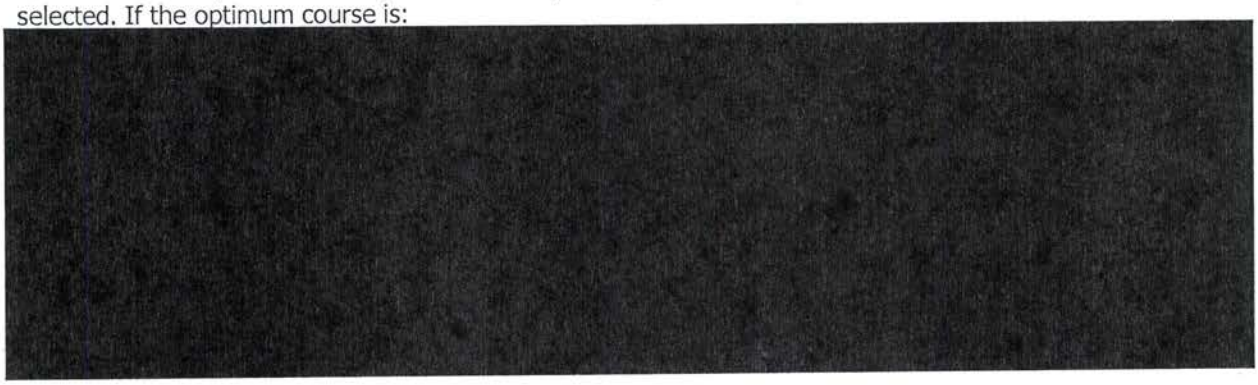
Equipment in fabrication

Mangiarotti supplied components: The LLE components supplied by Mangiarotti have been dispositioned consistent with this LLE disposition plan. The permanent disposition of these LLE components has been completed as documented in letter LNP-EPC-2013-0023.

Tioga equipment: The reactor coolant loop piping supplied by Tioga has been dispositioned consistent with this LLE disposition plan. The permanent disposition of this LLE component has been completed as documented in letter LNP-EPC-2014-00001.

Post-decision activities

For each LLE component the execution of the optimal disposition decision will depend on which option is selected. If the optimum course is:



REDACTED

CB&I Stone & Webster, Inc.
128 South Tryon Street
Suite 1000
Charlotte, NC 28202
Tel: +1 704-343-7500
Fax: +1 704-331-5646
www.CBI.com

March 20, 2014
L-SHAW-DUKE-000002
Project: Levy Nuclear Project
Response Required Y ☒ N ☐
Response Due By: 3/30/2014

Duke Energy Corporation
Attention: Mr. Christopher Fallon
Vice President, Nuclear Development
526 South Church Street
Mail Code: EC12L
Charlotte, NC 28202

Subject: Levy Termination Costs Estimate for CB&I Stone & Webster, Inc.

Reference:
1. Levy Nuclear Plant EPC Agreement
2. Duke Energy Letter LNP-EPC-2014-0003 dated 28 January 2014
3. Letter APC_LVG-000068 dated 20 February 2014

Dear Mr. Fallon:

As follow-up to Letter APC_LVG_000068 (Reference 3), CB&I Stone & Webster, Inc. (CB&I), is pleased to submit this description of activity and estimate of cost associated with the termination of CB&I work under the Levy Nuclear Plant EPC Agreement.

Orderly Conclusion of CB&I Activity and Proposal for Payment of Cost

Pursuant to discussions with Duke Energy Florida (DEF) under EPC Agreement Article 22.6, CB&I is proceeding with the orderly conclusion of all Levy contract activities. Project Management anticipates the following activities to close:

[redacted]

CMF

[redacted]

Please indicate binding consent by signing below. Contact the undersigned with any questions regarding this correspondence.

Sincerely,

Kevin J. Holderness
Project Manager
CB&I
Levy County Project

Consent and agree on behalf of Duke Energy Corporation

Christopher M. Fallon 3/21/14

Christopher Fallon
Vice President, Nuclear Development

cc:

Franklin, Michael	Duke Energy Florida	Harrod, Bennett	CB&I
Hubner, Edward	CB&I	Document Control	

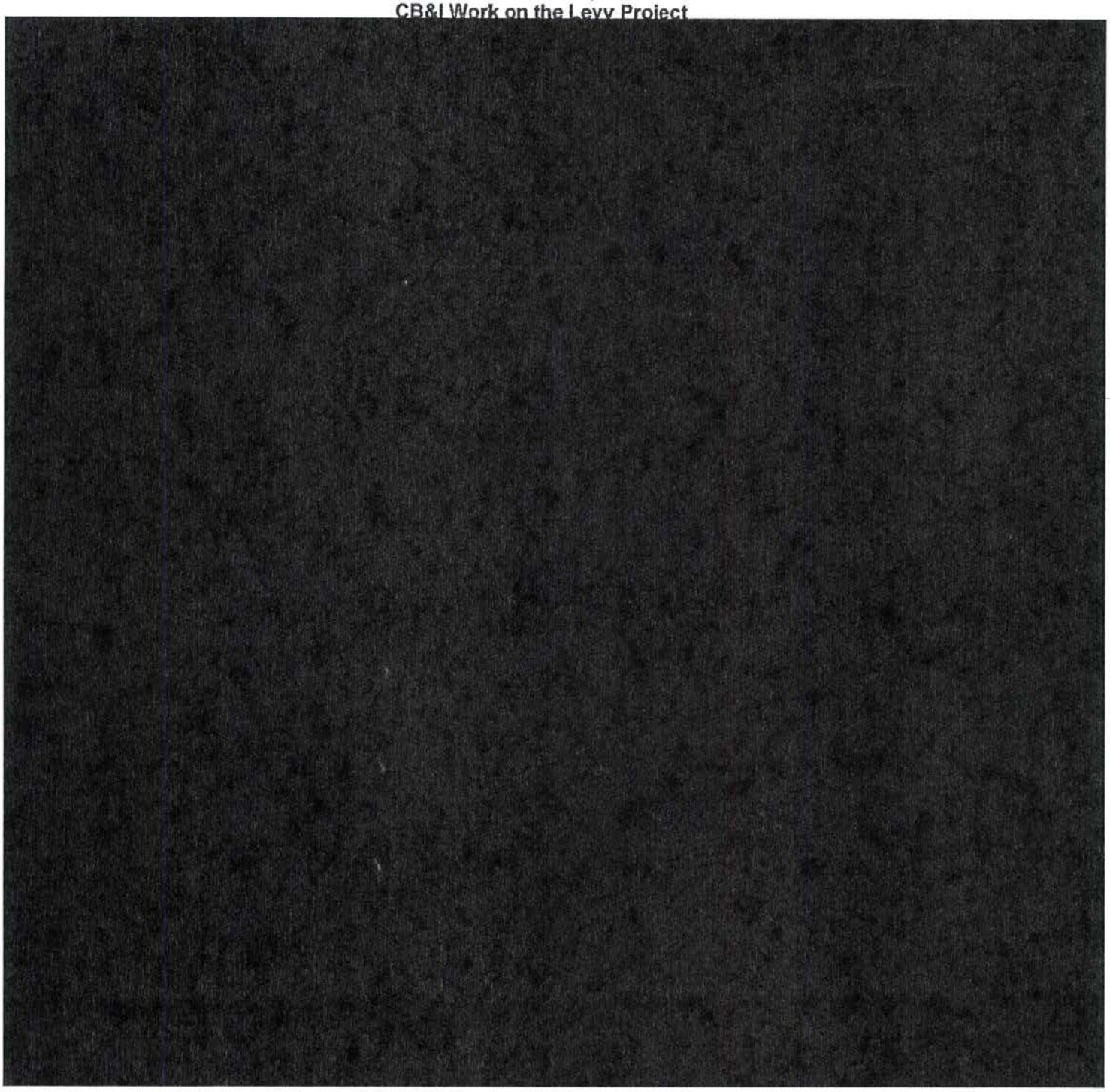
Attachments:

A. Estimate of Cost of Orderly Conclusion of CB&I Work on the Levy Nuclear Project
B. Form of Mutual Release of Claims

Please Reply To: Kevin J. Holderness
Phone: 704-378-5277
E-Mail Address: kevin.holderness@CBI.com

CMF

Attachment A
Estimate of Cost of Orderly Conclusion of
CB&I Work on the Levy Project



CMF

Attachment B
Form of Mutual Release of Claims

Release of Claims

[redacted]

CB&I STONE & WEBSTER, INC.

