

Matthew R. Bernier

Associate General Counsel
Duke Energy Florida, LLC.

December 3, 2018

#### **VIA ELECTRONIC FILING**

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

Re: Duke Energy Florida, LLC's Petition for a limited proceeding to approve first

solar base rate adjustment; Docket No. 20180149-EI

Dear Ms. Stauffer:

Please find enclosed for electronic filing, on behalf of Duke Energy Florida, LLC ("DEF"), DEF's Request for Confidential Classification filed in connection to its Response to Staff's First Set of Interrogatories (Nos. 1-40) and Staff's First Request for Production of Documents (Nos. 1-4).

This filing includes the following:

- DEF's Request for Confidential Classification
- Slipsheet for confidential Exhibit A
- Redacted Exhibit B (two copies)
- Exhibit C (justification matrix), and
- Exhibit D (affidavits of Matthew G. Stout and Benjamin M.H. Borsch)

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,

/s/ Matthew R. Bernier

Matthew R. Bernier

MRB/mw Enclosures

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for a Limited Proceeding to

approve First Solar Base Rate Adjustment,

by Duke Energy Florida, LLC

Docket No. 20180149-EI

Dated: December 3, 2018

### DUKE ENERGY FLORIDA, LLC'S REQUEST FOR CONFIDENTIAL CLASSIFICATION

Duke Energy Florida, LLC ("DEF" or "Company"), pursuant to Section 366.093, Florida Statutes ("F.S."), and Rule 25-22.006, Florida Administrative Code ("F.A.C."), submits its Request for Confidential Classification for the confidential information provided in its Response to Staff's First Set of Interrogatories (Nos. 1-40) and Staff's First Request to Produce Documents (Nos. 1-4), submitted on December 3, 2018. In support of this Request, DEF states:

- 1. DEF's Response to Staff's First Set of Interrogatories (Nos. 1-40), specifically questions 2 and 3, and Staff's First Request to Produce Documents (Nos. 1-4), specifically questions 1 and 2, contain information that is "proprietary confidential business information" under Section 366.093(3), Florida Statutes.
  - 2. The following exhibits are included with this request:
- (a) Sealed Composite Exhibit A is a package containing unreducted copies of all the documents for which DEF seeks confidential treatment. Composite Exhibit A is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unreducted versions, the information asserted to be confidential is highlighted yellow.

- (b) Composite Exhibit B is a package containing two copies of redacted versions of the documents for which the Company requests confidential classification. The specific 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 is an affidavit attesting to the confidential nature of the information identified.
- 3. As indicated in Exhibit C, the information for which DEF requests confidential classification is "proprietary confidential business information" within the meaning of Section 366.093(3), F.S. Specifically, the information at issue relates to proprietary, projected natural gas prices received from a third party. Pursuant to its contract with the third party provider of this information, DEF is obligated to maintain the confidentiality of this information, and therefore it qualifies for confidential classification. *See* § 366.093(3)(d), F.S.; Affidavit Benjamin M. H. Borsch at ¶ 5. If DEF cannot assure contracting parties that it can maintain the confidentiality of contractual terms, those parties and other similarly situated parties may forego entering contracts with DEF, which would adversely impact DEF's competitive business interests. *See* § 366.093(3)(d), F.S.; Affidavit Benjamin M. H. Borsch at ¶¶ 4 and 5.
- 4. Additionally, certain information provided to Staff includes land purchase contracts. The terms of these contracts, including pricing terms, are negotiated terms between DEF and the sellers of the properties. Public disclosure of this information would provide other sellers of property valuable insight into prices that DEF may be willing to pay in certain

circumstances, thereby materially harming DEF's ability to negotiate competitive contracts in the future. See § 366.093(3)(d) & (e), F.S.; Affidavit of Matthew G. Stout at ¶¶ 4-5.

5. The information identified as Exhibit "A" is intended to be and is treated as

confidential by the Company. See Affidavits of Benjamin M. H. Borsch at ¶¶ 5 and 6 and

Matthew G. Stout at ¶5-6. The information has not been disclosed to the public, and the

Company has treated and continues to treat the information at issue as confidential. See id.

Accordingly, such information constitutes "proprietary confidential business information" which

is exempt from disclosure under the Public Records Act pursuant to Section 366.093(1), F.S.

6. DEF requests that the information identified in Exhibit A be classified as

"proprietary confidential business information" within the meaning of section 366.093(3), F.S.,

that the information remain confidential for a period of at least 18 months as provided in section

366.093(4) F.S., and that the information be returned as soon as it is no longer necessary for the

Commission to conduct its business.

WHEREFORE, for the foregoing reasons, DEF respectfully requests that this Request for

Confidential Classification be granted.

Respectfully submitted this 3<sup>rd</sup> day of December, 2018.

s/Matthew R. Bernier

**DIANNE M. TRIPLETT** 

Deputy General Counsel

Duke Energy Florida, LLC 299 First Avenue North

St. Petersburg, FL 33701

T: 727. 820.4692

F: 727.820.5041

E: Dianne.Triplett@Duke-Energy.com

#### **MATTHEW R. BERNIER**

Associate General Counsel Duke Energy Florida, LLC 106 E. College Avenue Suite 800 Tallahassee, FL 32301

T: 850.521.1428

F: 727.820.5041

E: Matth.Bernier@Duke-Energy.com

#### **CERTIFICATE OF SERVICE**

(Docket No. 20180149-EI)

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to the following by electronic mail this 3<sup>rd</sup> day of December, 2018, to all parties of record as indicated below.

\_\_\_\_\_s/Matthew R. Bernier
Attorney

Jennifer Crawford Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 jcrawfor@psc.state.fl.us

J. R. Kelly / C. Rehwinkel
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

Jon C. Moyle, Jr. / Karen A. Putnal Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com kputnal@moylelaw.com

James W. Brew / Laura A. Wynn 1025 Thomas Jefferson Street, N.W. Washington, DC 20007 jbrew@smxblaw.com law@smxblaw.com

Joseph F. Grekoski
Power and Utilities Research
Bank of America Merrill Lynch
One Bryant Park
New York, NY 10036
RSCH.utilities@baml.com

# Exhibit A

# "CONFIDENTIAL"

 $(Submitted\ under\ separate\ cover)$ 

# Exhibit B REDACTED

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Duke Energy Florida, LLC's Petition for a limited proceeding to approve first solar base rate

adjustment

Docket No. 20180149-EI

Submitted: December 3, 2018

#### DUKE ENERGY FLORIDA, LLC'S RESPONSE TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-40)

Duke Energy Florida, LLC ("DEF"), responds to the Staff of the Florida Public Service

Commission's ("Staff") First Set of Interrogatories to DEF (Nos. 1-40) as follows:

#### **INTERROGATORIES**

1. **Resource Planning.** Please refer to DEF witness Borsch's testimony page 10, lines 9-13. Please provide the firm summer capacity that DEF is expecting individually from the Hamilton Project and the Columbia Project.

#### **Answer:**

DEF expects a firm summer capacity of 42.7 MW from Hamilton and Columbia individually.

Cost-Effectiveness. Please Refer to DEF witness Stouts' exhibit MGS-2. For the 2. Hamilton Project please provide separate engineering, procurement and construction costs; development costs including third party development fees, permitting fees and costs; actual land costs and land acquisition costs, taxes; utility costs to support or complete development; transmission interconnection costs; installation labor and equipment costs; costs associated with electrical balance of system, structural balance of system, inverters, and modules; AFUDC at the weighted average cost of capital and other traditionally allowed rate base costs.

See cost by category table below:

| Hamilton Project Estimated Installed Cost by Category |      |
|---|------|
| Estimated Costs (\$MM)                                |      |
| Project Output (MW-ac)                                | 74.9 |
| Major Equipment                                       |      |
| Solar Modules   |      |
| Project Transformer                                   |      |
| Balance of System <sup>1</sup>                        |      |
| Construction Management                               | 1.1  |
| Development and Permitting <sup>2</sup>               | 5.9  |
| Transmission Interconnect <sup>3</sup>                | 0.1  |
| Land⁴   | 0    |

| Total Installed Cost | \$113.10 |
|----------------------|----------|
| AFUDC <sup>5</sup>   | 0        |
| Total with AFUDC     | \$113.10 |
| Total (\$kW-ac)      | 1511     |

- 1. DEF entered into an engineering, procurement and construction (EPC) agreement for the final design and construction of the project. The EPC contractor provides all system equipment, other than modules and the project transformer, and installation labor. This includes all racking, cabling, inverters, and balance of system costs.
- 2. Includes items such as lease rental payments during construction, legal fees, development costs, development fees, and title insurance.
- 3. Interconnection Customer charges identified in the Large Generator Interconnection Agreement exclude Network Upgrades.
- 4. The real estate is secured under a long-term lease agreement; therefore, there are no costs to purchase the property.
- 5. This project does not qualify for AFUDC under Rule 25-6.0141 F.A.C.
- 3. **Cost-Effectiveness.** Please Refer to DEF witness Stouts' exhibit MGS-4. For the Columbia Project please provide separate engineering, procurement and construction costs; development costs including third party development fees, permitting fees and costs; actual land costs and land acquisition costs, taxes; utility costs to support or complete development; transmission interconnection costs; installation labor and equipment costs; costs associated with electrical balance of system, structural balance of system, inverters, and modules; AFUDC at the weighted average cost of capital and other traditionally allowed rate base costs.

#### **Answer:**

See cost by category table below:

| Columbia Solar Project Estimated Installed Cost by Category |          |
|---|----------|
| Estimated Costs (\$MM)                                      |          |
| Project Output (MW-ac)                                      | 74.9     |
| Major Equipment <sup>1</sup>                                |          |
| Solar Modules   |          |
| Project Transformer   |          |
| Balance of System <sup>2</sup>                              |          |
| Construction Management                                     | 1.1      |
| Development and Permitting <sup>3</sup>                     | 5.8      |
| Transmission Interconnect <sup>4</sup>                      | 0.1      |
| Land <sup>5</sup>   | 0.0      |
| Total Installed Cost  | \$105.60 |
| AFUDC   | 3.9      |
| Total with AFUDC  | \$109.4  |
| Total (\$kW-ac)   | 1461     |

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Duke Energy Florida, LLC's Petition for a limited proceeding to approve first solar base rate

limited proceeding to approve first solar base rate adjustment

Docket No. 20180149-EI

Submitted: December 3, 2018

## DUKE ENERGY FLORIDA, LLC'S RESPONSE TO STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-4)

Duke Energy Florida, LLC ("DEF"), responds to the Staff of the Florida Public Service Commission's ("Staff") First Request for Production of Documents to DEF (Nos. 1-4) as follows:

#### **DOCUMENTS REQUESTED**

1. Please refer to the Direct Testimony of DEF witness Borsch, Page 8, line 13-16, as well as Exhibit (BMHB-3). Please provide copies of any "projections from industry-recognized sources" the Company possesses that support the Fuel Mid Price Forecast shown on Exhibit (BMHB-3).

#### **Response:**

The referenced testimony refers to two forecasts, the NYMEX natural gas forward curves and the \_\_\_\_\_\_. The NYMEX natural gas forward curves bears bates numbers 20180149-DEF-000001 through 20180149-DEF-000008 and Confidential Exhibit bearing bates numbers 20180149-DEF-000009 through 000081.

As stated, the attachments bearing bates numbers 20180149-DEF-000009 through 000081 are confidential; redacted versions are attached hereto and unredacted copies have been filed with the Florida Public Service Commission ("Commission") along with DEF's Request for Confidential Classification dated December 3, 2018.

