



Matthew R. Bernier
SENIOR COUNSEL
Duke Energy Florida, LLC

March 1, 2016

VIA ELECTRONIC DELIVERY

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

Re: Docket 160009-EI
Duke Energy Florida, LLC's First Request for Confidential Classification

Dear Ms. Stauffer:

Attached is Duke Energy Florida, LLC's ("DEF") First Request for Confidential Classification of certain information provided in DEF's true-up testimony and exhibits filed contemporaneously in the above-referenced matter. This filing includes:

- Exhibit A (confidential slipsheet only)
- Exhibit B (2 copies of redacted information)
- Exhibit C (justification matrix)
- Exhibit D (Affidavits of Christopher M. Fallon and Mark Teague)

DEF's confidential Exhibit A that accompanies the above-referenced filing, has been submitted under separate cover.

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

In re: Nuclear Cost Recovery Clause

DOCKET NO. 160009-EI

FILED: March 1, 2016

**DUKE ENERGY FLORIDA, LLC'S FIRST
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Duke Energy Florida, LLC, ("DEF" or "the Company"), pursuant to Section 366.093, Florida Statutes, and Rule No. 25-22.006(3), Florida Administrative Code, files this First Request for Confidential Classification regarding portions of the testimonies and exhibits filed as part of the Company's March 1, 2016 True-Up filing ("the Request"). In support of this request, DEF states:

As further explained below, portions of the testimony and exhibits contain "proprietary confidential business information" under section 366.093(3), Fla. Stat.

The following exhibits are included with this request:

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

(b) Composite Exhibit B includes two copies of redacted versions of the documents for which the Company requests confidential classification. The specific information for which confidential treatment is requested has been blocked out by opaque marker or other means.

(c) Exhibit C is a table which identifies by page and line the information for

which DEF seeks confidential classification and the specific statutory bases for seeking confidential treatment.

(d) Exhibit D includes affidavits attesting to the confidential nature of information identified in this 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 No. __ (CMF-1), and (3) portions of Exhibit No. __ (MT-4) appended to the testimony of Mr. Mark R. Teague. An unredacted version of the documents discussed above is being filed under seal with the Commission as Exhibit 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), Fla. Stat., 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 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 confidential classification of Exhibit CMF-1 to the testimony of Mr. Fallon because this exhibit contains 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.

CR3 Extended Power Uprate Project

With regards to the EPU project, DEF is requesting confidential classification of portions of Exhibit No. __ (MT-4) to Mr. Teague's testimony that contain confidential information regarding certain negotiations and sales of EPU equipment and materials. Affidavit of Teague, ¶ 5.

Disclosure 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.

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

RESPECTFULLY SUBMITTED this 1st day of March, 2016.

/s/ Matthew R. Bernier

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DIANNE M. TRIPLETT
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Duke Energy Florida, LLC
299 First Avenue North
St. Petersburg, FL 33701
Telephone: (727) 820-4692

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail to the following this 1st day of March, 2016.

/s/ Matthew R. Bernier

Attorney

<p>Martha Barrera Kyesha Mapp Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 mbarrera@psc.state.fl.us kmapp@psc.state.fl.us</p> <p>Kenneth Hoffman Vice President, Regulatory Affairs Florida Power & Light Company 215 S. Monroe Street, Suite 810 Tallahassee, FL 32301-1859 ken.hoffman@fpl.com</p> <p>Jessica Cano Kevin I.C. Donaldson Florida Power & Light Company 700 Universe Boulevard June Beach, FL 33408-0420 jessica.cano@fpl.com kevin.donaldson@fpl.com</p> <p>Jon C. Moyle, Jr. Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p>	<p>J.R.Kelly Charles J. Rehwinkel Erik L. Saylor Patty Christensen Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399 kelly.jr@leg.state.fl.us rehwinkel.charles@leg.state.fl.us saylor.erik@leg.state.fl.us christensen.patty@leg.state.fl.us</p> <p>Victoria Mendez Matthew Haber Xavier Alban City of Miami 444 SW 2nd Avenue, Suite 945 Miami, FL 33130-1910 vmendez@miamigov.com mshaber@miamigov.com xealban@miamigov.com omorera@miamigov.com</p> <p>Robert Scheffel Wright John T. LaVia III Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com jlavia@gbwlegal.com</p>
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Exhibit A