By:_____

Name:_____

Title:_____

Date: _____

DUKE ENERGY FLORIDA, INC., FLORIDA POWER CORPORATION, and PROGRESS ENERGY FLORIDA, INC.

By: _____

Name: _____

Title: _____

Date: _____

CMF

Attachment B
Form of Mutual Release of Claims

Release of Claims

[redacted]

CB&I STONE & WEBSTER, INC.
By: Kevin J. Holderness
Name: Kevin J. Holderness
Title: PROJECT MANAGER
Date: 16 APRIL 2014

DUKE ENERGY FLORIDA, INC., FLORIDA POWER CORPORATION, and PROGRESS ENERGY FLORIDA, INC.
By: Christopher M. Fallon
Name: CHRISTOPHER M. Fallon
Title: VICE PRESIDENT
Date: 30 APRIL 2014

REDACTED

Background:

DEF authorized WEC to contact Tioga regarding the feasibility and potential cost impact (if any) to place a manufacturing hold on the Reactor Coolant-loop (RCL) piping components currently in manufacturing, to allow DEF time to analyze the disposition of the equipment. Tioga responded that there would be a cost associated with a manufacturing hold and that a change order would need to be negotiated. On November 14, 2013, DEF authorized WEC to contact Tioga regarding its cost should DEF terminate the purchase order and cancel manufacturing of the RCL piping. On January 7, 2014 Tioga provided WEC with an all-inclusive cancellation cost of [redacted] These all inclusive costs include such items as cancelling all material orders, purchase orders and existing contracts, bringing work to an orderly conclusion, demobilization costs, any cancellation charges to third parties, costs to scrap or salvage materials and a credit for the salvage or scrap value, etc. In addition, Tioga acquired and renovated a building in the US to store the RCL piping. If this offer is accepted, DEF and WEC shall have no further liability to Tioga for this purchase order and Tioga will have no further liability to DEF and WEC. Tioga indicated that because the pipes are in the queue to be bent on [redacted] The table below discusses the potential outcomes for the RCL piping to provide a framework for a decision on the Tioga offer.

Option	Costs	Comments
Terminate PO- stop manufacturing	Cost to terminate PO - [redacted]	Salvage value is included in net cost. DEF and WEC shall have no further liability to Tioga for these POs
Complete manufacturing and store RCL piping – sell when market recovers	Cost to complete manufacturing - [redacted][1] Storage, extended warranty, etc.: [redacted][2] PMO and RCL piping PMO [redacted][3] Storage Plans and obtaining Storage estimates: [redacted][3] Duties and Customs: [redacted][3]	Nuclear market is speculative at this point. Great uncertainty concerning the market for this equipment or any reasonable expectation of equipment value.
Complete manufacturing and store RCL piping – unable to sell, scrap at end of storage period	Cost to complete manufacturing - [redacted] Storage, extended warranty, etc.: [redacted][2] PMO and RCL piping PMO [redacted][3] Storage Plans and obtaining Storage estimates: [redacted][3] Duties and Customs: [redacted][3]	Scrap value estimated to be approximately [redacted][4].

[1] [redacted]
[2] From Levy EPC [redacted]
[3] From email from Linda Iller (WEC) on January 7, 2014.
[4] Estimate [redacted]

Complete manufacturing and store RCL piping – Use at Levy	Cost to complete manufacturing - [redacted] Storage/Extended Warranty Costs - [redacted] PMO and RCL piping PMO [redacted][3] Storage Plans and obtaining Storage estimates: [redacted][3] Duties and Customs: [redacted][3]	New Florida nuclear cost recovery legislation raises concerns over the feasibility of new nuclear in Florida. Need to develop a long-term storage plans. Earliest in-service date is beyond 2025 requiring long-term storage of RCL piping.

Other considerations:

[redacted]

- This is the last remaining equipment presently in fabrication under the Levy EPC agreement. For the rest of the equipment to be dispositioned the fabrication has been previously suspended.

[redacted]

Recommendation:

Given the uncertainty regarding the potential in-service date for Levy, the incremental costs to store the RCL piping and the uncertain market for the RCL piping, the offer from Tioga results in approximately [redacted] in savings versus completion of the equipment it is recommended that DEF terminate the Tioga purchase order and cancel manufacturing of the RCL piping.

[5] Have not been provided an estimate for long-term storage, escalated 5 year storage costs for an additional 7 years.

DUKE ENERGY.

CHRISTOPHER M. FALLON
Vice President
Nuclear Development

Duke Energy
EC12L/526 South Church Street
Charlotte, NC 28202

Mailing Address:
EC12L / P.O. Box 1006
Charlotte, NC 28201-1006

o 704.382.9248
c 704.519.6173
f 980.373.2551

christopher.fallon@duke-energy.com

January 9, 2014
LNP-EPC-2014-0001
Response (Action) Required YES X / NO __

Stone & Webster, Inc.
Attn: Kevin Holderness
Consortium Project Manager
CB&I Stone & Webster
128 S. Tryon Street
Charlotte, NC 28202

References: 1) E-mail from Linda Iller (WEC) to Christopher Fallon (DEF), Tioga PO – Cancellation Offer, sent January 7, 2013
2) Levy Nuclear Plant Project EPC Agreement PEF Contract No. 414310

Subject: Levy Long Lead Equipment Disposition for the Tioga Manufactured Equipment

Dear Mr. Holderness:

The purpose of this letter is to inform the Consortium of Duke Energy Florida's (DEF) acceptance of the cancellation offer for all components Tioga is manufacturing for Levy Units 1 and 2 as provided in Reference 1. This offer includes all cancellation costs from Tioga in the total amount of [redacted] After payment of this amount, DEF will have no further liability to Tioga or the Consortium for the long lead equipment to be supplied by Tioga for Levy Units 1 and 2.

We ask that you proceed with cancellation of the Tioga orders, pending the issuance of a Change Order to formalize our agreement as required by Section 22.1(h) of Reference 2 (which was added by Amendment Number Three).

DEF appreciates the Consortium's assistance in this matter. Should you have any questions, please contact either Mike Franklin (919-546-6967) or myself.

DUKE ENERGY.