For the purpose of this request and sub-parts, please refer to the Direct Testimony and Exhibits of Matthew G. Stout, on behalf of Duke Energy, Florida, LLC, as filed on July 31, 2018.

2. Please provide a copy of the property lease document(s) for the Hamilton property.

#### **Response:**

Please see the attached confidential documents bearing bates numbers 20180149-DEF-000082 through 20180149-DEF-000152.

Portions of the attachments bearing bates numbers 20180149-DEF-000082 through 000152 are confidential; redacted versions are attached hereto and unredacted copies have been filed with the Florida Public Service Commission ("Commission") along with DEF's Request for Confidential Classification dated December 3, 2018.

Duke Energy Florida
Docket No. 20180149-EI
DEF's Response to Staff's 1<sup>st</sup> PODs (1-4)
Q1

# **REDACTED**

Documents bearing bates numbers
20180149-DEF-000009 through 20180149-DEF-000081
(entire document)

administration buildings, and (xi) other improvements, fixtures, facilities, machinery and equipment associated or connected with the generation, conversion, storage, switching, metering, step-up, step-down, transmission, distribution, conducting, wheeling, sale or other use or conveyance of electricity (all of the foregoing, including the Solar Energy Facilities and Transmission Facilities, collectively a "Solar Energy System");

2.3. Using any existing water well or drilling, digging and excavating one or more wells on the Property for the purposes of servicing, operating and maintaining the Solar Energy System that is located on the Property, including the right to tap into (at Lessee's sole cost and expense under a separate meter) any municipal, township, county, or other public water service; provided that:

- During the Extended Term, removing, trimming, pruning, topping, clearing or otherwise controlling the growth of any tree, shrub, plant or other vegetation; dismantling, demolishing, and removing any improvement, Structure (as hereafter defined), embankment, impediment, berm, wall, fence, engineering works, or other object, on or that intrudes (or upon maturity could intrude) into the Property that could obstruct, interfere with or impair the Solar Energy System or the use of the Property intended by Lessee hereunder, provided, however, that the overall drainage of the Property remain materially unaffected if any portion of the Property is utilized for agricultural purposes, and provided further that, Lessee's removal of any such improvements or Structures having salvage value (as reasonably determined by Lessee) shall be coordinated with Lessor, and if so elected by Lessor in writing within ten (10) days after written notice from Lessee that any such improvement or Structure must be removed, Lessor shall have a fifteen (15) day period to remove any such improvement or Structure at Lessor's expense. In the event Lessor fails to respond in writing to Lessee within such ten (10) day period, or Lessor elects not to remove or fails to remove any such improvements or Structures within such fifteen (15) day period, Lessee may remove and dispose of such improvements or Structures at Lessee's expense, and Lessee shall have no liability to Lessor relating to the removal and disposal thereof;
- 2.5. A non-exclusive easement for vehicular and pedestrian access, ingress and egress to, from and over the Property, at such locations as Lessee shall determine, for purposes related to or associated with the Solar Energy System installed or to be installed on the Property or adjacent property, which, without limiting the generality of the foregoing, shall entitle Lessee to use, improve and widen any existing and future roads and access routes or construct such roads as Lessee may determine necessary from time to time located on or providing access to the Property, across any other adjacent property owned by Lessor and across any access routes over which Lessor has the right to travel;

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- 2.6. Undertaking any other lawful activities, whether accomplished by Lessee or a third party authorized by Lessee, that Lessee determines are necessary, helpful, appropriate, convenient or cost-effective in connection with, incidental to or to accomplish any of the foregoing purposes, including conducting surveys and soils, environmental, biological, cultural and other tests and studies.
- 2.7. Notwithstanding the foregoing in this Section 2, Lessee may use the approximately 100 foot-wide portion of the Property generally depicted and labeled as the "Right of Way Area" on Exhibit A-1 attached hereto only for the purpose of developing, constructing, reconstructing, erecting, enlarging, installing, improving, replacing, relocating and removing from time to time Transmission Facilities, and any necessary ingress and egress related thereto, including developing, constructing, or installing necessary access roads therein. Lessee may not develop, construct, erect, or install any Solar Energy Facilities within the Right of Way Area. The exact location and legal description of the Right of Way Area will be determined pursuant to the survey described in Section 4. The Parties agree to work in good faith to determine the exact location of the Transmission Facilities to be constructed, reconstructed, erected, enlarged, installed, improved, replaced, or relocated within the Right of Way Area so that such Transmission Facilities will not interfere with the operation of the irrigation system operated by Lessor and existing as of the Effective Date on real property adjacent to the Right of Way Area. In the event the Parties are unable to agree upon the exact location of such Transmission Facilities within the Right of Way Area, the Parties agree to consult with an independent licensed engineer for the purpose of such independent licensed engineer determining a location that does not interfere with such irrigation system. The cost and expense in hiring such independent licensed engineer shall be paid by Lessee. Any underground Transmission Facilities constructed, reconstructed, erected, enlarged, installed, improved, replaced, or relocated within the Right of Way Area will be buried to a depth of no less than four (4) feet.



Q2

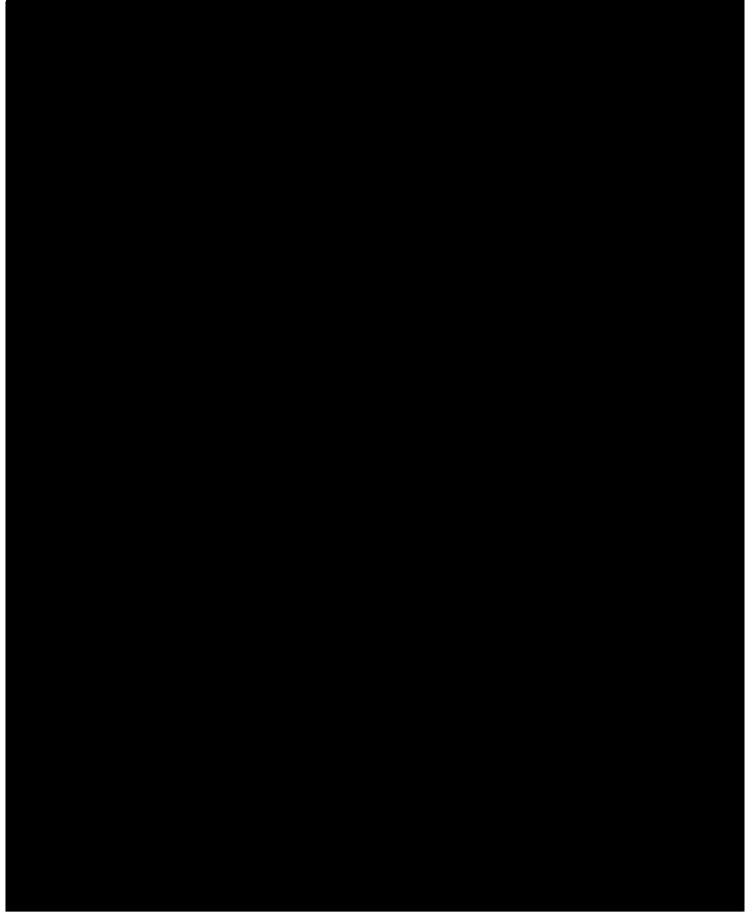
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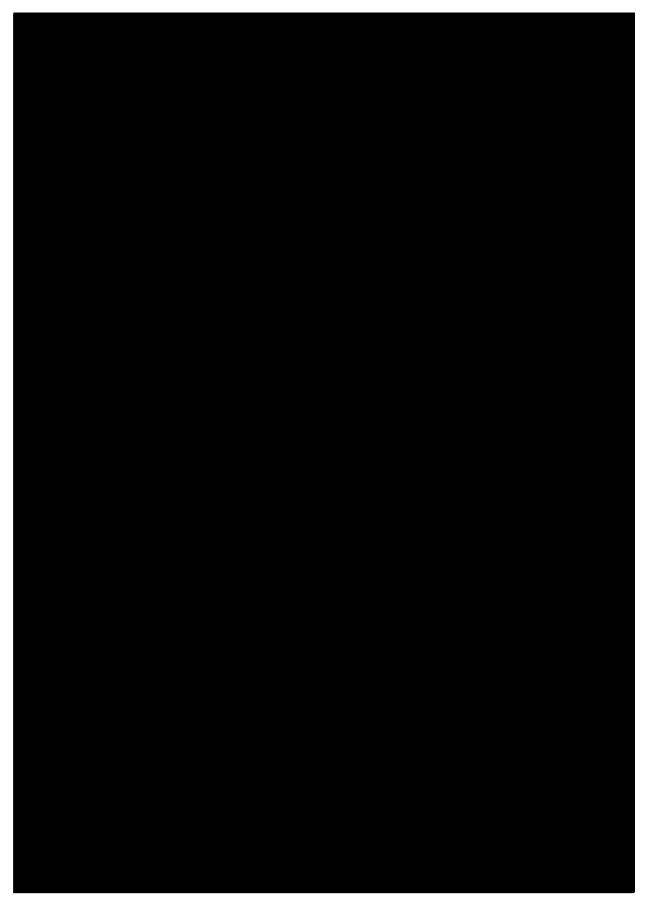
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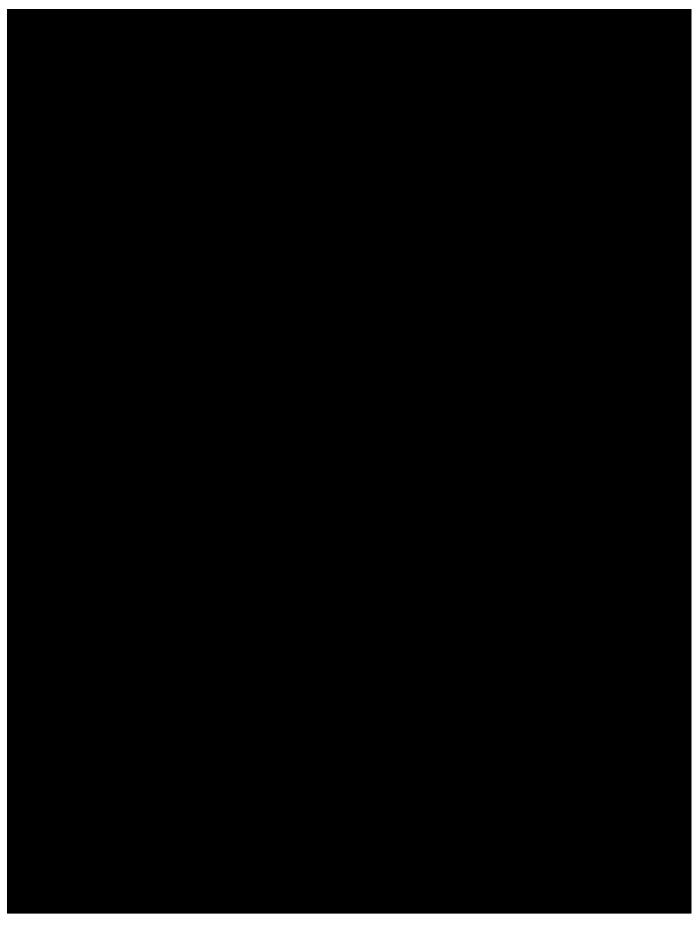
Duke Energy Florida Docket No. 20180149-EI DEF's Response to Staff's 1st PODs (1-4) Q2