CONFIDENTIAL
FILED UNDER SEPARATE COVER

Exhibit B

REDACTED

EPU Asset(s)	Price	Transaction Type	Date
2014 Auction Proceeds			
Cooling Tower Equipment			
Reclass credit from CR3 Asset to EPU: 2500 hp motors, pipe vibration monitoring equipment, misc equip			
Turbine Asset Sale: exciter rotor and base w/ doghouse, exciter cooler & tooling, Generator H2 coolers, main lube oil coolers, HP rotor and tooling, HP guide blade carriers, and LPT L-0 rotating blades (sales price includes a negotiated payment to DEF to expedite the transfer; amount not stated in the contract)			
Miscellaneous Turbine Parts Sale: LP turbine assets including blade carriers, stationary blade ring assemblies, bull gear, guards, disks, rupture cages, lifting beams, and 3 sealands of misc. LP turbine parts			
Crane mats			
3 EPU Sealands			
Low Pressure Turbine Blade Vibration Monitoring System: Vibration Monitoring System / Integrated Diagnostic System complete with hardware, software, and monitoring probes			

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Nuclear Cost Recovery
Clause**

DOCKET NO. 160009-EI
Submitted for filing: March 1, 2016

REDACTED

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

**ON BEHALF OF
DUKE ENERGY FLORIDA, LLC**

1 A. As can be seen in Appendix D of Exhibit No. ___(TGF-1), total actual LNP costs
2 for 2015, excluding the carrying costs on the unrecovered investment balance,
3 were approximately [REDACTED]. These costs represent DEF's prudent project
4 management costs offset by the [REDACTED] received for the sale of certain LNP
5 LLE. **REDACTED**

6
7 **Q. Please describe the LNP wind-down activities and costs.**

8 A. DEF's 2015 LNP wind-down activities involved continued LLE disposition.
9 Costs for these wind-down activities were incurred for the re-purposing of the
10 LNP variable frequency drives (VFDs) for use by DEF at Crystal River Units 4
11 and 5.

12 DEF's LLE disposition objectives in its Disposition Plan are consistent
13 with the 2013 Settlement Agreement. DEF's objectives are to disposition the
14 LNP LLE in a manner that (i) minimizes the financial costs and risks of the LLE
15 disposition to DEF's customers; (ii) minimizes other costs to DEF and its
16 customers; and (iii) evaluates the potential future use of the LNP LLE for other
17 AP1000 power plant projects. This includes minimizing LLE evaluation costs
18 and purchase order or contract termination costs, minimizing the risks of financial
19 loss associated with the LNP LLE, and maximizing the LNP LLE disposition cash
20 value.

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22 **Q. Please explain DEF's disposition of the VFDs?**

23 A. DEF evaluated various disposition options consistent with DEF's LLE
24 Disposition Plan. DEF previously canvassed Duke Energy affiliates and

Option 2: Sell to external buyer

DEF pursued three separate avenues to locate an external buyer. First, the VFDs were listed on RAPID², and made available for purchase by other utilities. The VFDs were marketed on RAPID in December of 2014 and again in January of 2015. Several leads were received from RAPID and pursued by DEF's Supply Chain group, but no formal offers were made by utilities for purchase of the drives. Next, a bid event was opened on the VFDs in February 2015 and closed in March 2015. The bid event for the VFDs was open to AP1000 utilities, inventory companies, nuclear equipment manufacturers, and other utilities. Again, no offers or bids were received on the VFDs.

Separately, DEF itself offered to sell the VFDs to other AP1000 customers and applicants. The entities solicited included: Florida Power and Light, Southern Company, South Carolina Electric & Gas, and utilities in China. None expressed interest.