MEMORANDUM

Date: January 12, 2015

To: Chris Fallon, Vice President -- Nuclear Development

cc: NDDocumentInbox@duke-energy.com

From: Lawrence Denney, Nuclear Regulated Generation & Commercial Support Manager

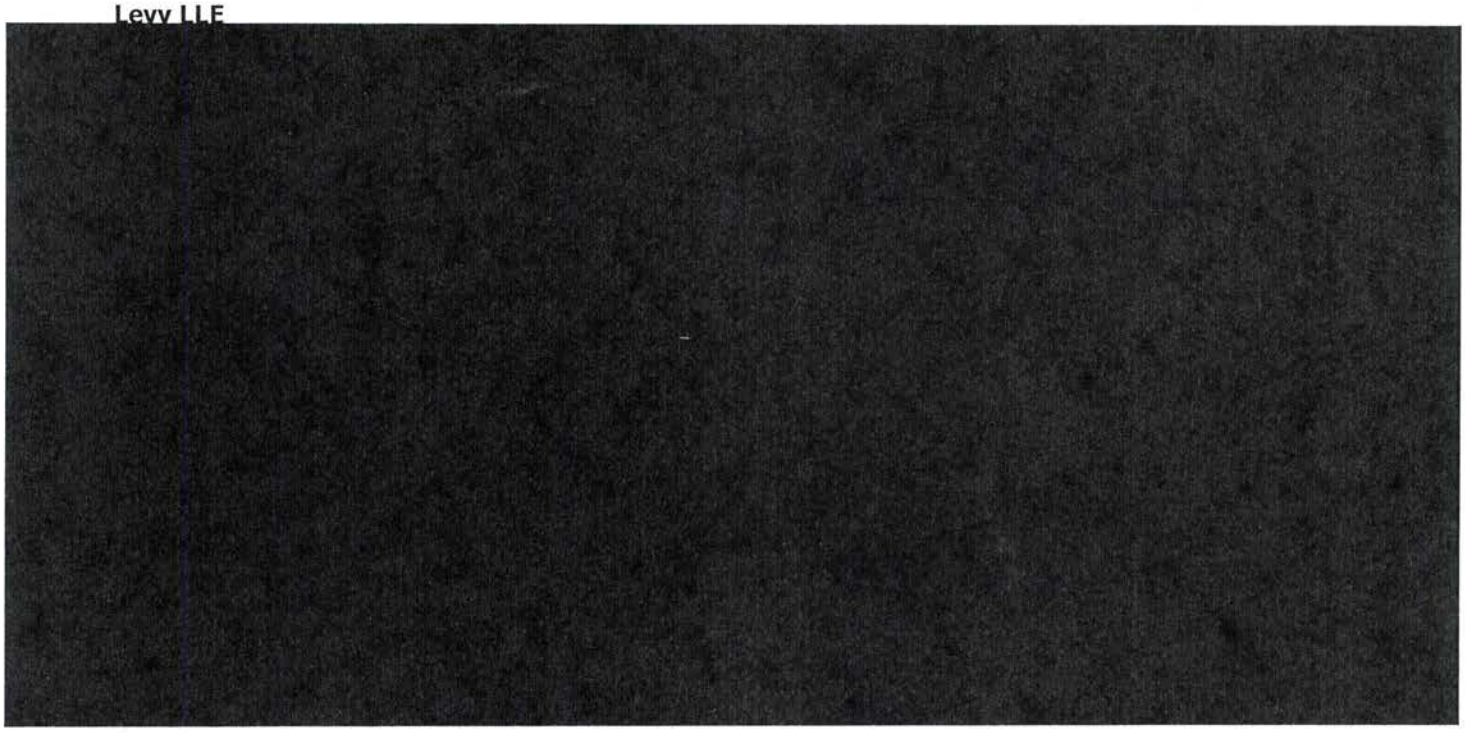
Subject: Status Update for Levy Nuclear Plant Long-lead Equipment Disposition

---

Introduction

This memo responds to your request for a summary and update of the present status of the disposition of the Levy Nuclear Plant long-lead equipment (LLE). It outlines the progress towards and obstacles encountered in executing the plans documented in the "Levy Nuclear Plant Long-lead Equipment Disposition Plan" memo dated January 16, 2014. That memo documented the plan Duke Energy Florida, Inc. (Duke) established to dispose of the remaining LLE purchased for the Levy County Nuclear Plant (Levy) under the Engineering, Procurement and Construction (EPC) agreement. It presented five different options[1] to maximize the value of the recovery of the disposition of the remaining LLE while simultaneously minimizing any risks that could be incurred from a particular option or action.

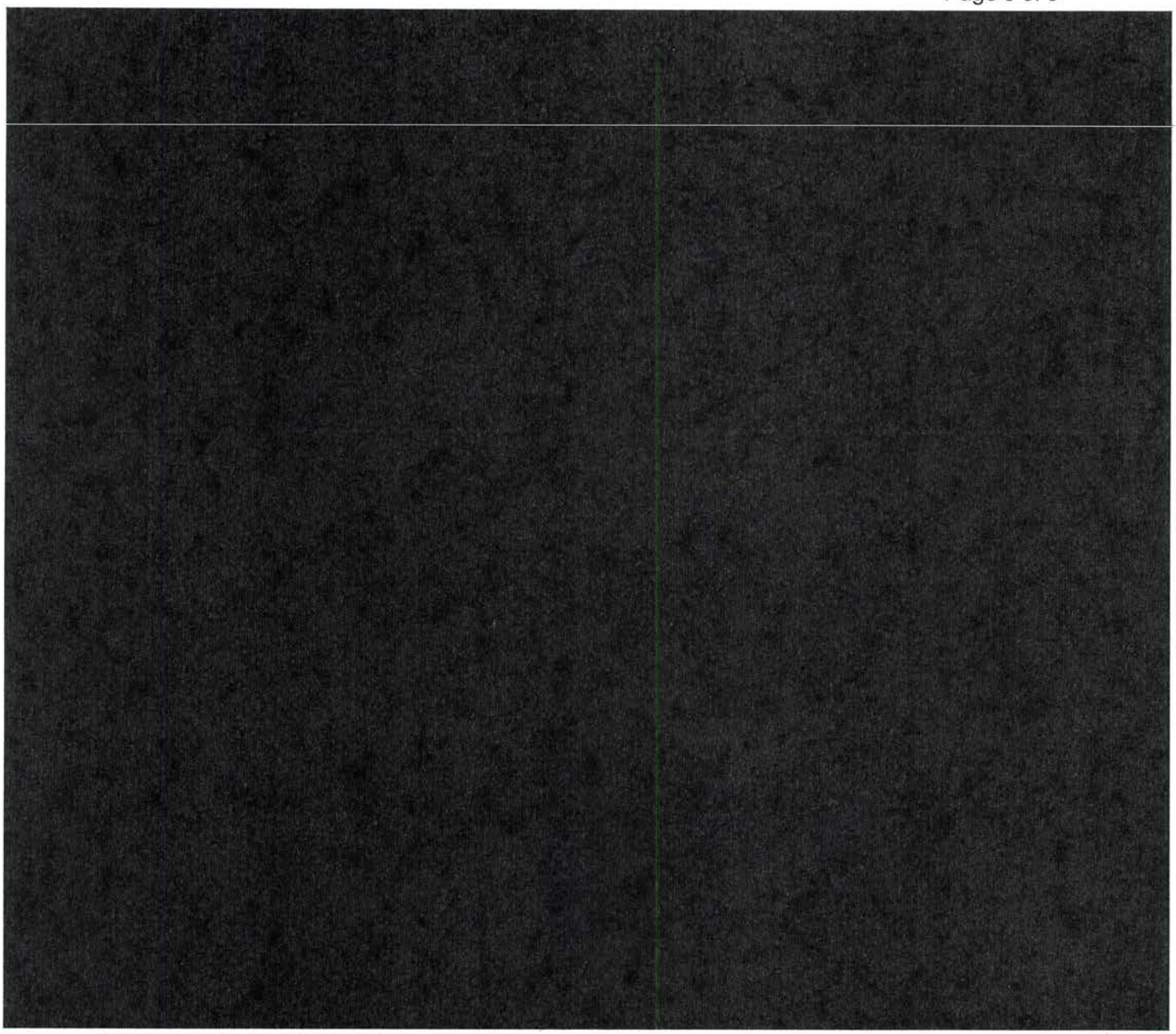
Levy LLE



[redacted]

