



Matthew R. Bernier  
SENIOR COUNSEL  
Duke Energy Florida, LLC

November 19, 2015

**VIA ELECTRONIC DELIVERY**

Ms. Carlotta Stauffer, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Nuclear Cost Recovery Clause; Docket No. 150009-EI

Ms. Stauffer:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's Request for Extension of Confidential Classification concerning certain information contained in Staff's 2010 Audit Report No. PA-10-01-001, (document no. 05702-10) filed in Docket No. 100009-EI on July 12, 2010. Also attached is Revised Exhibit D, Affidavits of Christopher M. Fallon, Raymond Phillips, and Mark Teague in support of DEF's Request for Extension of Confidential Classification. The original Request included Exhibits A, B, and C.

There are no changes to the original Request exhibits: Exhibit A consisting of the confidential unredacted documents; Exhibit B containing two (2) redacted copies of the confidential documents; or Exhibit C that contained a justification matrix in support of DEF's original Request. The aforementioned exhibits remain on file with the Clerk.

Thank you for your assistance in this matter. If you have any questions, please feel free to contact me at (850) 521-1428.

Sincerely,

*/s/ Matthew R. Bernier*

Matthew R. Bernier

MRB:at  
Attachments

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In Re: Nuclear Cost Recovery Clause

Docket No. 150009-EI  
Submitted for Filing: Nov. 19, 2015

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**DUKE ENERGY FLORIDA'S  
REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION**

Duke Energy Florida, LLC (“DEF” or the “Company”), pursuant to Section 366.093, Florida Statutes (“F.S.”), and Rule 25-22.006, Florida Administrative Code (“F.A.C.”), hereby submits this Request for Extension of Confidential Classification (“Request”) concerning portions of Audit Report No. PA-10-01-001 (the “Audit Report”). The Audit Report regards Florida Public Service Commission Staff (“Staff”) Auditors’ 2010 Review of Progress Energy Florida, Inc.’s Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects. In support, DEF<sup>1</sup> states as follows:

1. On July 12, 2010, DEF filed its Thirteenth Request for Confidential Classification concerning certain information contained in Audit Report No. PA-10-01-001 (document number 05702-10), which contains sensitive business information as it contains confidential proprietary business information.

2. The Commission granted DEF’s Thirteenth Request for Confidential Classification concerning the Audit Report in Order No. PSC-14-0259-PFO-EI, dated May 23, 2014. The period of confidential treatment granted by that order will expire on November 23, 2015. The information continues to warrant treatment as “proprietary confidential business

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<sup>1</sup> The confidential information at issue was provided to the Commission by DEF’s predecessor, Progress Energy Florida, Inc. (“PEF”).

information” within the meaning of Section 366.093(3), F.S. Accordingly, DEF is filing its Request for Extension of Confidential Classification.

3. DEF submits that the confidential information contained in the Audit Report, submitted as Exhibit A to the July 12, 2010 Request continue to be “proprietary confidential business information” within the meaning of section 366.093(3), F.S. and continue to require confidential classification. *See* Affidavits of Mark Teague and Christopher M. Fallon at ¶¶ 4-5, and the Affidavit of Raymond Phillips at ¶ 4, attached as Revised Exhibit “D”. This information is intended to be and is treated as confidential by the Company. The information has not been disclosed to the public. Pursuant to section 366.093(1), F.S., such materials are entitled to confidential treatment and are exempt from the disclosure provisions of the Public Records Act. *See* Affidavits of Mark Teague and Christopher M. Fallon ¶ 6 and the Affidavit of Raymond Phillips at ¶ 5.

4. Nothing has changed since the issuance of Order No. PSC-14-0259-CFO-EI to render the information stale or public such that continued confidential treatment would not be appropriate. Upon a finding by the Commission that this information continues to be “proprietary confidential business information,” it should continue to be treated as such for an additional period of at least 18 months, and should be returned to DEF as soon as the information is no longer necessary for the Commission to conduct its business. See §366.093(4), F.S.

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

Respectfully submitted this 19<sup>th</sup> day of November, 2015,

*/s/ Matthew R. Bernier*

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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished via electronic mail to the following this 19<sup>th</sup> day of November, 2015.