Option 3: Sell to Siemens

Contemporaneously, with the activities to sell the VFDs to an external buyer, DEF was in discussions with the Siemens, the manufacturer of the VFDs, on a potential buy-back offer. Siemens offered \$ [REDACTED] each for the VFDs or \$ [REDACTED] in total. Initially their offer expired on April 9, 2015, however DEF requested an extension to allow time to pursue other resale opportunities. Siemens subsequently extended the validity of their offer to the end of 2015 and [REDACTED]

Option 4: Reuse within DEF or at an affiliated Duke Energy Corporation business or utility

In accordance with its LLE Disposition Plan, DEF's Nuclear Development and Supply Chain groups initially canvassed DEF internally and its affiliated entities for a possible internal transfer or reuse option, as this option potentially had the highest cost benefit for DEF customers. No serious interest was initially received. However, while pursuing other disposition options, DEF was able to continue to investigate the possibility of reusing the VFDs either within DEF or at an affiliated Duke Energy Corporation business or utility. Nuclear Development canvassed the internal sources on several occasions and ultimately it was determined that refurbishment and reuse of the VFDs at Crystal River units 4 & 5 was feasible and was economically beneficial to DEF and its customers. The evaluation of the Crystal River units 4 & 5 team estimated an approximately \$ [REDACTED] transfer cost for Crystal River units 4 & 5 by reuse and refurbishment of the Levy VFDs.

Recommendation:

The value of the transfer and reuse and refurbishment of the VFDs at Crystal River units 4 & 5 is significantly greater than the offer received from Siemens. Therefore, Nuclear Development recommends that the Levy VFDs be transferred to Crystal River units 4 & 5.

² RAPID is a virtual inventory system for searching, purchasing and selling power plant components operated by Curtiss-Wright. See <http://rapidpartsmart.com/>.

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

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1 A. Yes, as described in my May 1, 2015 testimony, DEF has updated the rate annually
2 based on the prior year December surveillance report. Consequently, DEF has
3 applied this methodology and included an adjustment on the LNP 2015 Revenue
4 Requirement Detail Schedule and on the CR3 Uprate 2015 Revenue Requirement
5 Detail Schedule to recognize the impact of this change on reported 2014 carrying
6 costs. This change reduces the carrying costs in 2015.

7
8 **III. COSTS INCURRED IN 2015 FOR THE LEVY NUCLEAR PROJECT.**

9 **Q. What are the total retail costs DEF incurred for the LNP during the period**
10 **January 2015 through December 2015?**

11 **A.** The total retail costs for the LNP are \$1.8 million for the calendar year ended
12 December 2015, as reflected on 2015 Summary Schedule Line 1e in Exhibit
13 No__(TGF-1). This amount includes (\$4.2) million in exit/wind-down costs, sales
14 of assets credits, and adjustments as can be seen on the 2015 Detail schedule on
15 Lines 5a, 5e and 19d, and \$6 million for the carrying costs on the unrecovered
16 investment balance shown on the 2015 Detail schedule on Line 8d and on Line 4 on
17 the 2015 Detail – LLE Deferred Balance schedule. These amounts were calculated
18 in accordance with the provisions of Rule 25-6.0423, F.A.C.

19
20 **Q. How did actual Generation expenditures for January 2015 through December**
21 **2015 compare with DEF's actual/estimated costs for 2015? REDACTED**

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

1 variances between DEF's projected and actual 2015 LNP Generation project costs
2 are as follows: **REDACTED**

3
4 **Wind-Down Costs:** Expenditures for Wind-Down activities were [REDACTED], or
5 [REDACTED] lower than estimated, as explained in the testimony of Christopher Fallon.

6
7 **Sale or Salvage of Assets:** Revenues for Sale of Assets activities were [REDACTED]
8 or [REDACTED] higher than estimated, as explained in the testimony of Christopher
9 Fallon.

10
11 **Q. What was the source of the separation factors used in the 2015 Detail Schedule?**

12 **A.** The jurisdictional separation factors are consistent with Exhibit 1 of the Revised and
13 Restated Stipulation and Settlement Agreement ("2013 Settlement Agreement")
14 approved by the Commission in Order No. PSC-13-0598-FOF-EI in Docket No
15 130208-EI.

16
17 **IV. OTHER EXIT/WIND-DOWN COSTS INCURRED IN 2015 FOR THE LEVY**
18 **NUCLEAR PROJECT.**

19 **Q. How did actual Other Exit/Wind-Down expenditures for January 2015 through**
20 **December 2015 compare with DEF's actual/estimated costs for 2015?**

21 **A.** Appendix B, Line 4 shows that total Other Exit/Wind-down costs were \$0.2 million
22 or \$41,749 lower than estimated. There were no major variances with respect to
23 these costs.