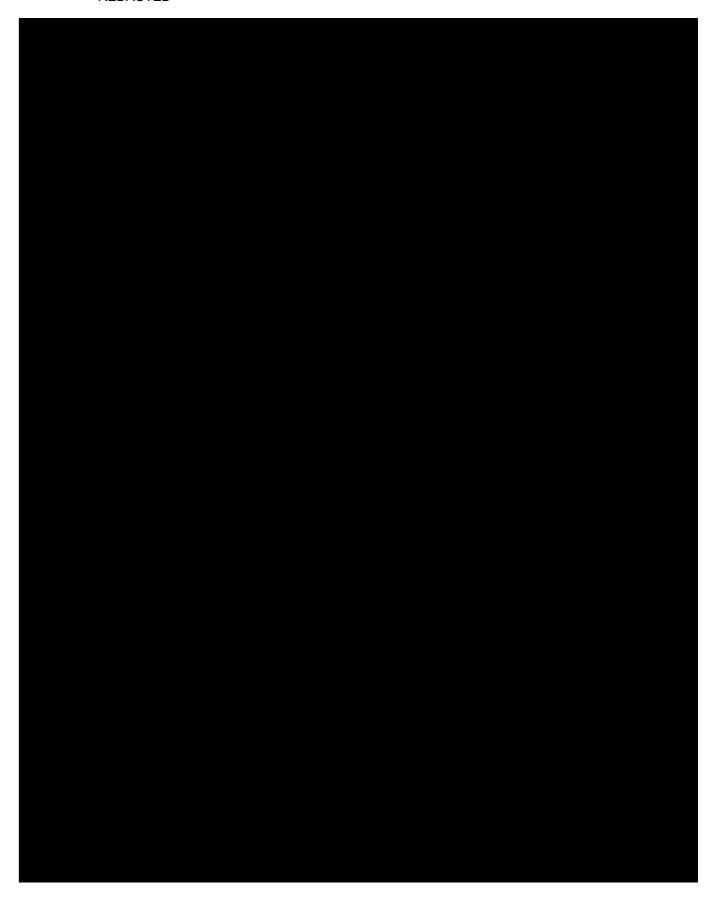
Q2

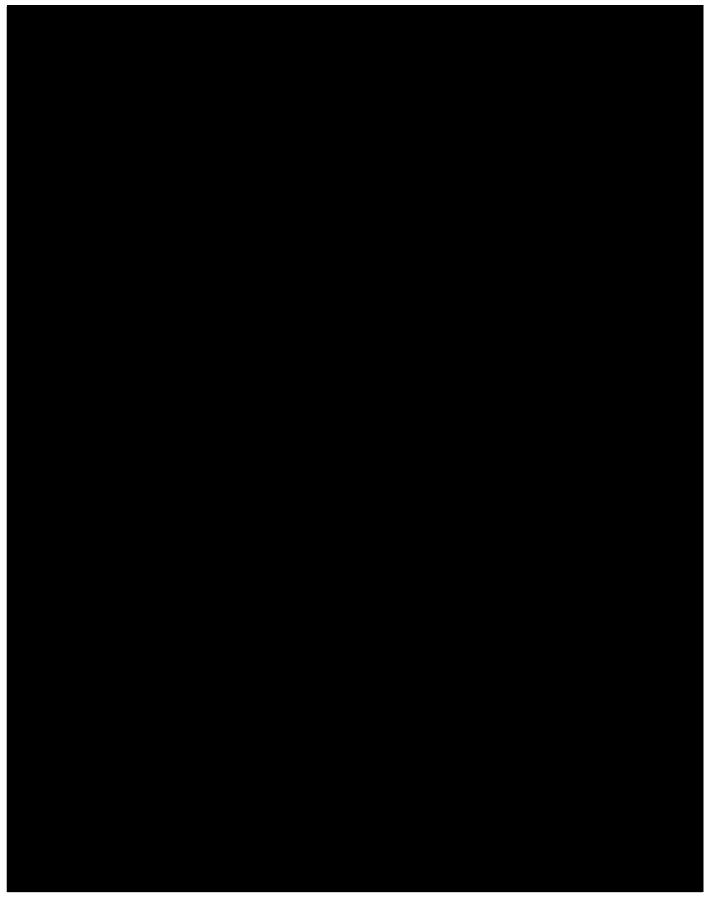
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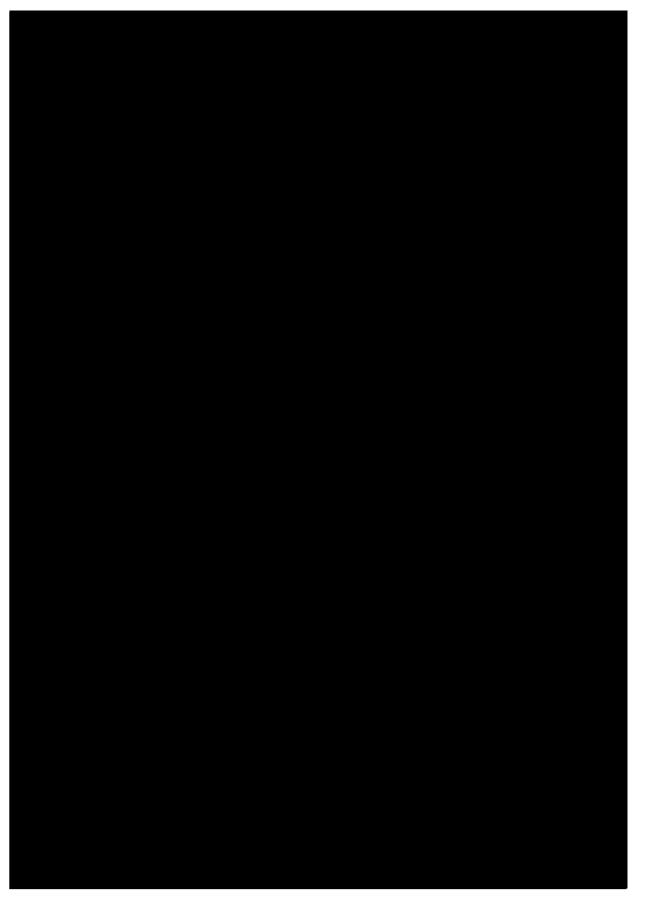


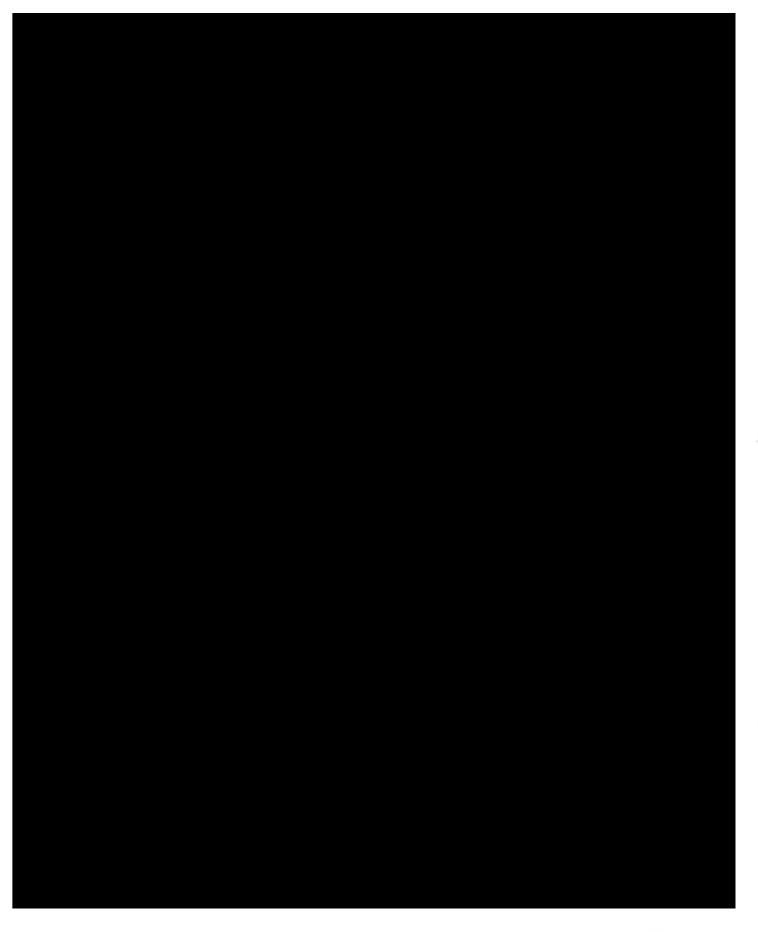












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#### AMENDMENT TO SOLAR ENERGY LEASE

This Amendment to Solar Energy Lease (this "Amendment") is effective as of January 10, 2016,7 and is entered into between Partridge Pea Farms, LLC, a Florida limited liability company ("Lessor"), and Hamilton County Solar Project, LLC, a Delaware limited liability company ("Lessee"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Solar Energy Lease dated December 1, 2015 (the "Lease") between Lessor and Lessee.

Lessor and Lessee hereby agree as follows:



Q#2719600 4

#### SECOND AMENDMENT TO SOLAR ENERGY LEASE

This Second Amendment to Solar Energy Lease (this "**Amendment**") is effective as of July 20, 2017 (the "**Effective Date**"), and is entered into between Partridge Pea Farms, LLC, a Florida limited liability company ("**Lessor**"), and Hamilton County Solar Project, LLC, a Delaware limited liability company ("**Lessee**").

WHEREAS, Lessor and Lessee are parties to that certain Solar Energy Lease dated December 1, 2015, notice of which is imparted by that certain Memorandum of Solar Energy Lease dated December 1, 2015, and recorded in the official records of the Hamilton County, Florida as Instrument No. 201524010279 in Book 775, Page 353, as amended by that certain Amendment to Solar Energy Lease dated January 10, 2017, notice of which is imparted by that certain Amendment to Memorandum of Solar Energy Lease dated January 10, 2017, and recorded in the official records of the Hamilton County, Florida as Instrument No. 201724000173, in Book 795, Page 317 (collectively, the "Lease"), wherein Lessor agreed to lease to Lessee that certain real property (including all air space thereof) described therein (the "Property"), which Property is located in the County of Hamilton, in the State of Florida; and

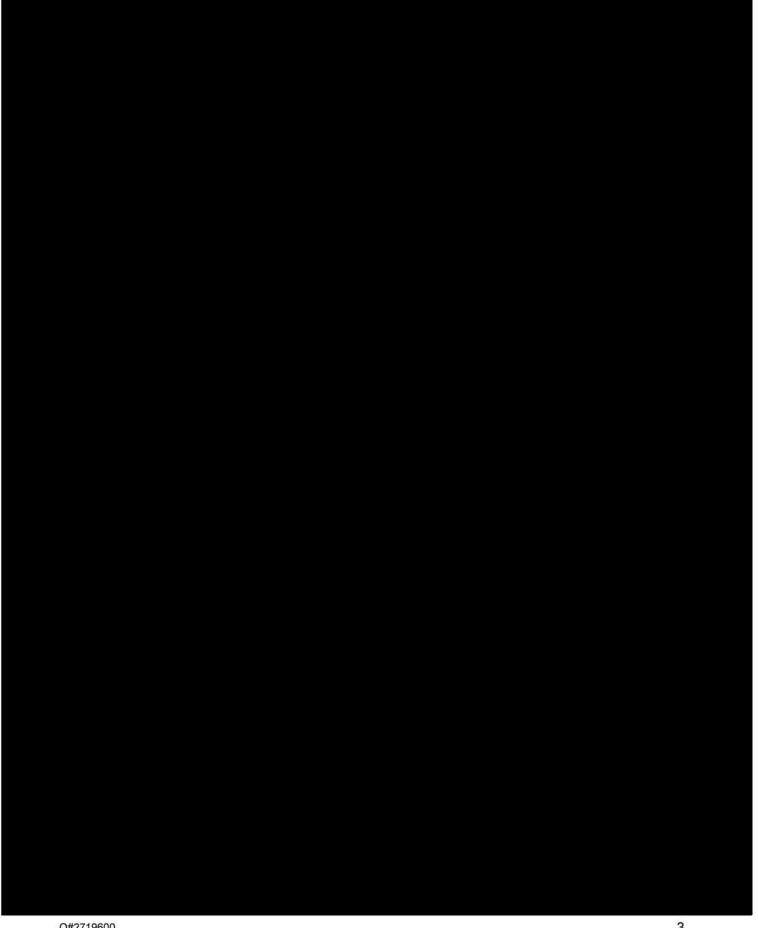
WHEREAS, Lessor and Lessee desire to further amend the Lease as provided herein.