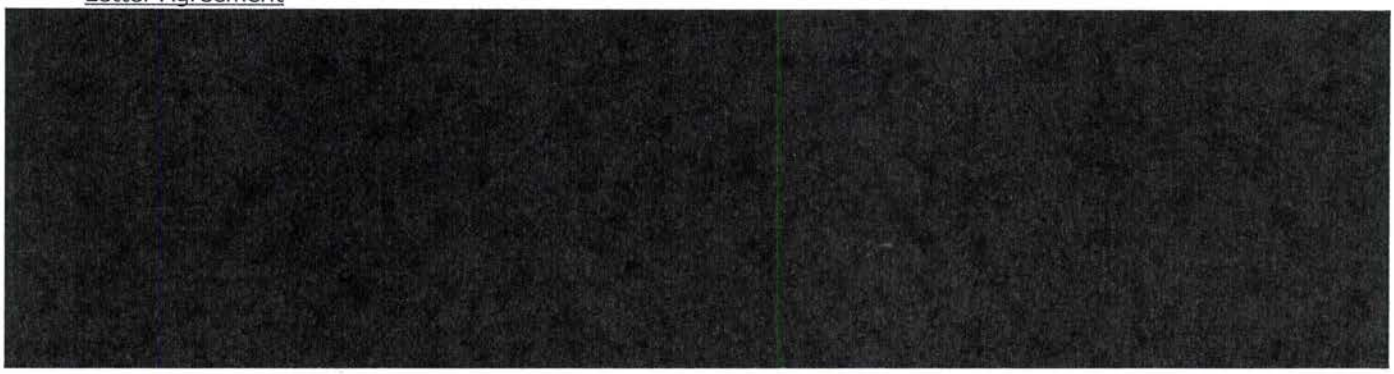
Disposition Options

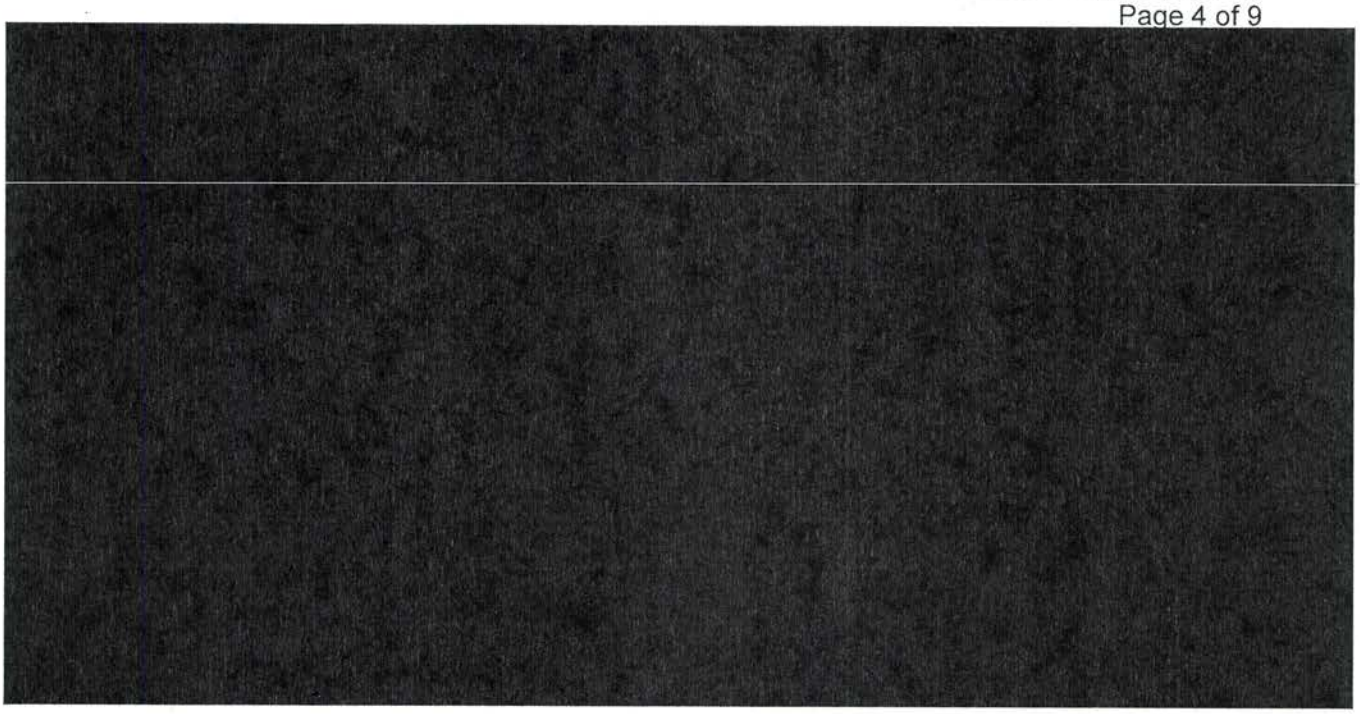
[redacted]

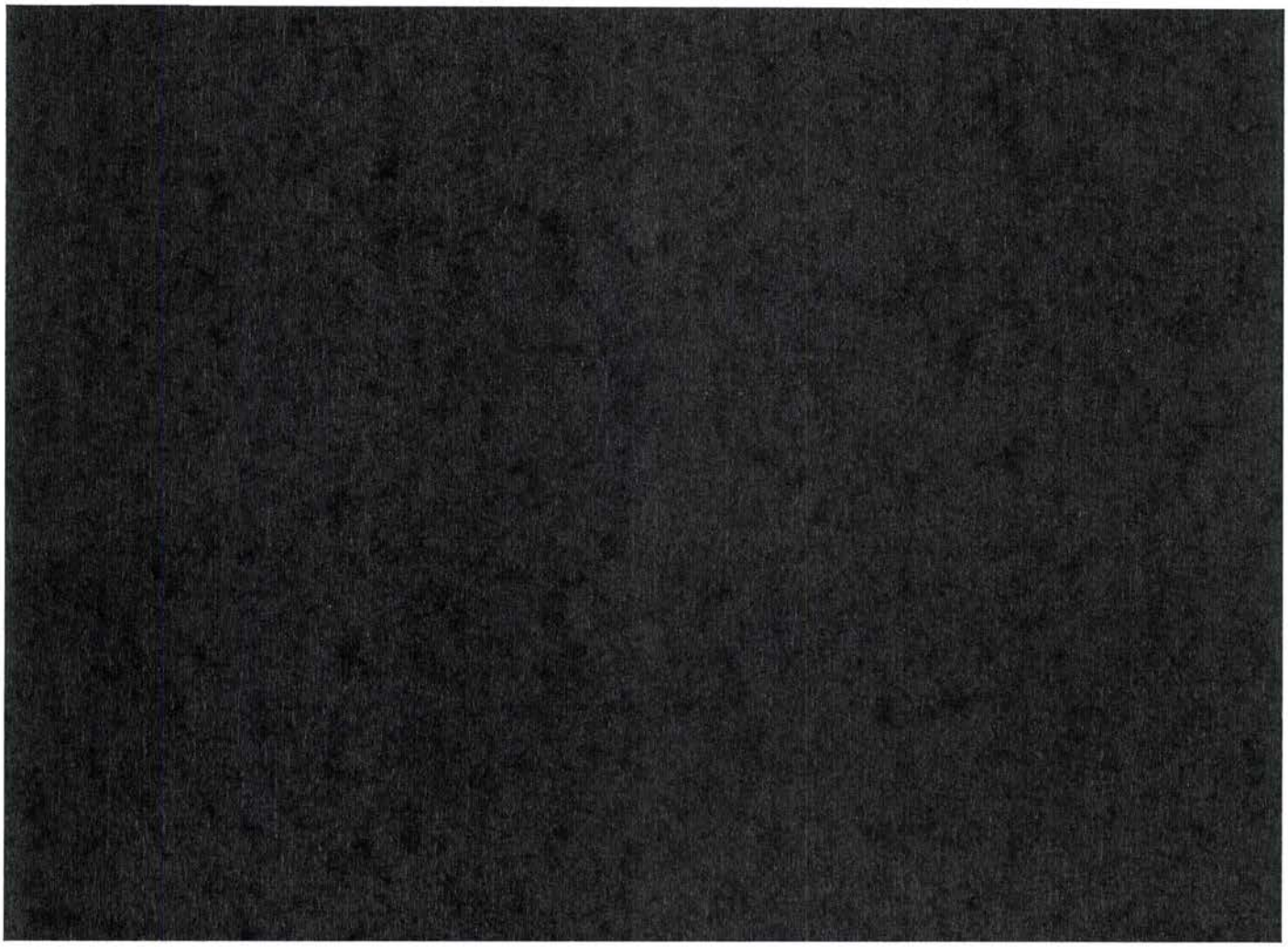


Challenges in working with Westinghouse

Letter Agreement







[redacted]