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

EXPLANATION: Provide variance explanations comparing the annual system total expenditures shown on 2015 Detail Schedule with the expenditures provided to the Commission on 2015 Estimated/Actual Detail schedule. List the Generation expenses separate from Transmission in the same order appearing on 2015 Detail Schedule.

Appendix D
 Witness: C. Fallon
 Duke Energy Florida
 Exhibit: (TGF - 1)
 (Page 2 of 2)

COMPANY:
 Duke Energy - FL

DOCKET NO.:
 160009-EI

For Year Ended 12/31/2015

Line No.	Major Task & Description for amounts on 2015 Detail Schedule	(A) System Estimated / Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
<u>Generation:</u>					
1	Wind-Down Costs				Minimal variance from Estimated amounts
2	Sale or Salvage of Assets				Additional sale of LLE, not included in the 2015 Estimate filed on May 1, 2015.
3	Disposition				
4	<u>Total Generation Costs</u>				
<u>Transmission:</u>					
1	Wind-Down Costs (b)				
2	Sale or Salvage of Assets				
3	Disposition				
4	<u>Total Transmission Costs</u>				

Note:
 System Estimated / Actual taken from May 1, 2015 Filing in Docket No. 150009-EI.

**LEVY COUNTY NUCLEAR 1 & 2
Actual Filing: Contracts Executed**

REDACTED

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.

COMPANY: Duke Energy Florida

Appendix E
Witness: C. Fallon
Docket No. 160009-EI
Duke Energy Florida
Exhibit: (TGF - 1)

DOCKET NO.:
160009-EI

For Year Ended: 12/31/2015

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Term of Contract	Original Amount	Actual Expended as of Prior Year End (2014)	Actual Amount Expended in 2015	Estimate of Final Contract Amount	Name of Contractor	Affiliation of Vendor	Method of Selection	Nature and Scope of Work
1	414310	Terminated: January 28, 2014					Note 1	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 2	Carlton Fields Jordan 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 cannot be estimated at this time.

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

Exhibit B

REDACTED

(2nd copy)

EPU Asset(s)	Price	Transaction Type	Date
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Cooling Tower Equipment			
Reclass credit from CR3 Asset to EPU: 2500 hp motors, pipe vibration monitoring equipment, misc equip			
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23 these costs.

**Docket No. 160009-EI
Duke Energy Florida
Exhibit No. ____ (TGF-1)**

SCHEDULE APPENDIX

REDACTED

EXHIBIT (TGF-1)

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

**JANUARY 2015 - DECEMBER 2015
DOCKET NO. 160009-EI**

DUKE ENERGY FLORIDA
Nuclear Cost Recovery Clause (NCRC) - Levy Nuclear Units 1 & 2
2015 Detail - Calculation of the Revenue Requirements
January 2015 through December 2015

Witness: T.G. Foster / C. Fallon
Docket No. 160009-EI
Duke Energy Florida
Exhibit: (TGF- 1)