/s/ Matthew R. Bernier

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# **Exhibit A**

**“CONFIDENTIAL”**

**(On file)**

# **Exhibit B**

**(On file)**

**Exhibit C**

**DUKE ENERGY FLORIDA  
Confidentiality Justification Matrix**

**(On file)**



**Revised Exhibit D**  
**Affidavit of**  
**Christopher M. Fallon**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In Re: Nuclear Cost Recovery Clause

Docket No. 150009-EI  
Submitted for Filing: Nov. 23, 2015

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**AFFIDAVIT OF CHRISOPHER M. FALLON IN SUPPORT OF  
DUKE ENERGY FLORIDA'S  
REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

1. My name is Christopher M. Fallon. I am employed by Duke Energy Corporation ("Duke Energy") in the capacity of Vice President of Nuclear Development. I am over the age of 18 years old and I have been authorized to give this affidavit in the above-styled proceeding on Duke Energy Florida's (hereinafter "DEF" or the "Company") behalf and in support of DEF's Request for Extension of Confidential Classification (the "Request") concerning portions of Audit Report No. PA-10-01-001 (the "Audit Report"). The Audit Report regards Florida Public Service Commission Staff ("Staff") Auditors' 2010 Review of Progress Energy Florida, Inc.'s Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects.. The facts attested to in my affidavit are based upon my personal knowledge.

2. As Vice President of Nuclear Development, I am responsible for licensing and engineering design for the Levy Nuclear Power Plant Project (“LNP” or “Levy”), including the direct management of the Engineering, procurement and Construction (“EPC”) Agreement with Westinghouse Electric Company, LLC (“WEC”) and Stone & Webster, Inc. (“S&W”) (collectively, the “Consortium”).

3. DEF is seeking an extension of confidential classification for certain portions of Audit Report No. PA-10-01-001 filed by Commission Staff in Docket No. 100009-EI. There are no changes to the information contained in DEF’s confidential Exhibit A, redacted Exhibit B, and justification matrix Exhibit C. The referenced exhibits are on file with the Clerk. DEF is requesting an extension of confidential classification of this information because it contains sensitive business information, the disclosure of which would impair the Company’s efforts to contract for goods and services on favorable terms.

4. DEF negotiates with vendors to obtain competitive contracts for the disposition of long lead time equipment (“LLE”) for the Levy Nuclear Project (“LNP”) that provide economic value to DEF and its customers. In order to negotiate and obtain such contracts at competitive prices, however, DEF must be able to assure its vendors that sensitive business information such as capital cost numbers, settlement information, and other financial terms will be kept confidential. The contractual data at issue in this Request constitutes trade secrets of the Company and its contractual partners. In many instances, the disclosure of this information would violate contractual confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. DEF has kept confidential and has not publicly disclosed confidential contract terms or confidential information pertaining to the disposition of LLE for the LNP. Without DEF’s measures to maintain the confidentiality of sensitive business terms in

contracts between DEF and vendors, the Company's efforts to obtain competitive terms for the LNP would be undermined.

5. Additionally, portions of the report reflect the Company's internal strategies for evaluating projects and meeting deadlines. If such information was disclosed to DEF's competitors and/or other potential suppliers, DEF's efforts to obtain competitive nuclear equipment and service options that provide economic value to both the Company and its customers could be compromised by the Company's competitors and/or suppliers changing their offers, consumption, or purchasing behavior within the relevant markets. DEF must be able to assure these vendors that sensitive business information, such as the terms of their contracts, will be kept confidential. The disclosure of confidential information between DEF and its vendors could adversely impact DEF's competitive business interests. If such information was disclosed to DEF's competitors, DEF's efforts to negotiate and obtain favorable contractual terms that provide economic value to both DEF and its customers could be compromised. If other third parties were made aware of confidential contractual terms that DEF has with other parties, they may offer less competitive contractual terms in future contractual negotiations.

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

7. This concludes my affidavit.

Further affiant sayeth not.

Dated the 17<sup>th</sup> day of November, 2015.