NOW, THEREFORE, in consideration of the foregoing recitals and mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

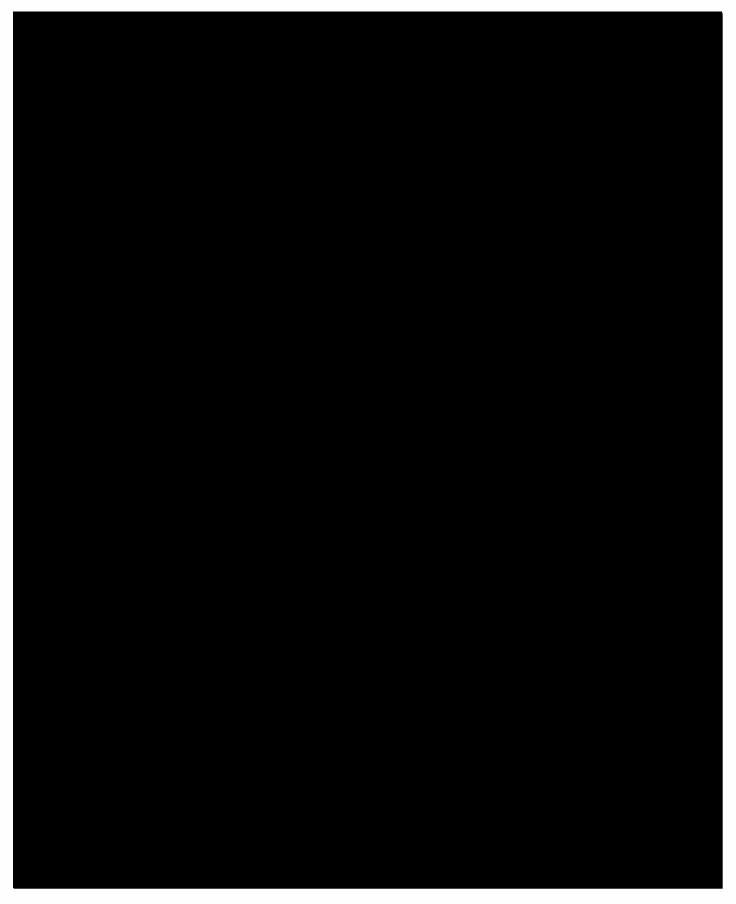
- 1. <u>Exhibit A</u>. <u>Exhibit A</u> of the Lease is hereby amended and replaced in its entirety with <u>Exhibit A</u> attached hereto.
- 2. <u>Exhibit A-1</u>. <u>Exhibit A-1</u> of the Lease is hereby amended and replaced in its entirety with Exhibit A-1 attached hereto.

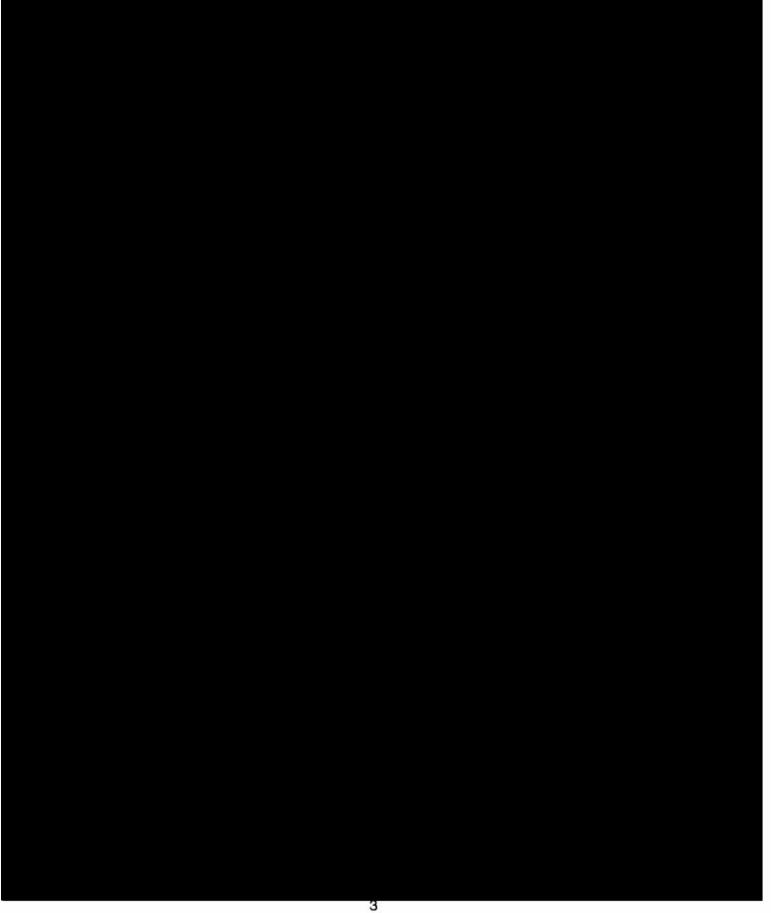






Duke Energy Florida Docket No. 20180149-EI DEF's Response to Staff's 1st PODs (1-4)





Duke Energy Florida Docket No. 20180149-EI DEF's Response to Staff's 1st PODs (1-4)





June 1, 2018

Partridge Pea Farms LLC Attn: Eric J. Fields and Kevin L. Coggins P.O. Box 2407 Alachua, Florida 32616



> 400 South Tryon St, ST13A Charlotte NC 28202



REDACTED

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Duke Energy Florida Docket No. 20180149-EI DEF's Response to Staff's 1st PODs (1-4) Q3

Duke Energy Florida Docket No. 20180149-El DEF's Response to Staff's 1st PODs (1-4)