Line	Description	Beginning of Period Amount	Actual January 2015	Actual February 2015	Actual March 2015	Actual April 2015	Actual May 2015	Actual June 2015	Actual July 2015	Actual August 2015	Actual September 2015	Actual October 2015	Actual November 2015	Actual December 2015	Period Total	End of Period Total
1	Uncollected Investment : Generation															
	a Prior Period Construction Balance YE 2014															
	b Wind-Down Costs															
	c Sale or Salvage of Assets															
	d Disposition															
	e Total															
	REDACTED															
2	Adjustments															
	a Non-Cash Accruals															
	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 YE 2014															
	b Wind-Down Costs															
	c Sale or Salvage of Assets															
	d Disposition															
	e Total															
4	Adjustments															
	a Non-Cash Accruals															
	b Adjusted System Transmission (Line 3e + Line 4a)															
	c Retail Jurisdictional Factor : Transmission 70.203%															
	d Retail Uncollected Investment: Transmission															
5	Total Uncollected Investment															
	a Total Jurisdictional Uncollected Investment (2d + 4d)	224,062,889	10,416	3,461	1,110	5,940	(149,729)	8,298	10,896	3,776	3,491	1,674	12,283	(4,223,684)	(4,312,069)	219,750,820
	b Retail Land Transferred to Land Held for Future Use (a)	(66,221,330)	0	0	0	0	0	0	0	0	0	0	0	0	0	(66,221,330)
	c LLE Deferred Balance (c)	0	0	0	0	0	(50,275,957)	0	0	0	0	0	0	0	(50,275,957)	(50,275,957)
	d Total Jurisdictional Uncollected Investment	157,841,559	10,416	3,461	1,110	5,940	(50,425,686)	8,298	10,896	3,776	3,491	1,674	12,283	(4,223,684)	(54,588,026)	103,253,533
	e WACC Adjustment from 2014 (Adjustment to May 2015 Rev Req) (b)	0	0	0	0	0	(90,860)	0	0	0	0	0	0	0	(90,860)	0
6	Carrying Cost on Uncollected Investment Balance															
	a Uncollected Investment: Additions for the Period (Beg Balance: 2015 Detail Line 5d.)	157,841,559	10,416	3,461	1,110	5,940	(50,425,686)	8,298	10,896	3,776	3,491	1,674	12,283	(4,223,684)	(54,588,026)	103,253,533
	b Plant-in-Service (a)	1,010,952	0	0	0	0	0	0	0	0	0	0	0	0	0	1,010,952
	c Period Recovered Wind-down / Exit Costs (2014)	9,816,636	0	0	0	0	0	0	0	0	0	0	0	0	0	9,816,636
	d Period Recovered Wind-down / Exit Costs (2015)	0	0	0	0	0	0	0	0	0	0	0	0	0	(4,312,069)	(4,312,069)
	e Additional Amortization of Uncollected Investment Balance (2014-2015)	(46,864,516)	(9,447,248)	(9,447,248)	(9,447,248)	(9,447,248)	0	0	0	0	0	0	0	0	(37,788,992)	(84,653,508)
	f Prior Period Carrying Charge Unrecovered Balance (a)	(11,381,362)	(10,432,915)	(9,484,468)	(8,536,021)	(7,587,574)	0	0	0	0	0	0	0	0	0	(7,587,574)
	g Prior Period Carrying Charge Recovered (a)	(11,381,362)	(948,447)	(948,447)	(948,447)	(948,447)	0	0	0	0	0	0	0	0	(3,793,787)	(3,964,535)
	h Over/Under Prior Period			(3,444)	(9,057)	(10,093)	(3,928)	(73)	44,737	47,710	40,951	40,996	39,507	50,481	(3,964,535)	(3,964,535)
	i Net Investment	\$88,768,093	\$80,279,708	\$71,770,508	\$63,260,299	\$54,756,235	\$4,320,681	\$4,478,635	\$4,525,970	\$4,566,561	\$4,607,227	\$4,646,406	\$4,696,523	\$511,036		\$532,396
7	Average Net Investment		\$84,523,901	\$76,018,178	\$67,509,144	\$59,002,665	\$29,533,524	\$4,474,486	\$4,520,522	\$4,564,673	\$4,605,481	\$4,645,569	\$4,690,381	\$2,622,878		
8	Return on Average Net Investment															
	a Equity Component 0.00403		340,631	306,353	272,062	237,781	119,020	18,032	18,218	18,396	18,560	18,722	18,902	10,570	1,397,247	
	b Equity Component Grossed Up For Taxes 1.62800		554,548	498,743	442,917	387,108	193,765	29,356	29,659	29,949	30,216	30,479	30,772	17,208	2,274,720	
	c Debt Component 0.00158		133,801	120,337	106,867	93,401	46,752	7,083	7,156	7,226	7,290	7,354	7,425	4,152	548,844	
	d Total Return for the Period		688,349	619,080	549,784	480,509	240,517	36,439	36,815	37,175	37,506	37,833	38,197	21,360	2,823,564	
9	Revenue Requirements for the Period (Line 5e + 6a + 8d) (b)		698,765	622,541	550,894	486,449	(73)	44,737	47,710	40,951	40,996	39,507	50,481	(4,202,324)	(1,579,365)	
10	Projected Revenue Requirements for the Period (Order No. PSC 14-0701-FOF-EI)		702,209	631,598	560,987	490,377	0	0	0	0	0	0	0	0	2,385,171	
11	Over/Under Recovery For the Period (Order No. PSC-15-0176-TRF-EI)		(3,444)	(9,057)	(10,093)	(3,928)	(73)	44,737	47,710	40,951	40,996	39,507	50,481	(4,202,324)	(3,964,535)	
12	Other Exit / Wind-Down															
	a Accounting		3,029	2,926	2,458	2,410	2,617	2,866	2,144	0	0	341	2,504	1,948		\$23,243
	b Corporate Planning		2,280	7,570	7,714	11,050	4,861	7,176	4,607	1,065	144	309	310	3,045		\$50,131
	c Legal		320	16,721	31,252	30,456	16,618	5,979	19,304	13,676	1,902	0	0	184		\$136,412
	d Joint Owner Credit		0	0	0	0	0	0	0	0	0	0	0	0		0
	e Total Other Exit / Wind-Down Costs		5,629	27,217	41,424	43,916	24,096	16,021	26,055	14,741	2,046	650	2,814	5,177		\$209,786
13	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		
14	Jurisdictional Amount		5,247	25,372	38,616	40,939	22,463	14,935	24,289	13,742	1,907	606	2,623	4,826	195,565	
15	Prior Period Unrecovered Balance (a)	(179,385)	(164,436)	(149,488)	(134,539)	(119,590)	(119,590)	(119,590)	(119,590)	(119,590)	(119,590)	(119,590)	(119,590)	(119,590)		
16	Prior Period Costs Recovered (a)		(14,949)	(14,949)	(14,949)	(14,949)									(59,795)	
17	Prior Month Period (Over)/Under Recovery		0	(24,355)	(4,230)	9,014	11,342	22,453	14,928	24,282	13,736	1,902	601	2,617		
18	Unamortized Balance	(179,385)	(164,436)	(173,843)	(163,124)	(139,161)	(127,820)	(105,367)	(90,438)	(66,157)	(52,421)	(50,519)	(49,918)	(47,301)		
19	Projected Carrying Costs for the Period															
	a Balance Eligible for Interest		(169,287)	(168,631)	(151,291)	(126,166)	(116,588)	(97,899)	(78,294)	(59,286)	(51,467)	(50,216)	(48,606)	(44,888)		
	b Monthly Commercial Paper Rate		0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.03%		
	c Interest Provision		(14)	(13)	(11)	(6)	(10)	(7)	(7)	(5)	(6)	(5)	(6)	(15)		(105)
	d Total Costs and Interest (Line 14 + Line 19c)		5,233	25,359	38,605	40,933	22,453	14,928	24,282	13,736	1,902	601	2,617	4,811		195,460
20	Recovered (Order No. PSC 14-0701-FOF-EI) (Order No. PSC-15-0176-TRF-EI)		29,589	29,589	29,590	29,591	0	0	0	0	0	0	0	0	118,359	
21	Over/Under Recovery For the Period		(24,355)	(4,230)	9,014	11,342	22,453	14,928	24,282	13,736	1,902	601	2,617	4,811	77,100	
22	Revenue Requirements for the Period (Line 9 + Line 19d)		703,998	647,900	589,499	527,381	22,380	59,665	71,992	54,687	42,898	40,108	53,098	(4,197,513)	(1,383,905)	