Christopher M Fallon  
(Signature)  
Christopher M. Fallon

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 17<sup>th</sup> day of November, 2015 by Christopher M. Fallon. He is personally known to me, or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.



Jimmie O. Stroud  
(Signature)  
Jimmie O. Stroud  
(Printed Name)  
NOTARY PUBLIC, STATE OF North Carolina  
October 31, 2018  
(Commission Expiration Date)

\_\_\_\_\_  
(Serial Number, If Any)

**Revised Exhibit D  
Affidavit of  
Raymond Phillips**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In Re: Nuclear Cost Recovery Clause

Docket No. 150009-EI  
Submitted for Filing: Nov. 23, 2015

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**AFFIDAVIT OF RAYMOND PHILLIPS IN SUPPORT OF  
DUKE ENERGY FLORIDA'S  
REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

1. My name is Raymond Phillips. I am employed by Duke Energy Business Services, LLC ("Duke Energy") in the capacity of Director of Environmental, Health & Safety (EHS) Audits in the Internal Audit, Ethics, and Compliance Department. I am over the age of 18 years old and I have been authorized to give this affidavit in the above-styled proceeding on Duke Energy Florida's (hereinafter "DEF" or the "Company") behalf and in support of DEF's Request for Extension of Confidential Classification (the "Request") concerning portions of Audit Report No. PA-10-01-001 (the "Audit Report"). The Audit Report regards Florida Public Service Commission Staff ("Staff") Auditors' 2010 Review of Progress Energy Florida, Inc.'s Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects. The facts attested to in my affidavit are based upon my personal knowledge.



2. As a Director of Audit Services, I am responsible for managing internal audits on various projects across Duke Energy which include financial and operations activities as well as EHS. During the period 2007 to 2012, I was primarily responsible for internal audits of DEF. My responsibilities included the completion of internal audits scheduled for DEF projects. I also have knowledge as to Duke Energy internal auditing controls and how Duke Energy carries out the process of conducting internal audits of all its entities including DEF.

3. DEF is seeking an extension of confidential classification for certain portions of Audit Report No. PA-10-01-001 filed by Commission Staff in Docket No. 100009-EI. There are no changes to the information contained in DEF's confidential Exhibit A, redacted Exhibit B, and justification matrix Exhibit C. The referenced exhibits are on file with the Clerk. DEF is requesting an extension of confidential classification of this Audit Report because it contains confidential contractual information, the disclosure of which would impair DEF's competitive business interests and violate DEF's confidentially agreements with third parties. In addition, disclosing information gleaned from internal audit controls and reports along with other information would impair the Company's competitive business interests.

4. Specifically, the Audit Report contains internal audit information, reports, and work papers information that resulted from the internal audit of the Company's various projects. DEF is requesting an extension of confidential classification because public disclosure of the information in question would compromise DEF's ability to effectively audit the Company's major projects. If the Company were to know that its internal auditing controls and process were subject to public disclosure, it would compromise the level of cooperation needed with auditors to efficiently conduct audits. In addition, such information and documents are specifically

defined by Florida Statutes Section 366.093(3)(b) as proprietary confidential business information that is entitled to confidential status.

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

6. This concludes my affidavit.

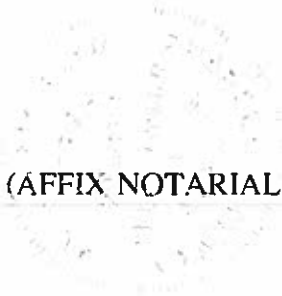
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Further affiant sayeth not.

Dated the 17 day of November, 2015.

Raymond C. Phillips  
(Signature)  
Raymond Phillips

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 17<sup>th</sup> day of November, 2015 by Raymond Phillips. He is personally known to me, or has produced his South Carolina driver's license, or his WORK ID Badge as identification.