Review of Purchase Orders

[redacted]

[redacted]

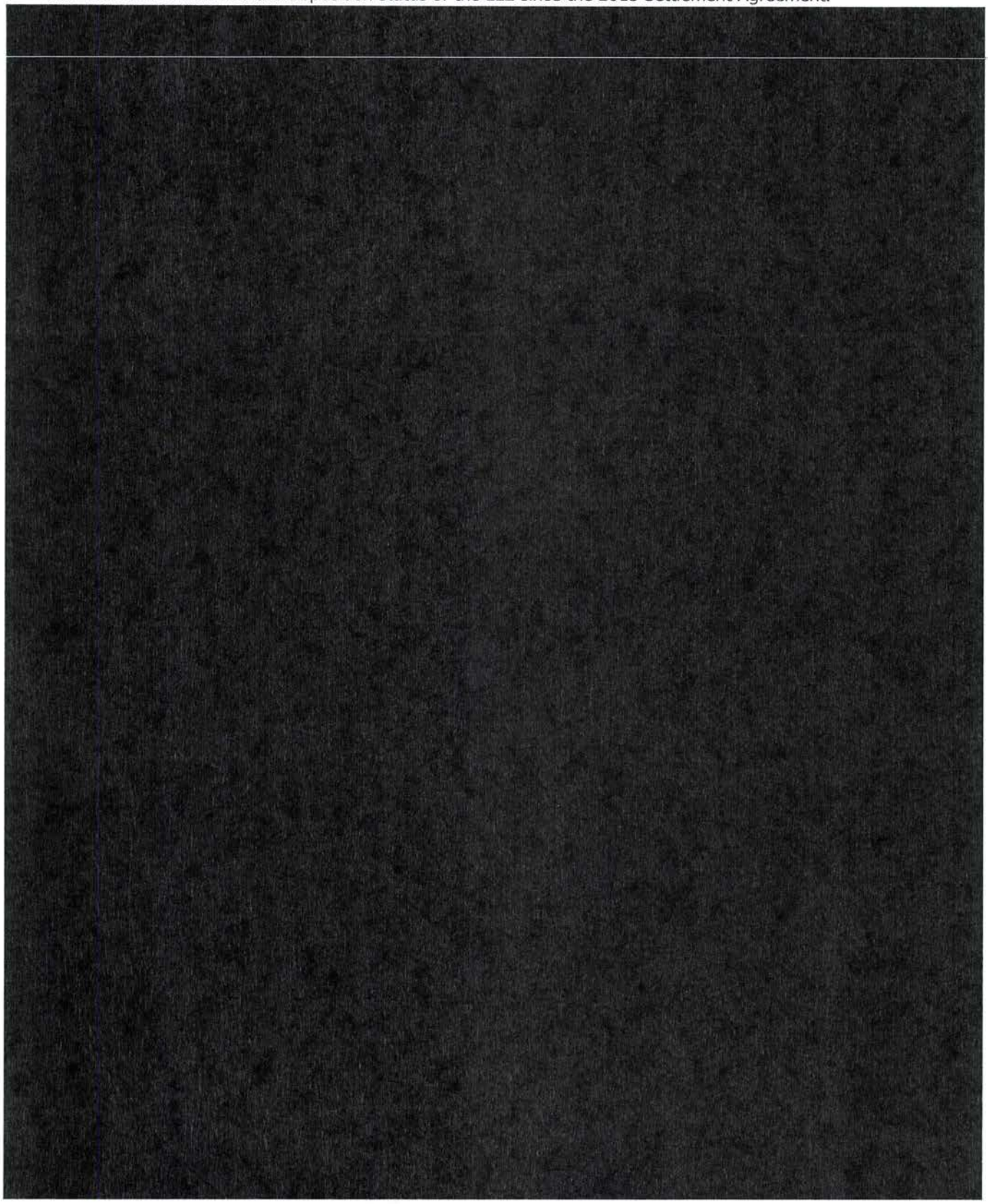
LLE disposition

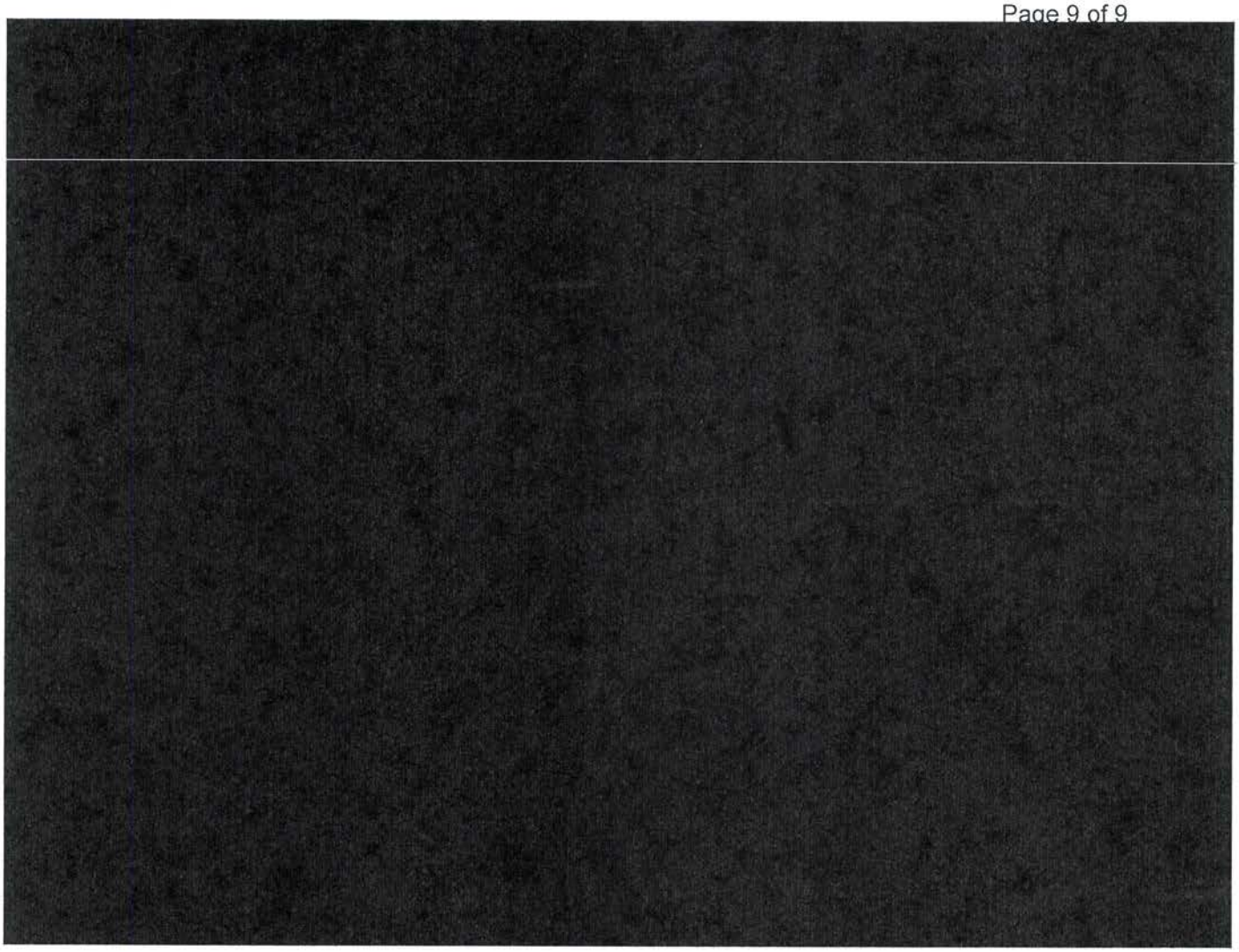
[redacted]

[redacted]

Summary of the Status of LLE

The table below itemizes the disposition status of the LLE since the 2013 Settlement Agreement.





BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery Clause

DOCKET NO. 150009-EI

Submitted for filing:
March 2, 2015

REDACTED

DIRECT TESTIMONY OF THOMAS G. FOSTER IN SUPPORT OF ACTUAL COSTS

ON BEHALF OF
DUKE ENERGY FLORIDA, INC.

Q. What is the carrying cost rate used in the 2014 Detail Schedule?

A. Beginning in 2013 for both the CR3 Uprate and the LNP, DEF started using the rate specified in Rule 25-6.0423(7)(b), F.A.C. The carrying cost rate used for this time period in the 2014 Detail Schedule was 7.23 percent. On a pre-tax basis, the rate is 10.29 percent. This annual rate was also adjusted to a monthly rate consistent with the Allowance For Funds Used During Construction ("AFUDC") rule, Rule 25-6.0141, Item (3), F.A.C. Support for the components of this rate is shown in Appendix C of Exhibit Nos.___(TGF-1) and (TGF-2).

III. COSTS INCURRED IN 2014 FOR THE LEVY NUCLEAR PROJECT.

Q. What are the total retail costs DEF incurred for the LNP during the period January 2014 through December 2014?

A. The total retail costs for the LNP are $23.5 million for the calendar year ended December 2014, as reflected on 2014 Detail Schedule Line 22 in Exhibit No__(TGF-1). This amount includes $10.2 million in exit/wind-down and disposition costs as can be seen on Lines 5a and 19d, and $13.3 million for the carrying costs on the unrecovered investment balance shown on Line 8d. These amounts were calculated in accordance with the provisions of Rule 25-6.0423, F.A.C.

Q. How did actual Generation expenditures for January 2014 through December 2014 compare with DEF's actual/estimated costs for 2014?

A. Appendix D (Page 2 of 2), Line 4 shows that total Generation project costs were [redacted], or [redacted] lower than estimated. By cost category, major cost

variances between DEF's projected and actual 2014 LNP Generation project costs are as follows:

Wind-Down Costs: Expenditures for Wind-Down activities were [redacted] or [redacted] lower than estimated, as explained in the testimony of Christopher Fallon.

Disposition: Expenditures for Disposition activities were [redacted] or [redacted] lower than estimated, as explained in the testimony of Christopher Fallon.

Q. Did the Company incur Transmission expenditures for January 2014 through December 2014?

A. No.

Q. Were there any true-up adjustments that needed to be made that did not affect the total estimated revenue requirements for the Levy project?

A. Yes, there were two adjustments made in April 2014. The adjustment in the Generation section of approximately [redacted] that represents costs that were previously accrued for in prior periods, but actual payments were either not made or the actual amount paid was lower than the accrual. The adjustment in the Transmission section of [redacted] that represents costs that were previously incurred and cash paid in a prior period, without an offsetting accrual.

The amounts and offsets are shown on Line 1a & Line 2a and Line 3a & Line 4a, respectively, in the 2014 Detail Schedule in Exhibit No. __ (TGF-1).

Docket No. 150009-EI
Duke Energy Florida
Exhibit No. ___ (TGF-1)

SCHEDULE APPENDIX

REDACTED

EXHIBIT (TGF-1)

DUKE ENERGY FLORIDA, INC.
LEVY NUCLEAR UNITS 1 & 2
COMMISSION SCHEDULES

JANUARY 2014 - DECEMBER 2014
DOCKET NO. 150009-EI

DUKE ENERGY FLORIDA
Nuclear Cost Recovery Clause (NCRC) - Levy Nuclear Units 1 & 2
2014 Detail - Calculation of the Revenue Requirements
January 2014 through December 2014

REDACTED

Witness: T. G. Foster/C. Fallon
Docket No. 150009-EI
Duke Energy Florida
Exhibit No. ___ (TGF-1)