(a) See Appendix A for Beginning Balance Support
(b) 2014 WACC Adjustment (Amount includes interest Jan-May 2015)
(c) This amount represents deferral of \$54M as contemplated in DEF's March 2, 2015 Petition.

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

EXPLANATION: Provide variance explanations comparing the annual system total expenditures shown on 2015 Detail Schedule with the expenditures provided to the Commission on 2015 Estimated/Actual Detail schedule. List the Generation expenses separate from Transmission in the same order appearing on 2015 Detail Schedule.

Appendix D
 Witness: C. Fallon
 Duke Energy Florida
 Exhibit: (TGF - 1)
 (Page 2 of 2)

COMPANY:
 Duke Energy - FL

DOCKET NO.:
 160009-EI

For Year Ended 12/31/2015

Line No.	Major Task & Description for amounts on 2015 Detail Schedule	(A) System Estimated / Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
<u>Generation:</u>					
1	Wind-Down Costs				Minimal variance from Estimated amounts
2	Sale or Salvage of Assets				Additional sale of LLE, not included in the 2015 Estimate filed on May 1, 2015.
3	Disposition				
4	<u>Total Generation Costs</u>				
<u>Transmission:</u>					
1	Wind-Down Costs (b)				
2	Sale or Salvage of Assets				
3	Disposition				
4	<u>Total Transmission Costs</u>				

Note:
 System Estimated / Actual taken from May 1, 2015 Filing in Docket No. 150009-EI.