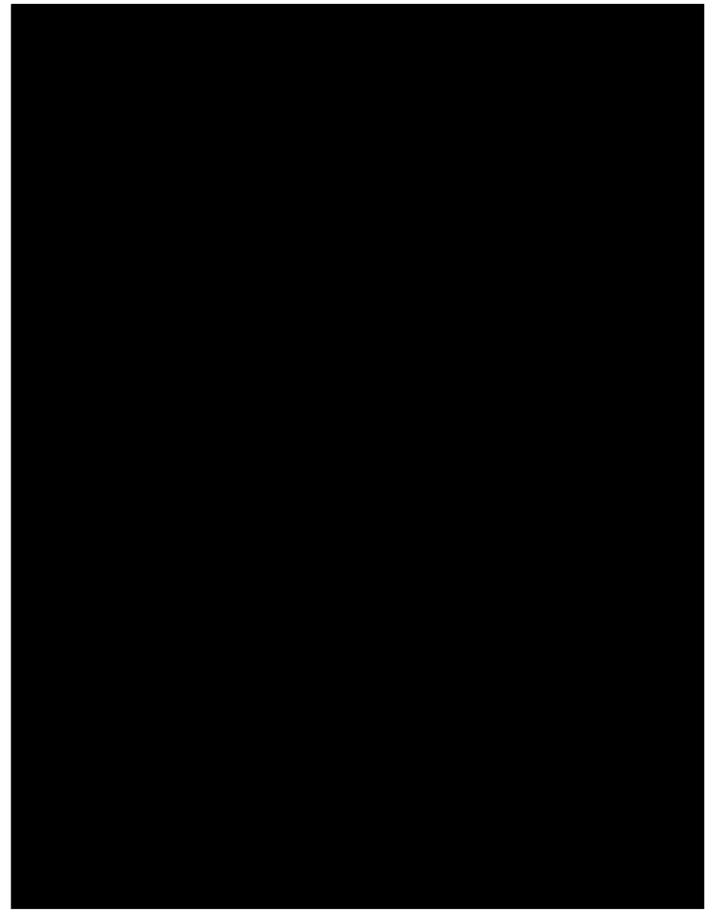
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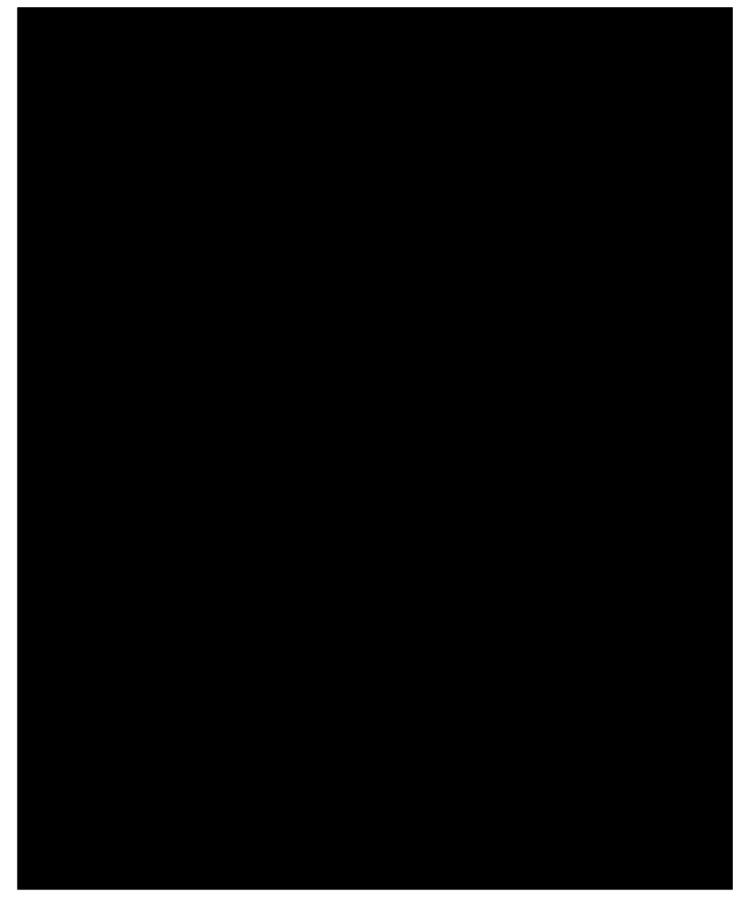
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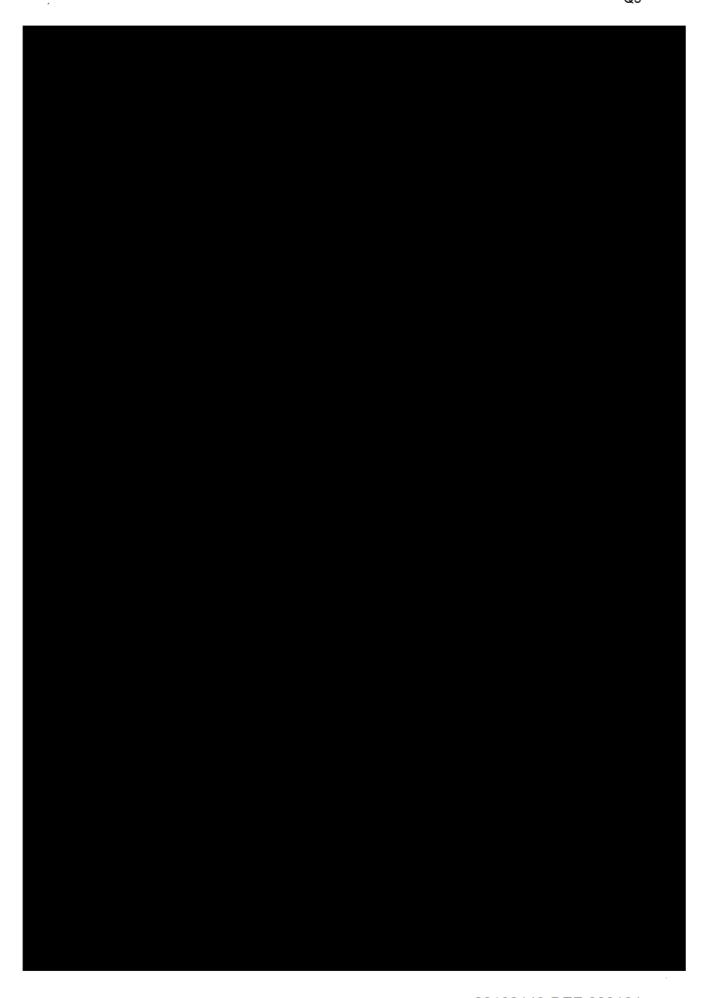
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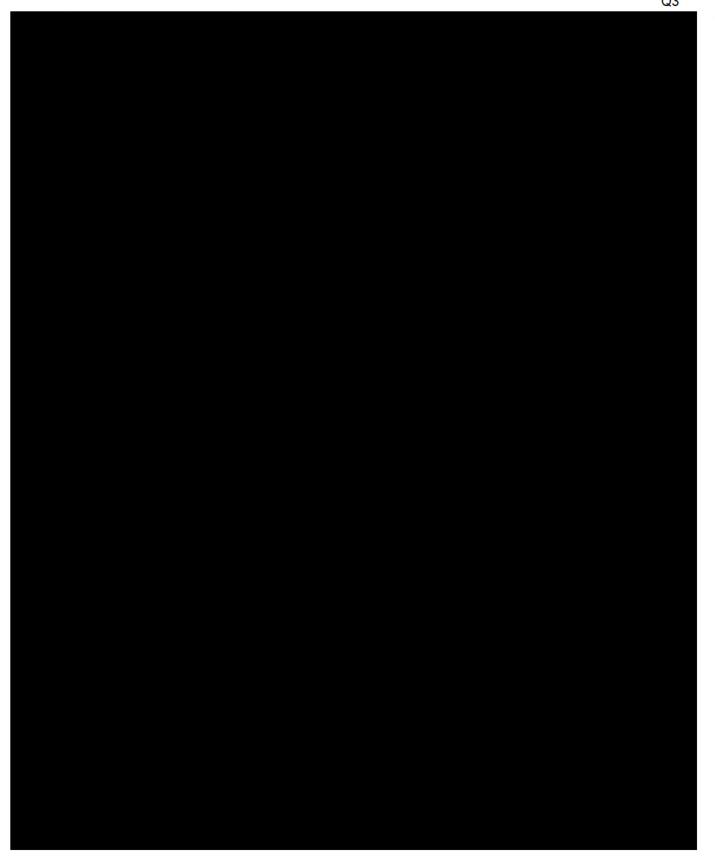
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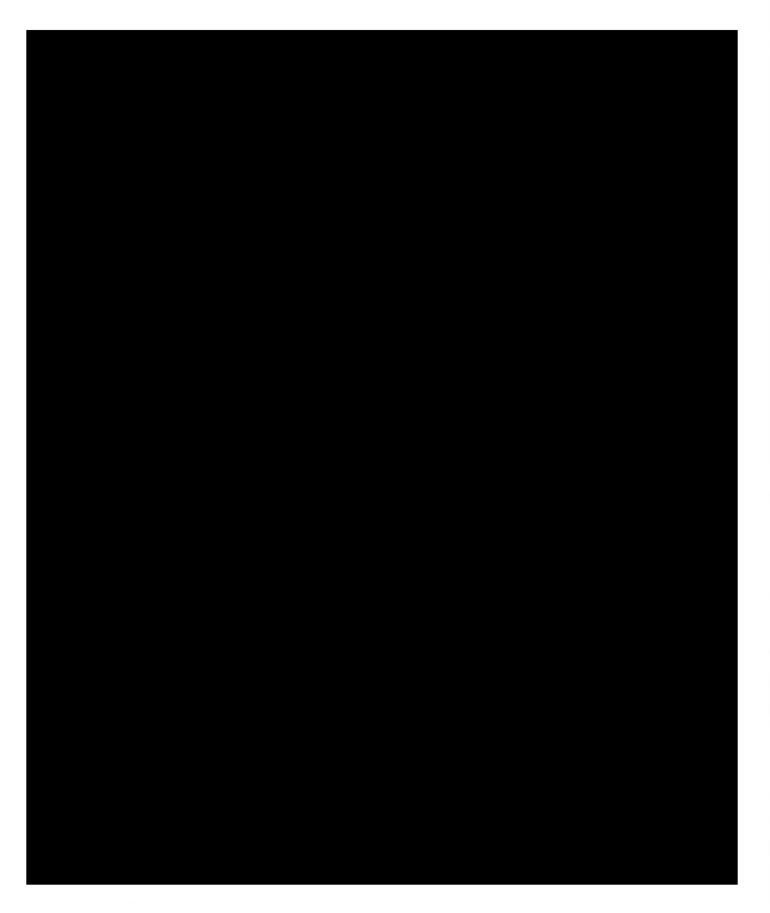