Line	Description		Beginning of Period Amount	Actual January 2014	Actual February 2014	Actual March 2014	Actual April 2014	Actual May 2014	Actual June 2014	Actual July 2014	Actual August 2014	Actual September 2014	Actual October 2014	Actual November 2014	Actual December 2014	Period Total	End of Period Total
1	Uncollected Investment : Generation																
	a Prior Period Construction Balance (b)																
	b Wind-Down Costs																
	c Sale or Salvage of Assets																
	d Disposition																
	e Total																
2	Adjustments																
	a Non-Cash Accruals (b)																
	b Adjusted System Generation (Line 1e + Line 2a)																
	c Retail Jurisdictional Factor : Generation	92.885%															
	d Retail Uncollected Investment: Generation																
3	Uncollected Investment : Transmission																
	a Prior Period Construction Balance (b)																
	b Wind-Down Costs																
	c Sale or Salvage of Assets																
	d Disposition																
	e Total																
4	Adjustments																
	a Non-Cash Accruals (b)																
	d Adjusted System Transmission (Line 3e + Line 4a)																
	e Retail Jurisdictional Factor : Transmission	70.203%															
	f Retail Uncollected Investment: Transmission																
5	Total Uncollected Investment																
	a Total Jurisdictional Uncollected Investment (2d + 4f)		214,246,253	6,261,829	200,762	230,672	242,865	2,819,421	5,353	6,469	5,187	8,137	6,129	13,367	16,444	9,816,636	224,062,889
	b Retail Land Transferred to Land Held for Future Use (a)		(66,221,330)														(66,221,330)
	c Total Jurisdictional Uncollected Investment		148,024,923														157,841,559
6	Carrying Cost on Unrecovered Investment Balance																
	a Uncollected Investment: Additions for the Period (Beg Balance: Line 5c.) (a)		148,024,923	6,261,829	200,762	230,672	242,865	2,819,421	5,353	6,469	5,187	8,137	6,129	13,367	16,444	$9,816,636	157,841,559
	b Plant-in-Service (a)		1,010,952														(1,010,952)
	c Period Recovered Wind-down / Exit Costs															9,816,636	9,816,636
	d Amortization of Uncollected Investment (2D10)			2,435,326	2,435,326	2,435,326	2,435,326	2,435,326	2,435,326	2,435,326	2,435,326	2,435,326	2,435,326	2,435,326	2,435,326	29,223,910	29,223,910
	e Additional Amortization of Uncollected Investment Balance			3,905,376	3,905,376	3,905,376	3,905,376	3,905,376	3,905,376	3,905,376	3,905,376	3,905,376	3,905,376	3,905,376	3,905,376	46,864,516	(46,864,516)
	f Prior Period Carrying Charge Unrecovered Balance (a)		24,221,851	21,816,090	19,410,330	17,004,570	14,598,809	12,193,049	9,787,289	7,381,528	4,975,768	2,570,008	164,247	(2,241,513)	(4,647,273)		(4,647,273)
	g Prior Period Carrying Charge Recovered (a)		(354,786)	(29,566)	(29,566)	(29,566)	(29,566)	(29,566)	(29,566)	(29,566)	(29,566)	(29,566)	(29,566)	(29,566)	(29,566)		0
	h Prior Period Under/(Over) Recovery (Prior Month)		-	0	4,701,138	(2,447,534)	(1,000,987)	(1,001,389)	1,573,222	(1,243,795)	(838,670)	(1,269,923)	(1,281,841)	(1,298,837)	(1,306,688)	(6,734,088)	(6,734,088)
	i Net Investment		$171,235,822	$171,186,514	$163,515,448	$154,786,688	$147,486,757	$142,750,787	$135,198,804	$127,644,988	$120,493,899	$112,915,790	$105,320,803	$97,718,069	$90,103,321		584,768,093
7	Average Net Investment			$171,211,168	$166,570,635	$157,826,920	$150,520,893	$144,496,645	$138,351,696	$130,797,322	$123,646,874	$116,067,290	$108,473,308	$100,866,953	$93,250,667		
8	Return on Average Net Investment																
	a Equity Component	0.00394		674,572	656,288	621,838	593,052	569,317	545,106	515,341	487,169	457,305	427,385	397,416	367,408	6,312,197	
	b Equity Component Grossed Up For Taxes	1.62800		1,098,204	1,068,438	1,012,353	965,490	926,849	887,433	838,976	793,112	744,493	695,783	646,994	598,141	10,276,267	
	c Debt Component	0.00189		324,274	315,485	298,924	285,087	273,677	262,038	247,730	234,187	219,831	205,448	191,042	176,617	3,034,340	
	d Total Return			1,422,478	1,383,923	1,311,277	1,250,577	1,200,526	1,149,471	1,086,706	1,027,299	964,324	901,231	838,036	774,758	13,310,606	
9	Revenue Requirements for the Period (Line 6a + 8d)			7,684,308	1,584,685	1,541,950	1,493,442	4,019,947	1,154,824	1,093,174	1,032,486	972,461	907,360	851,403	791,202	23,127,243	
10	Projected Revenue Requirements for the Period (Order No. PSC 14-0701-FOF-EI)			2,983,170	4,032,219	2,542,937	2,494,831	2,446,725	2,398,620	1,931,845	2,302,408	2,254,303	2,206,197	2,158,091	2,109,986	29,861,331	
11	Over/Under Recovery For the Period			4,701,138	(2,447,534)	(1,000,987)	(1,001,389)	1,573,222	(1,243,795)	(838,670)	(1,269,923)	(1,281,841)	(1,298,837)	(1,306,688)	(1,318,783)	(6,734,088)	
12	Other Exit / Wind-Down																
	a Accounting			(3,157)	13,305	14,342	6,923	10,330	4,083	12,032	5,001	3,256	3,128	2,768	2,669	$74,680	
	b Corporate Planning			9,947	7,876	7,046	7,799	4,876	6,124	4,174	4,771	579	2,130	1,539	2,882	$59,743	
	c Legal			0	29,750	31,407	18,683	20,640	21,874	26,913	21,274	25,149	19,497	19,615	38,055	$272,857	
	d Nuclear Generation			0	0	0	0	0	1,940	0	0	0	0	0	0	1,940	
	e Total Other Exit / Wind-Down Costs			6,790	50,931	52,795	33,405	35,846	34,021	43,119	31,046	28,984	24,755	23,922	43,606	$409,220	
13																	
	a Jurisdictional Factor (A&G)			0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221		
	b Jurisdictional Factor (Generation)			0.92885	0.92885	0.92885	0.92885	0.92885	0.92885	0.92885	0.92885	0.92885	0.92885	0.92885	0.92885		
14	Jurisdictional Amount			6,330	47,478	49,216	31,140	33,416	31,708	40,196	28,941	27,029	23,077	22,300	40,650	381,472	
15	Prior Period Unrecovered Balance (a)		(520,198)	(483,500)	(446,802)	(410,103)	(373,405)	(336,707)	(300,009)	(263,311)	(226,612)	(189,914)	(153,216)	(116,518)	(79,819)		
16	Prior Period Costs Recovered (a)		(440,379)	(36,698)	(36,698)	(36,698)	(36,698)	(36,698)	(36,698)	(36,698)	(36,698)	(36,698)	(36,698)	(36,698)	(36,698)	(36,698)	
17	Prior Month Period (Over)/Under Recovery			0	(33,745)	7,400	9,133	(8,945)	(6,671)	(8,377)	111	(11,147)	(13,071)	(17,014)	(17,794)		
18	Unamortized Balance		(520,198)	(483,500)	(480,547)	(436,449)	(390,618)	(362,865)	(332,837)	(304,515)	(267,706)	(242,154)	(218,527)	(198,842)	(179,938)	(143,239)	
19	Projected Carrying Costs for the Period																
	a Balance Eligible for Interest			(498,684)	(475,157)	(430,190)	(393,397)	(364,506)	(335,332)	(302,766)	(271,584)	(246,994)	(225,337)	(206,041)	(177,962)		
	b Monthly Commercial Paper Rate			0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%		
	c Interest Provision			[23]	[24]	[25]	[25]	[23]	[18]	[15]	[16]	[14]	[12]	[13]	[13]	[221]	
	d Total Costs and Interest (Line 14 + Line 19c)			6,307	47,455	49,191	31,116	33,393	31,690	40,181	28,926	27,005	23,065	22,287	40,637	381,251	
20	Recovered (Order No. PSC 14-0701-FOF-EI)			40,052	40,055	40,058	40,061	40,064	40,067	40,070	40,072	40,075	40,078	40,081	40,084	480,817	
21	Over/Under Recovery For the Period			(33,745)	7,400	9,133	(8,945)	(6,671)	(8,377)	111	(11,147)	(13,071)	(17,014)	(17,794)	553	(99,566)	
22	Revenue Requirements for the Period			7,690,614	1,632,139	1,591,141	1,524,558	4,053,340	1,186,514	1,133,355	1,061,411	999,466	930,425	873,691	831,838	23,508,493	
23	Recovered (Order No. PSC 14-0701-FOF-EI)			3,023,222	4,072,274	2,582,995	2,534,892	2,486,789	2,438,686	1,971,915	2,342,481	2,294,378	2,246,275	2,198,172	2,150,070	30,342,148	
24	Over/Under Recovery For the Period			4,667,393	(2,440,135)	(991,854)	(1,010,334)	1,566,551	(1,252,172)	(838,559)	(1,281,070)	(1,294,912)	(1,315,851)	(1,324,482)	(1,318,232)	(6,833,655)	

Note:
[a] Please see Appendix a for Beginning Balance Support

[redacted] This amount represents accruals for anticipated expenses that were not incurred or the payment of the actual amount was lower than the accrual.

[redacted] This amount represents expenses incurred and cash paid in a previous period that did not have an offsetting accrual adjustment.

LEVY COUNTY NUCLEAR 1 & 2
Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance
True-Up Filing: Regulatory Asset Category - Variance in Additions and Expenditures

REDACTED

Appendix D
Witness: C. Fallon
Docket No. 150009-EI
Duke Energy Florida
Exhibit: (TGF - 1)
(Page 2 of 2)

EXPLANATION: Provide variance explanations comparing the annual system total expenditures shown on 2014 Detail Schedule with the expenditures approved by the Commission on Est/Actual Detail 2014. List the Generation expenses separate from Transmission in the same order appearing on 2014 Detail Schedule.

COMPANY:
Duke Energy - FL

DOCKET NO.:
150009-EI

For Year Ended 12/31/2014

Line No.	Major Task & Description for amounts on Schedule	(A) System Estimated/Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
	Generation:				
1	Wind-Down Costs (a)	[redacted]			Variance primarily relates to storage costs for Levy long-lead equipment that were not incurred because of the disposition of the Levy assets.
2	Sale or Salvage of Assets				
3	Disposition				Variance primarily relates to an estimated maximum LLE purchase order termination cost that was originally reasonably anticipated in 2014, but ultimately was not due or paid in 2014
4	Total Generation Costs				
	Transmission:				
1	Wind-Down Costs (b)	[redacted]			
2	Sale or Salvage of Assets				
3	Disposition				
4	Total Transmission Costs				

Note:
[redacted]
This amount represents accruals for expenses that were not and will not be paid.

[redacted]
This amount represents expenses incurred and cash paid in a previous period that did not have an offsetting accrual adjustment.

System Estimated / Actual taken from May 1, 2014 Filing in Docket No. 140009-EI

LEVY COUNTY NUCLEAR 1 & 2
True-Up Actual Filing: Contracts Executed

REDACTED

COMPANY: Duke Energy Florida

EXPLANATION: Provide a list of contracts executed in excess of $1 million including, a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.