(AFFIX NOTARIAL SEAL)

Shareka L. Mingo  
(Signature)  
Shareka L. Mingo  
(Printed Name)  
NOTARY PUBLIC, STATE OF NC  
August 25, 2016  
(Commission Expiration Date)

\_\_\_\_\_  
(Serial Number, If Any)

**Revised Exhibit D  
Affidavit of  
Mark Teague**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In Re: Nuclear Cost Recovery Clause

Docket No. 150009-EI  
Submitted for Filing: Nov. 23, 2015

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**AFFIDAVIT OF MARK TEAGUE IN SUPPORT OF  
DUKE ENERGY FLORIDA'S  
REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

1. My name is Mark Teague. I am employed by Duke Energy Business Services, LLC ("Duke Energy") and serve as its Managing Director of Major Projects Sourcing in the Supply Chain Department. I am over the age of 18 years old and I have been authorized by Duke Energy Florida (hereinafter "DEF" or the "Company") to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's Request for Extension of Confidential Classification (the "Request") concerning portions of Audit Report No. PA-10-01-001 (the "Audit Report"). The Audit Report regards Florida Public Service Commission Staff ("Staff") Auditors' 2010 Review of Progress Energy Florida, Inc.'s Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects. The facts attested to in my affidavit are based upon my personal knowledge.

2. As Managing Director of Major Projects, my role included providing management oversight in the disposition of the Crystal River Unit 3 (“CR3”) Extended Power Uprate (“EPU”) assets by ensuring that Supply Chain employees at CR3 follow DEF’s processes and procedures. I also have responsibility for the Supply Chain functions for Duke Energy International and with most Duke Energy Major Projects.

3. DEF is seeking an extension of confidential classification for certain portions of Audit Report No. PA-10-01-001 filed by Commission Staff in Docket No. 100009-EI. There are no changes to the information contained in DEF’s confidential Exhibit A, redacted Exhibit B, and justification matrix Exhibit C. The referenced exhibits are on file with the Clerk. DEF is requesting an extension of confidential classification of this information because it contains confidential contractual information, the disclosure of which would impair DEF’s competitive business interests and violate DEF’s confidentiality agreements with third parties. The Report also contains information gleaned from internal audit controls and reports, technical schedules, and outage information, and other information, the disclosure of which would impair the Company’s competitive business interests.

4. The Company is requesting an extension of confidential classification of this information because the Audit Report contains proprietary and confidential information that would impair DEF’s competitive business interests if publicly disclosed, as well as information concerning contractual data, the disclosure of which would impair the Company’s ability to contract on favorable terms and, in many cases, the information constitutes trade secrets of the Company and its contract partners. In many instances, the disclosure of this information would violate contractual confidentiality provisions. Portions of these documents reflect the Company’s internal strategies for evaluating projects and meeting deadlines. The Report also contains sensitive information concerning the EPU, including risk assessments, internal EPU

procedures, and information concerning the License Amendment Request ("LAR"). Information regarding the EPU and LAR includes highly confidential and proprietary technical information, the release of which would place DEF's competitors at a relative competitive advantage, thereby harming the Company's and its ratepayers' interests.

5. With respect to the Report information at issue in this request, DEF has kept confidential and has not publicly disclosed confidential information. Absent such measures, companies supplying materials to DEF would run the risk that sensitive business information that they provided in their contracts with DEF would be made available to the public and, as a result, end up in possession of potential competitors. Faced with that risk, persons or companies who otherwise would contract with DEF might decide not to do so if DEF did not keep those terms of their contracts confidential. Without DEF's measures to maintain the confidentiality of specific contracts between DEF and third parties, the Company's efforts to obtain a competitive contracts could be undermined to the detriment of DEF.

6. Upon receipt of this confidential information, as with all confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information and documents. At no time since developing or entering into the contracts in question has the Company publicly disclosed the contracts' confidential terms. The Company has treated and continues to treat the information and documents at issue as confidential.

7. This concludes my affidavit.

Further affiant sayeth not.

Dated the 16<sup>th</sup> day of November, 2015.

Mark R. Teague  
(Signature)  
Mark Teague

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 16 day of November, 2015 by Mark Teague. He is personally known to me or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.

Deborah S. Thrap  
(Signature)

Deborah G. Thrap  
(Printed Name)

NOTARY PUBLIC, STATE OF NC

4/25/2017  
(Commission Expiration Date)

19970910128  
(Serial Number, If Any)

(AFFIX NOTARY SEAL)