**LEVY COUNTY NUCLEAR 1 & 2
Actual Filing: Contracts Executed**

REDACTED

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.

COMPANY: Duke Energy Florida

Appendix E
Witness: C. Fallon
Docket No. 160009-EI
Duke Energy Florida
Exhibit: (TGF - 1)

DOCKET NO.:
160009-EI

For Year Ended: 12/31/2015

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Term of Contract	Original Amount	Actual Expended as of Prior Year End (2014)	Actual Amount Expended in 2015	Estimate of Final Contract Amount	Name of Contractor	Affiliation of Vendor	Method of Selection	Nature and Scope of Work
1	414310	Terminated: January 28, 2014					Note 1	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 2	Carlton Fields Jordan 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 cannot be estimated at this time.

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

**DUKE ENERGY FLORIDA – EXHIBIT C - Docket 160009-EI
Confidentiality Justification**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
Direct Testimony of Mark R. Teague in Support of Actual Costs on behalf of Duke Energy Florida, LLC, Exhibit No. ____ (MT-4)	Pages 1, all information in columns 2 through 4	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF’s efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Direct Testimony of Christopher M. Fallon in Support of Actual Costs on behalf of Duke Energy Florida, LLC	Page 6, line 3, the dollar value at the end of the sentence; Page 6, line 4, the dollar value mid-sentence.	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF’s efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Direct Testimony of Christopher M. Fallon in Support of Actual Costs on behalf of Duke Energy Florida, LLC, Exhibit No. ____ (CMF-1)	<p>Page 2, 3rd paragraph, 2nd line, fifteenth word; 3rd line, fifth word; 5th line, last six words.</p> <p>Page 2, 4th paragraph, 10th line, fourth word.</p>	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF’s efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question</p>

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 Thomas G. Foster in Support of Actual Costs	<p>Page 8, line 23, first two words; fourth and fifth words.</p> <p>Page 9, line 4, eighth and ninth words; line 5, first word; line 7, last two words; line 8, second and third words.</p>	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Direct Testimony of Thomas G. Foster in Support of Actual Costs, Exhibit No. ____ (TGF-1)	<p>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 4d.</p> <p>Page 10 of 11, all information in columns (A), (B) and (C), Generation Lines 1 through 4, Transmission Lines 1 through 4.</p> <p>Page 11 of 11, all information in columns (C) through (F) Rows 1 and 2)</p>	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

Exhibit D

AFFIDAVITS OF:

**CHRISTOPHER M. FALLON
MARK R. TEAGUE**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery Clause

Docket No. 160009-EI
Submitted for Filing: March 1, 2016

**AFFIDAVIT OF CHRISTOPHER M. FALLON IN SUPPORT OF DUKE ENERGY
FLORIDA'S FIRST REQUEST FOR 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 ("DEF" or the "Company") behalf and in support of DEF's First Request for Confidential Classification Regarding Portions of the Testimonies and Exhibits filed as Part of the Company's March 1, 2016 True-up Filing (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. DEF is seeking confidential classification of the following materials filed with the Florida Public Service Commission ("FPSC" or the "Commission") in this above referenced docket: (1) portions of the testimony of Mr. Thomas G. Foster and Exhibit No. __ (TGF-1), (2) portions of my testimony and Exhibit No. __ (CMF-1), and (3) portions of Mr. Mark R. Teague's Exhibit No. __ (MT-4).

3. Unredacted versions of the testimonies and exhibits at issue are contained in confidential Exhibit A to DEF's Request and the confidential portions thereof are outlined in DEF's Justification Matrix that is attached to DEF's Request as Exhibit C.

4. DEF is requesting confidential classification of the portions of the testimonies and exhibits of Mr. Foster that contain confidential costs numbers and contractual information for the Levy Nuclear Project (“LNP”), the disclosure of which would compromise DEF’s competitive business interests or violate contractual confidentiality provisions.