DOCKET NO.: 150009-EI

Appendix E
Witness: C. Fallon
Docket No. 150009-EI
Duke Energy Florida
Exhibit No. ___ (TGF - 1)
For Year Ended: 12/31/2014

Line No.	(A) Contract No.	(B) Status of Contract	(C) Term of Contract	(D) Original Amount	(E) Actual Expended as of Prior Year End (2013)	(F) Actual Expended in 2014	(G) Estimate of Final Contract Amount	(H) Name of Contractor	(I) Affiliation of Vendor	(J) Method of Selection	(K) Nature and Scope of Work
1	414310	Terminated: January 28, 2014	[redacted]				Note	Westinghouse Electric Co. LLC.	Direct	Sole Source. Award based on vendor constructing the selected reactor technology.	To design, engineer, supply, equip, construct and install a fully operational two unit AP1000 Facility at the Levy Nuclear Plant Site. Final contract amount includes change orders.
2	N/A	Note 2	Note 2	Note 2			Note	Carlton Fields Jorden Burt	Direct	Note 2	Legal Work – DEF Levy Units 1 & 2

Line 1: Costs or credits associated with terminating the EPC contract and related long lead equipment purchase orders are subject to litigation in federal court and are unknown at this time.

Line 2: Estimate of final contract amount cannot be determined at this time.

ATTACHMENT C

DUKE ENERGY FLORIDA
DOCKET NO. 150009-EI
Second Request for Confidential Classification
Confidentiality Justification Matrix

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
Direct Testimony of Mark R. Teague in Support of Actual Costs on behalf of Duke Energy Florida, Inc.	Page 7, Line 10, last seven words, Lines 11 through 13 in their entirety, Line 14,1st eleven words	§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. §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.
Direct Testimony of Mark R. Teague in Support of Actual Costs on behalf of Duke Energy Florida, Inc., Exhibit No. ___ (MT-4)	Pages 1 through 9, all information in columns 2 through 4	§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. §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.
Direct Testimony of Mark R. Teague in Support of Actual Costs on behalf of Duke Energy Florida, Inc., Exhibit No. ___ (MT-5)	Page 1, all information in blocked paragraph; Page 2, all information in 2nd blocked paragraph; Page 3, all information on page following title; Page 4, all information on page	§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.

ATTACHMENT C

DUKE ENERGY FLORIDA
DOCKET NO. 150009-EI
Second Request for Confidential Classification
Confidentiality Justification Matrix

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
	following title; Pages 5 through 7, all information on pages exclusive of headings	§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.
Direct Testimony of Christopher M. Fallon in Support of Actual Costs on behalf of Duke Energy Florida, Inc.	Page 6, Line 11, third, fourth, eighth and ninth words; Page 7, Line 2, fourth word, Line 21, fifth and sixth words, Line 22, sixth and seventh words, Line 24, second and third words; Page 9, Line 3, all except first three words, Line 4, entire line except last word, Line 17, 1st two words; Page 12, Line 20, second and third words from the end, Line 21, 1st two words, Line 22, eighth and ninth words; Page 13, Line 4, second and third words, Line 5, last two words, Lines 6 through 11 in their entirety, Line 12, first word	§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. §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.
Direct Testimony of Christopher M. Fallon in Support of Actual Costs on behalf of Duke Energy Florida, Inc., Exhibit No. ____ (CMF-1)	Page 1, 2nd paragraph in body of letter	§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. §366.093(3)(e), Fla. Stat. The document portions in question

DUKE ENERGY FLORIDA
DOCKET NO. 150009-EI
Second Request for Confidential Classification
Confidentiality Justification Matrix

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
		contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.
Direct Testimony of Christopher M. Fallon in Support of Actual Costs on behalf of Duke Energy Florida, Inc., Exhibit No. ____ (CMF-2)	Page 3, 2nd blocked graph, last line on page, all words except 1st two words, footnote 2 in its entirety; Page 4, 1st three lines on page in their entirety, 2nd paragraph, 3rd line, all words except first four words, last line in its entirety, 3rd paragraph, 2nd line, last ten words, 3rd through 5th lines in their entirety, 4th paragraph, last sentence in its entirety, 5th paragraph, 2nd line, last five words, lines 3 through 5 in their entirety; Page 5, bullet points at bottom of page in their entirety	§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. §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.
Direct Testimony of Christopher M. Fallon in Support of Actual Costs on behalf of Duke Energy Florida, Inc., Exhibit No. ____ (CMF-3)	Page 1, all information in bullet points and last three paragraphs on page; Page 2, all information in first six lines on page; Page 3, all information on page following heading; Page 4, all information in 1st three paragraphs following heading; Page 7, all information in 1st three paragraphs following heading	§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. §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

DUKE ENERGY FLORIDA
DOCKET NO. 150009-EI
Second Request for Confidential Classification
Confidentiality Justification Matrix

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
		business of the provider/owner of the information.
Direct Testimony of Christopher M. Fallon in Support of Actual Costs on behalf of Duke Energy Florida, Inc., Exhibit No. ____ (CMF-4)	Page 1, 1st paragraph, 7th line, eighth and ninth words, 13th line, last seven words; 14th line in its entirety, 15th line, 1st four words, Chart column 2, 1st row, last word, 2nd row, 2nd line word, 3rd line, last word, 4th line word, 5th line, last two words, 7th and 8th lines, last two words, 3rd row, 2nd line, last word, 3rd line, last word, 4th line word, 5th line, last two words, 7th and 8th lines, last two words, Chart column 3, 3rd row, 2nd line, last word, footnote 1 in its entirety, footnote 2, last three words, footnote 4, last seven words; Page 2, Chart column 2, 2nd line word, 3rd line last word, 4th line word, 5th line, last two words, 7th and 8th lines, last two words on each line, bullet points 1 and 3 through 6 in their entirety, last paragraph, 3rd line, first two words	§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. §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.
Direct Testimony of Christopher M. Fallon in Support of Actual Costs on behalf of Duke Energy Florida, Inc., Exhibit No. ____ (CMF-5)	Page 1, 1st paragraph of letter body, 4th line, all words except first three words, 5th line, all words except last four	§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.

ATTACHMENT C

DUKE ENERGY FLORIDA
DOCKET NO. 150009-EI
Second Request for Confidential Classification
Confidentiality Justification Matrix

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
		§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.
Direct Testimony of Christopher M. Fallon in Support of Actual Costs on behalf of Duke Energy Florida, Inc., Exhibit No. ____ (CMF-6)	Page 1, all information in second section titled Levy LLE, Pages 2 through 7, all information on pages exclusive of headings; Page 8, all information on page exclusive of heading and first line; Page 9, all information on page	§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. §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.
Direct Testimony of Thomas G. Foster in Support of Actual Costs	Page 6, Line 23, last word, Line 24, first, third and fourth words; Page 7, Line 4, second and third words from end, Line 5, first two words, Line 8, first, second and third words from end, Line 9, first word, Line 18, fifth and sixth words, Line 21, fourth word	§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. §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

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DOCKET NO. 150009-EI
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DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
		the information.
Direct Testimony of Thomas G. Foster in Support of Actual Costs, Exhibit No. ___ (TGF-1)	Page 4 of 11, All information shown in columns titled Beginning of Period Amount through End of Period Amount, Lines 1a through 1e, 2a, 2b and 2d, 3a through 3e, 4a, 4b, and 4f, Note(s) (b) at bottom of page, 1st line in their entirety; Page 10 of 11, all information in columns (A), (B) and (C), Generation Lines 1 through 4, Transmission Lines 1 through 4, Notes (a) and (b) at bottom of page, 1st line of each in its entirety; Page 11 of 11, all information in columns (C) through (F) Rows 1 and 2)	§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. §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.