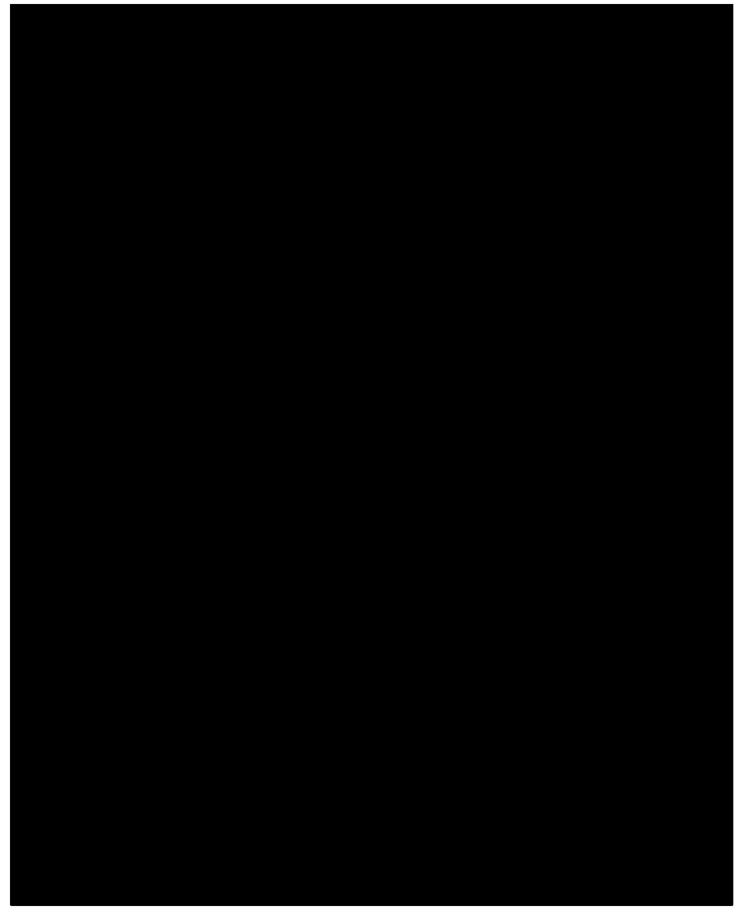


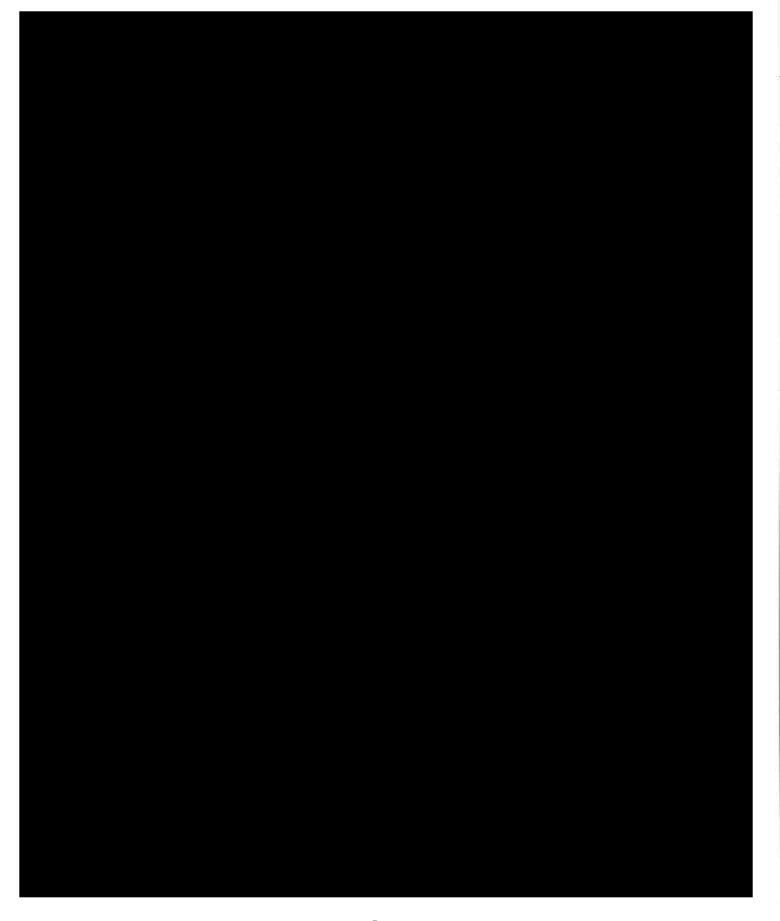


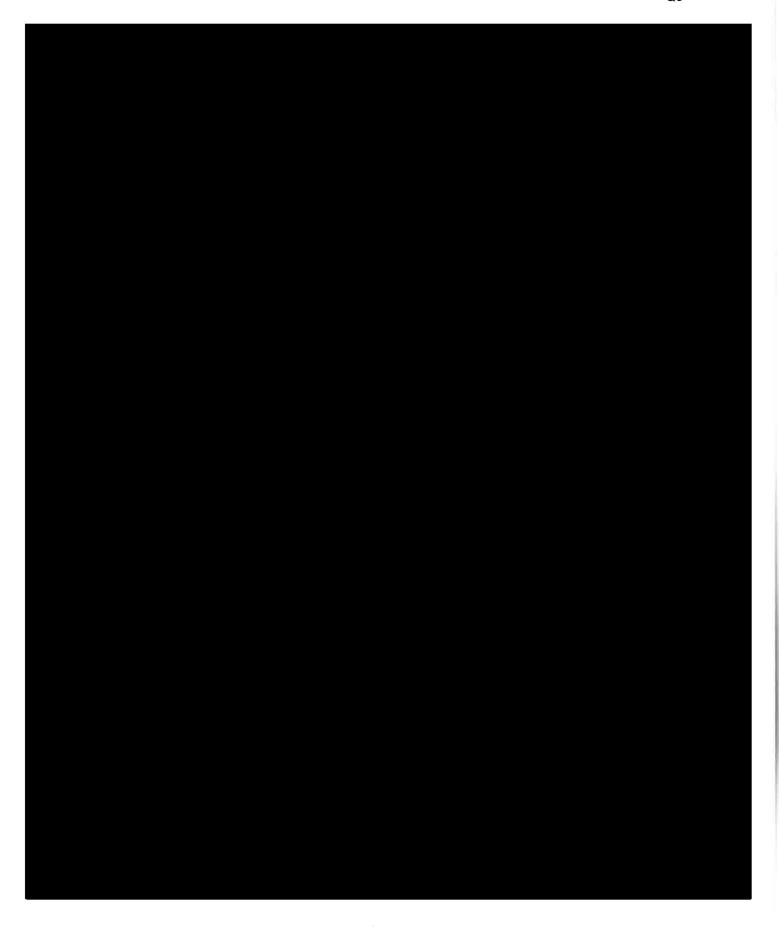


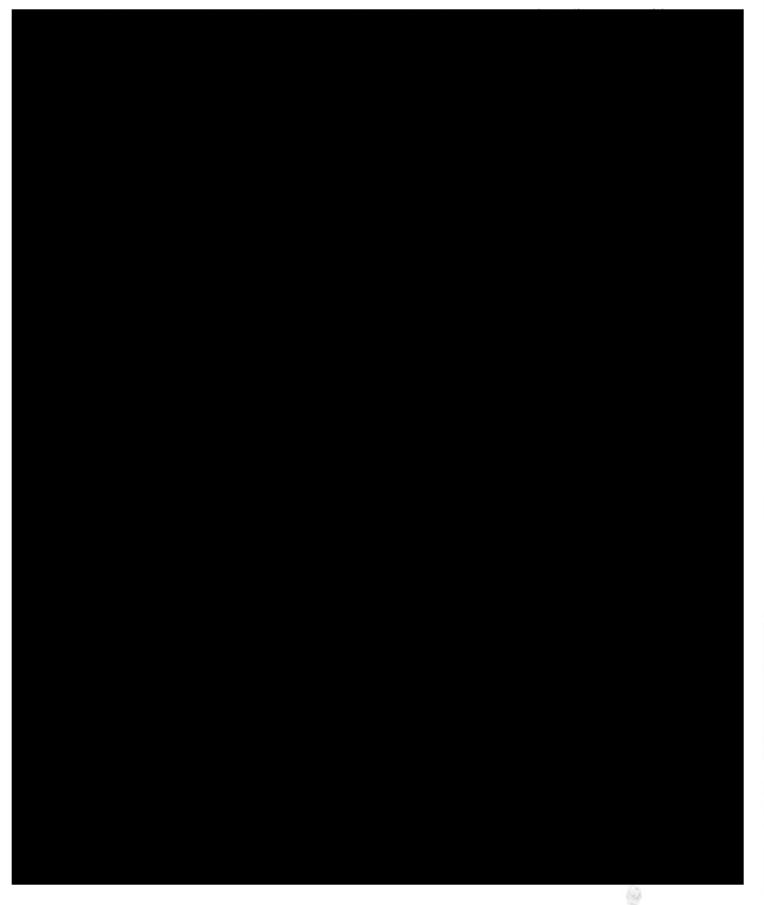




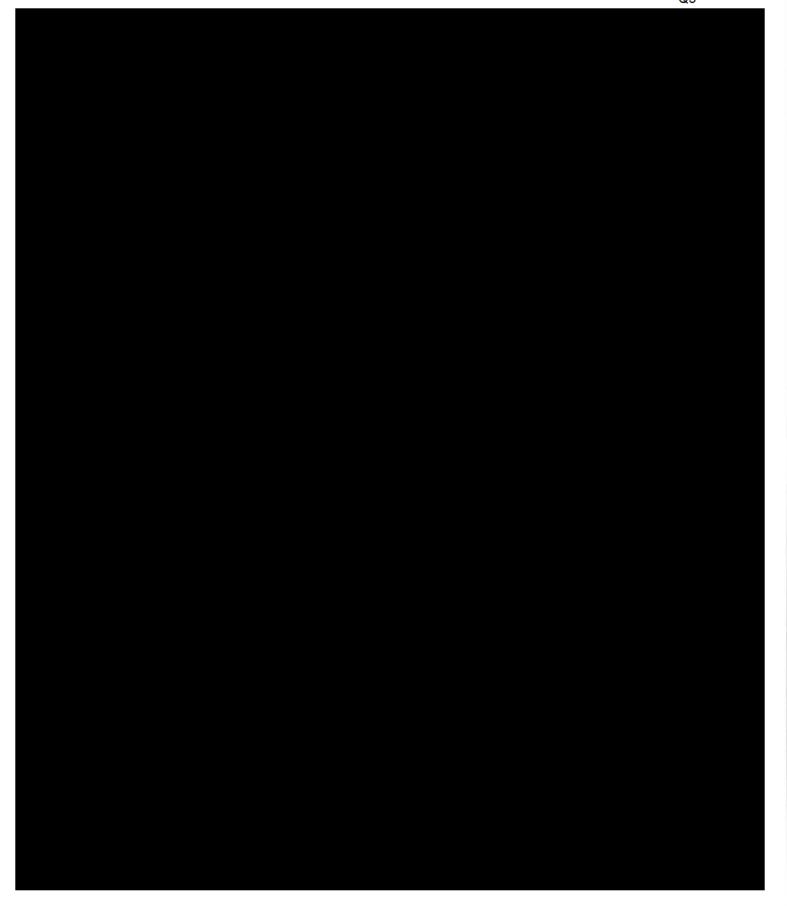








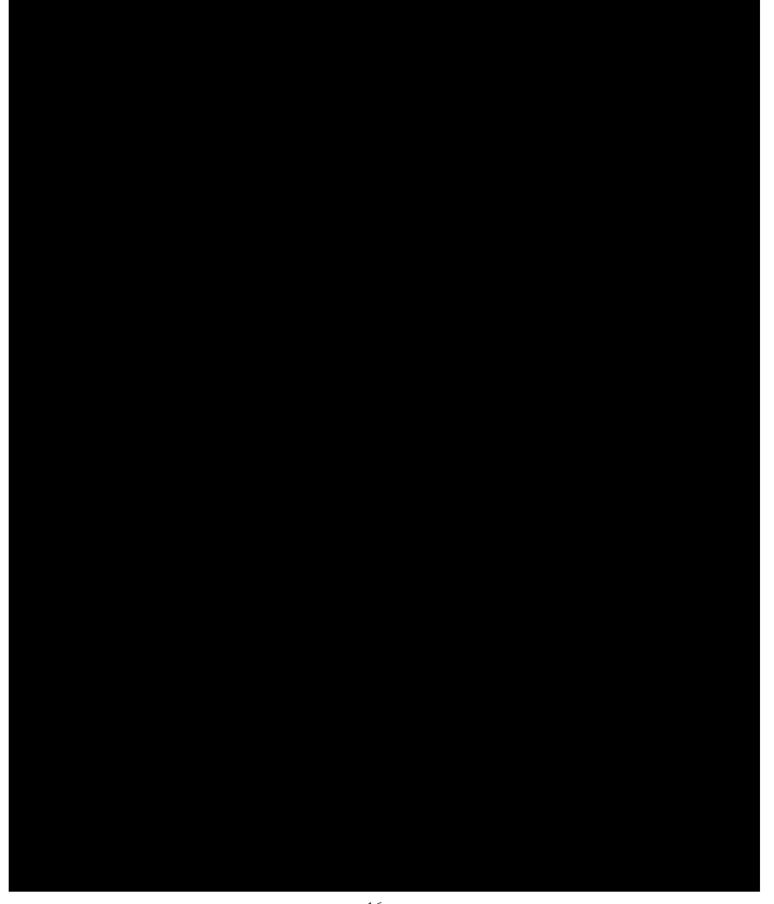


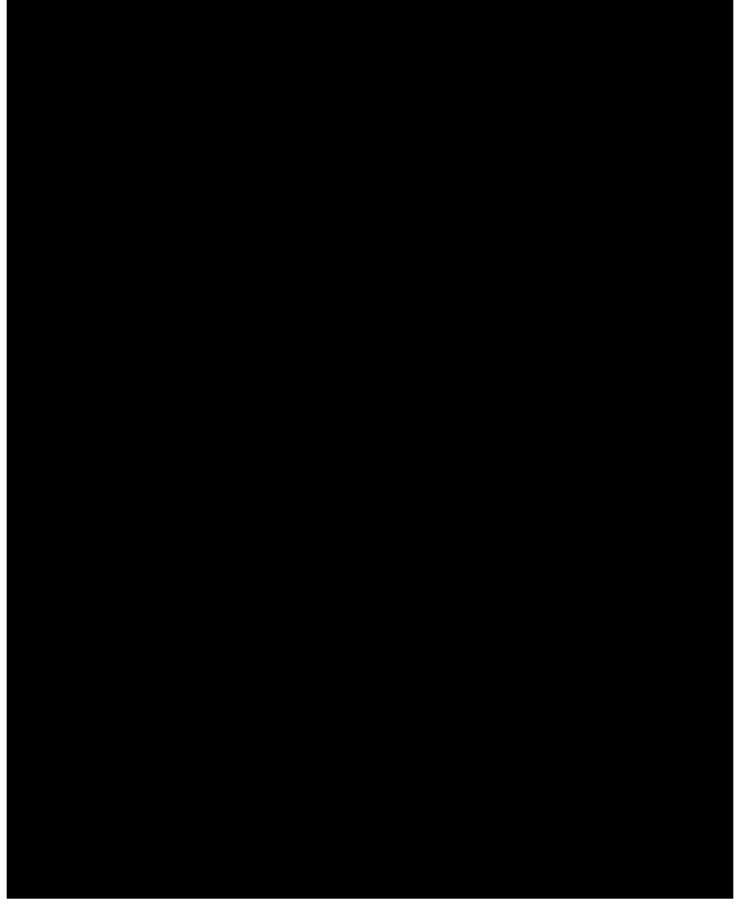