5. DEF is also requesting confidential classification of the portions of my testimony that contains confidential data that is competitively sensitive under the Engineering, Procurement, and Construction contract (“EPC Agreement”) with Westinghouse Electric Company and Stone & Webster, Inc. (the “Consortium”).

6. Additionally, DEF is requesting confidentiality classification of Exhibit CMF-1 because this exhibit contains confidential settlement information between the DEF, the Consortium and its vendors regarding the disposition of long lead time equipment (“LLE”) for the LNP. This information would adversely impact DEF’s competitive business interests, and ongoing LLE disposition process and negotiations regarding wind down of the EPC Agreement, if disclosed to third parties.

7. Moreover, the Company must be able to assure these vendors that sensitive business information will be kept confidential during negotiations. Indeed, the contract at issue contains confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. If third parties were made aware of confidential contractual terms that the Company has with other parties, they may offer DEF less competitive terms in future contractual negotiations. Additionally, revealing LLE disposition terms to third parties may compromise DEF’s ability to negotiate additional LLE dispositions on a favorable basis. 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.

8. As stated above, most of the contracts at issue, and specifically the EPC Agreement, contain confidentiality provisions; therefore, DEF is requesting confidential classification of this information to avoid public disclosure that would violate the confidentiality

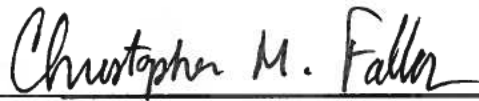
agreements between DEF and the other parties. DEF has kept confidential and has not publicly disclosed the proprietary contract terms and provisions at issue here.

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

10. This concludes my affidavit.

Further affiant sayeth not.

Dated this 23rd day of FEBRUARY, 2016.



(Signature)

Christopher M. Fallon
Vice President of Nuclear Development
Duke Energy Corporation
526 South Church Street, EC1
Charlotte, NC 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 23RD day of February, 2016 by Christopher M. Fallon. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

Teresa D. Neely
(Signature)

TERESA D. NEELY
(Printed Name)

NOTARY PUBLIC, STATE OF NC

9/02/2020
(Commission Expiration Date)

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery
Clause

Docket No. 160009-EI
Submitted for Filing: March 1, 2016

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

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

1. My name is Mark R. Teague. I am employed by Duke Energy Business Services, LLC 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, LLC ("DEF" or the "Company") to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's First Request for Confidential Classification Regarding Portions of the Testimonies and Exhibits filed as Part of the Company's March 1, 2016 True-up Filing (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. 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 my Exhibit MT-4; (2) portions of the testimony and exhibits of Mr. Thomas G. Foster; and (3) portions of the testimony and Exhibit CMF-1 of Mr. Christopher M. Fallon.

3. Unredacted versions of the testimonies and exhibits at issue are contained in confidential Exhibit A to DEF's Request and the confidential portions thereof are outlined in DEF's Justification Matrix that is attached to DEF's Request as Exhibit C.

4. As to the Crystal River Unit 3 ("CR3") Extended Power Uprate ("EPU") project, DEF is requesting confidential classification of the portions of my Exhibit MT-4 that contains confidential information on the close-out of the EPU project.

5. Specifically, DEF is requesting confidential classification of portions of Exhibit No. ___ (MT-4) to my testimony because this exhibit contains confidential sales price information.

6. Disclosure of his information would adversely impact DEF's competitive business interests. The Company must be able to assure third parties that sensitive business information, including negotiated terms and pricing, 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. Without DEF's measures to maintain the confidentiality of sensitive terms between DEF and third parties, the Company's efforts to obtain competitive sales prices for EPU project equipment would be undermined.

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

publicly disclosed the contracts' terms; DEF has treated and continues to treat the information contained in the subject documents as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated this 23 day of February, 2016.

Mark R. Teague
(Signature)

Mark R. Teague
Managing Director of Major Projects Sourcing
400 South Tryon Street
Charlotte, NC 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 23 day of February, 2016 by Mark R. Teague. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.



Deborah G. Thrap
(Signature)

Deborah G. Thrap
(Printed Name)

NOTARY PUBLIC, STATE OF _____

4/25/17
(Commission Expiration Date)

19970910128
(Serial Number, If Any)