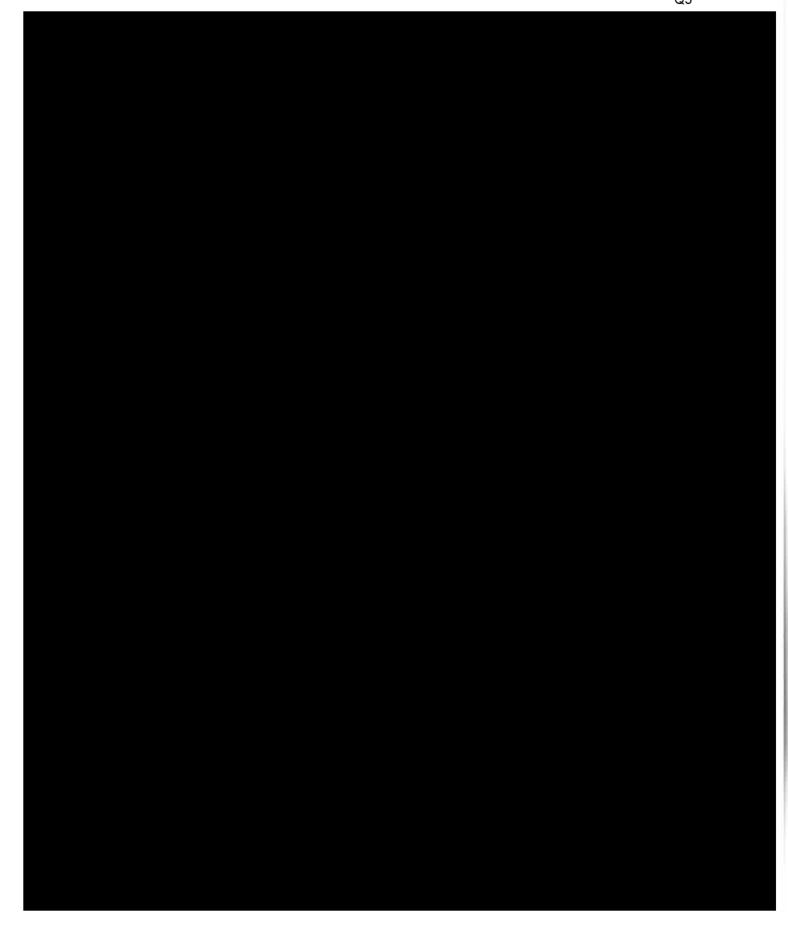




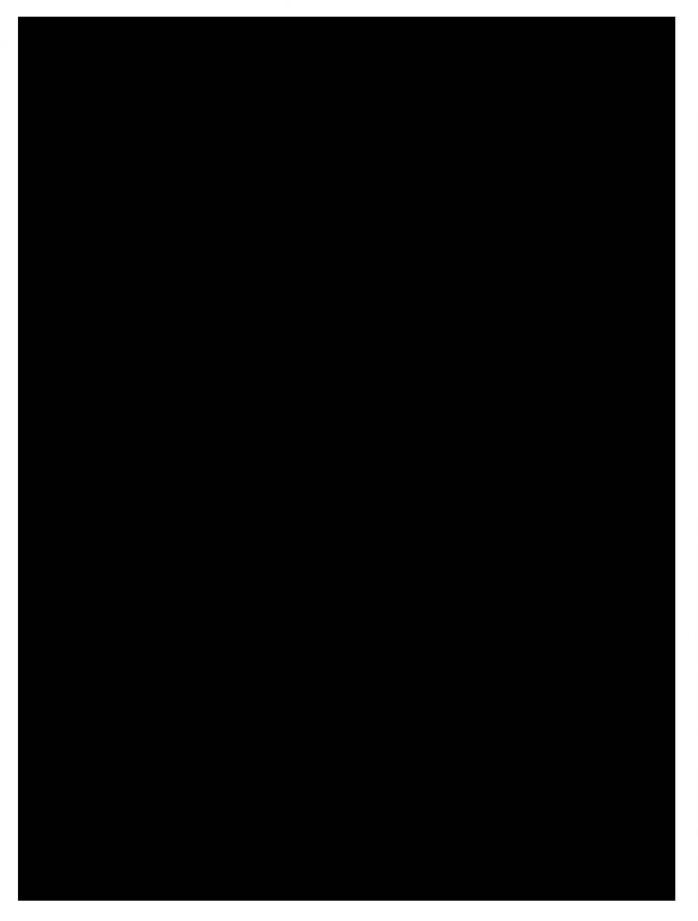






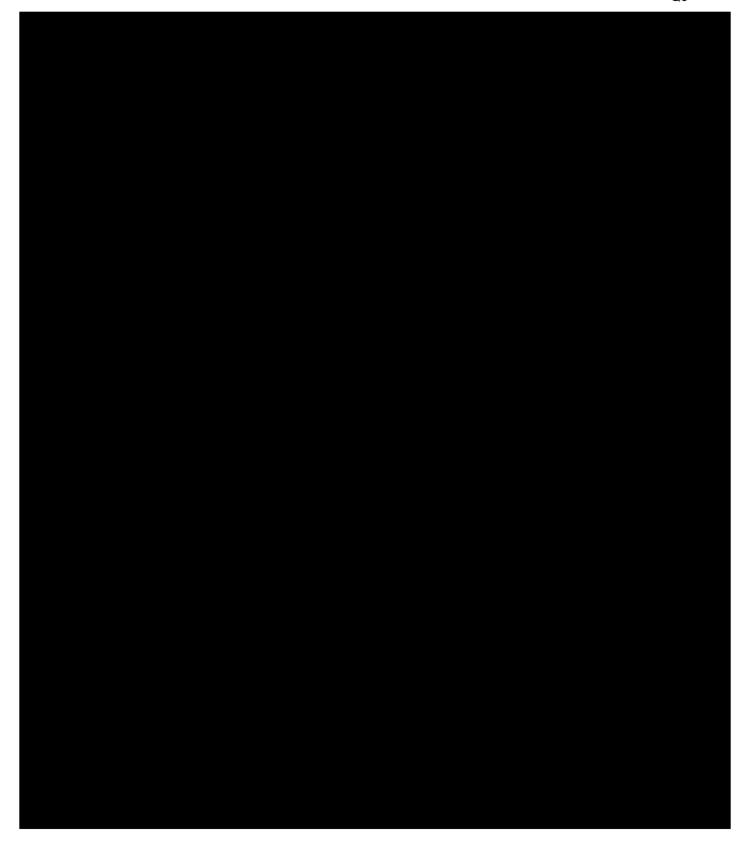


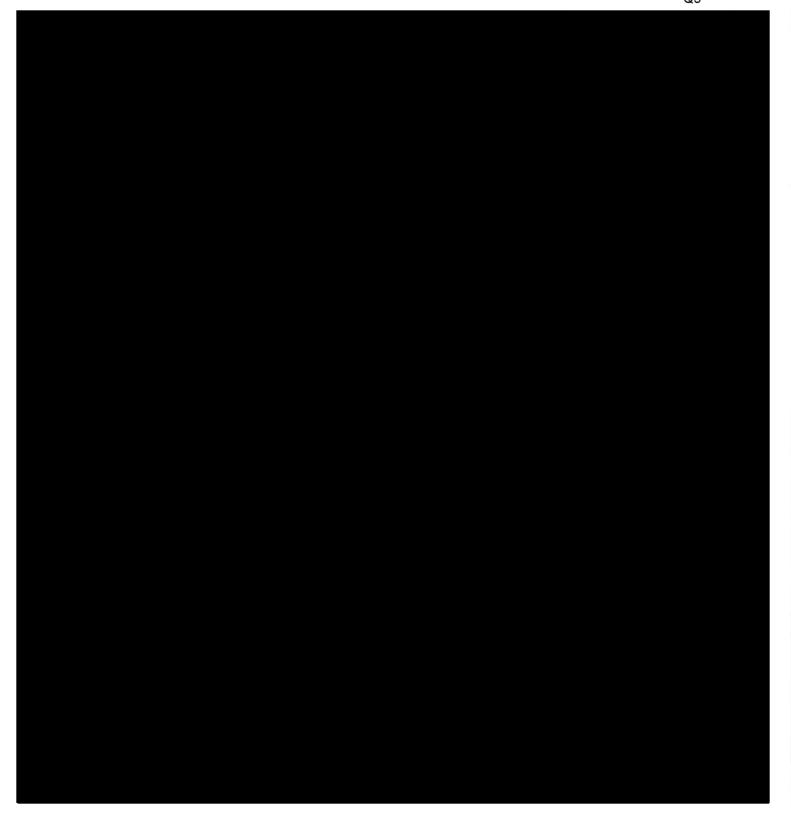




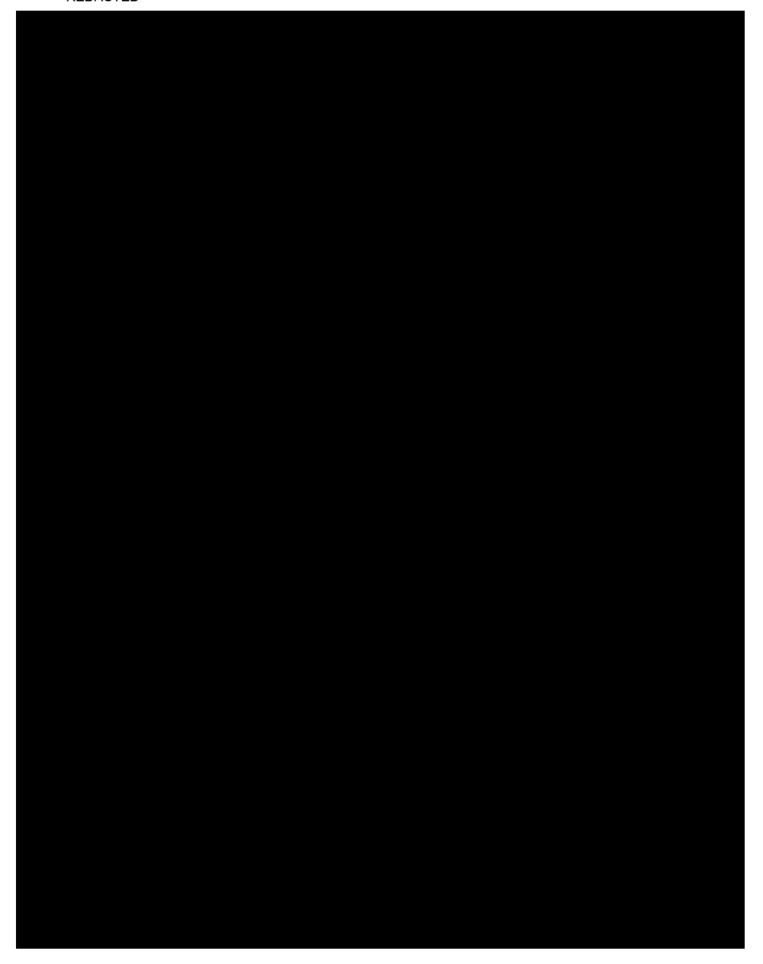
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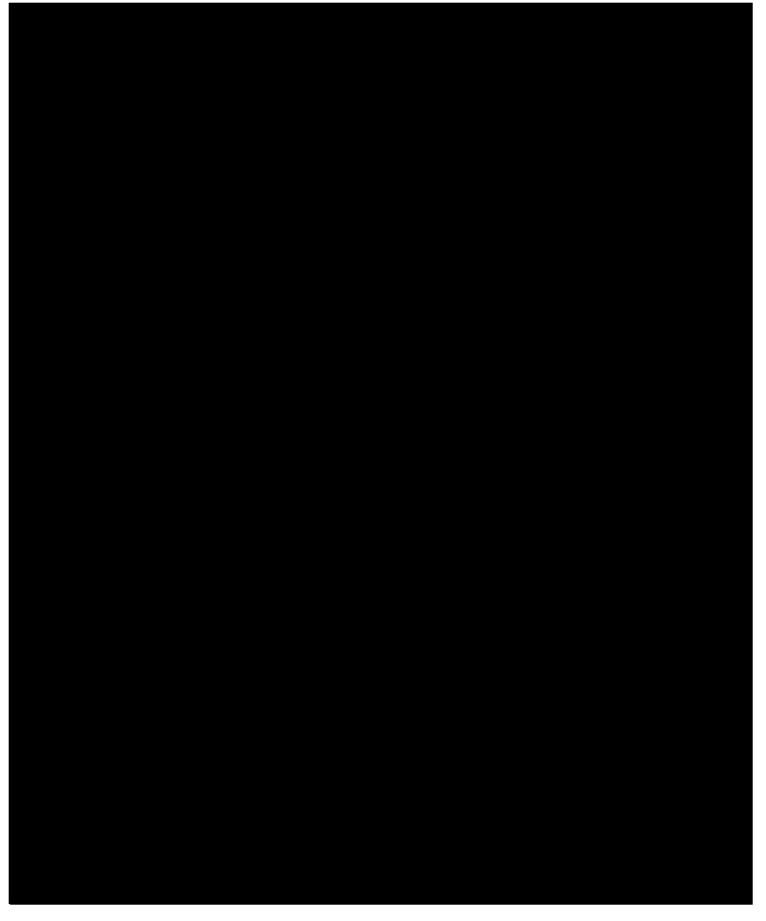


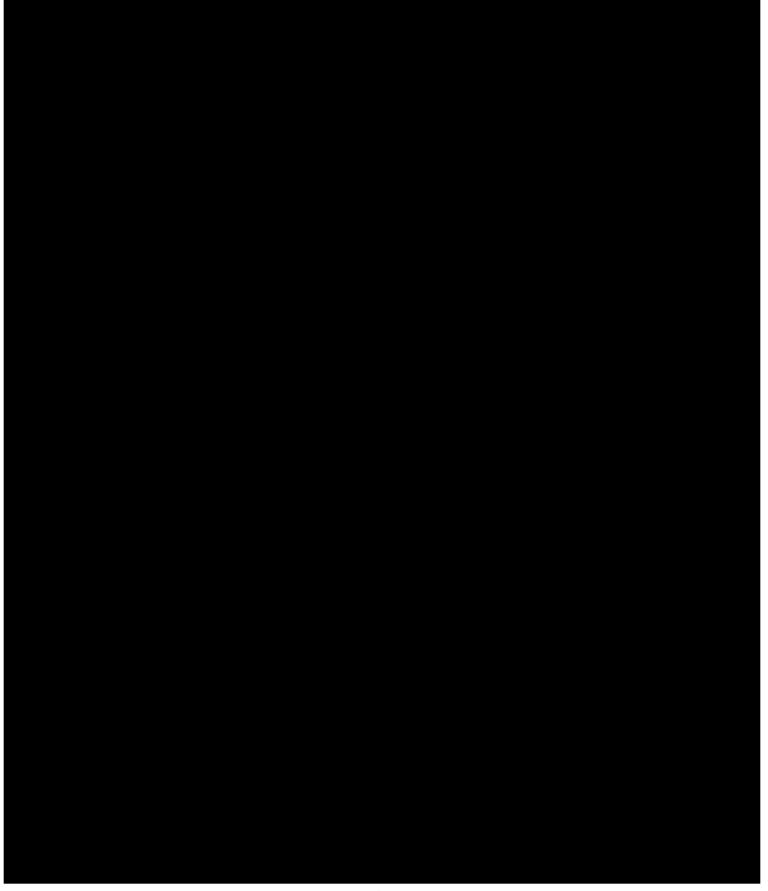


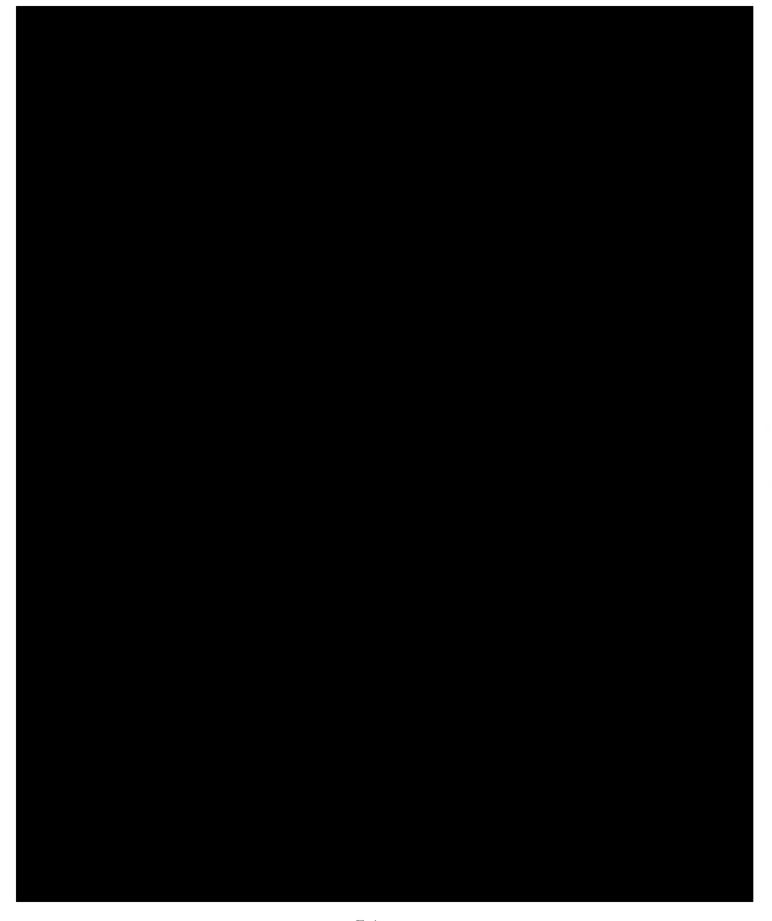




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Duke Energy Florida
Docket No. 20180149-EI
DEF's Response to Staff's 1<sup>st</sup> PODs (1-4)
Q1

# **REDACTED**

Documents bearing bates numbers
20180149-DEF-000009 through 20180149-DEF-000081
(entire document)

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Duke Energy Florida, LLC's Petition for a limited proceeding to approve first solar base rate

adjustment

Docket No. 20180149-EI

Submitted: December 3, 2018

# DUKE ENERGY FLORIDA, LLC'S RESPONSE TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-40)

Duke Energy Florida, LLC ("DEF"), responds to the Staff of the Florida Public Service

Commission's ("Staff") First Set of Interrogatories to DEF (Nos. 1-40) as follows:

### **INTERROGATORIES**

1. **Resource Planning.** Please refer to DEF witness Borsch's testimony page 10, lines 9-13. Please provide the firm summer capacity that DEF is expecting individually from the Hamilton Project and the Columbia Project.

#### **Answer:**

DEF expects a firm summer capacity of 42.7 MW from Hamilton and Columbia individually.

Cost-Effectiveness. Please Refer to DEF witness Stouts' exhibit MGS-2. For the 2. Hamilton Project please provide separate engineering, procurement and construction costs; development costs including third party development fees, permitting fees and costs; actual land costs and land acquisition costs, taxes; utility costs to support or complete development; transmission interconnection costs; installation labor and equipment costs; costs associated with electrical balance of system, structural balance of system, inverters, and modules; AFUDC at the weighted average cost of capital and other traditionally allowed rate base costs.

See cost by category table below:

| Hamilton Project Estimated Installed Cost by Category |      |
|---|------|
| Estimated Costs (\$MM)                                |      |
| Project Output (MW-ac)                                | 74.9 |
| Major Equipment                                       |      |
| Solar Modules   |      |
| Project Transformer                                   |      |
| Balance of System <sup>1</sup>                        |      |
| Construction Management                               | 1.1  |
| Development and Permitting <sup>2</sup>               | 5.9  |
| Transmission Interconnect <sup>3</sup>                | 0.1  |
| Land⁴   | 0    |

| Total Installed Cost | \$113.10 |
|----------------------|----------|
| AFUDC <sup>5</sup>   | 0        |
| Total with AFUDC     | \$113.10 |
| Total (\$kW-ac)      | 1511     |

- 1. DEF entered into an engineering, procurement and construction (EPC) agreement for the final design and construction of the project. The EPC contractor provides all system equipment, other than modules and the project transformer, and installation labor. This includes all racking, cabling, inverters, and balance of system costs.
- 2. Includes items such as lease rental payments during construction, legal fees, development costs, development fees, and title insurance.
- 3. Interconnection Customer charges identified in the Large Generator Interconnection Agreement exclude Network Upgrades.
- 4. The real estate is secured under a long-term lease agreement; therefore, there are no costs to purchase the property.
- 5. This project does not qualify for AFUDC under Rule 25-6.0141 F.A.C.
- 3. **Cost-Effectiveness.** Please Refer to DEF witness Stouts' exhibit MGS-4. For the Columbia Project please provide separate engineering, procurement and construction costs; development costs including third party development fees, permitting fees and costs; actual land costs and land acquisition costs, taxes; utility costs to support or complete development; transmission interconnection costs; installation labor and equipment costs; costs associated with electrical balance of system, structural balance of system, inverters, and modules; AFUDC at the weighted average cost of capital and other traditionally allowed rate base costs.

#### **Answer:**

See cost by category table below:

| Columbia Solar Project Estimated Installed Cost by Category |          |
|---|----------|
| Estimated Costs (\$MM)                                      |          |
| Project Output (MW-ac)                                      | 74.9     |
| Major Equipment <sup>1</sup>                                |          |
| Solar Modules   |          |
| Project Transformer   |          |
| Balance of System <sup>2</sup>                              |          |
| Construction Management                                     | 1.1      |
| Development and Permitting <sup>3</sup>                     | 5.8      |
| Transmission Interconnect <sup>4</sup>                      | 0.1      |
| Land <sup>5</sup>   | 0.0      |
| Total Installed Cost  | \$105.60 |
| AFUDC   | 3.9      |
| Total with AFUDC  | \$109.4  |
| Total (\$kW-ac)   | 1461     |

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Duke Energy Florida, LLC's Petition for a limited proceeding to approve first solar base rate

limited proceeding to approve first solar base rate adjustment

Docket No. 20180149-EI

Submitted: December 3, 2018

# DUKE ENERGY FLORIDA, LLC'S RESPONSE TO STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-4)

Duke Energy Florida, LLC ("DEF"), responds to the Staff of the Florida Public Service Commission's ("Staff") First Request for Production of Documents to DEF (Nos. 1-4) as follows:

### **DOCUMENTS REQUESTED**

1. Please refer to the Direct Testimony of DEF witness Borsch, Page 8, line 13-16, as well as Exhibit (BMHB-3). Please provide copies of any "projections from industry-recognized sources" the Company possesses that support the Fuel Mid Price Forecast shown on Exhibit (BMHB-3).

# **Response:**

The referenced testimony refers to two forecasts, the NYMEX natural gas forward curves and the \_\_\_\_\_\_. The NYMEX natural gas forward curves bears bates numbers 20180149-DEF-000001 through 20180149-DEF-000008 and Confidential Exhibit bearing bates numbers 20180149-DEF-000009 through 000081.

As stated, the attachments bearing bates numbers 20180149-DEF-000009 through 000081 are confidential; redacted versions are attached hereto and unredacted copies have been filed with the Florida Public Service Commission ("Commission") along with DEF's Request for Confidential Classification dated December 3, 2018.

For the purpose of this request and sub-parts, please refer to the Direct Testimony and Exhibits of Matthew G. Stout, on behalf of Duke Energy, Florida, LLC, as filed on July 31, 2018.

2. Please provide a copy of the property lease document(s) for the Hamilton property.

#### **Response:**

Please see the attached confidential documents bearing bates numbers 20180149-DEF-000082 through 20180149-DEF-000152.

Portions of the attachments bearing bates numbers 20180149-DEF-000082 through 000152 are confidential; redacted versions are attached hereto and unredacted copies have been filed with the Florida Public Service Commission ("Commission") along with DEF's Request for Confidential Classification dated December 3, 2018.

administration buildings, and (xi) other improvements, fixtures, facilities, machinery and equipment associated or connected with the generation, conversion, storage, switching, metering, step-up, step-down, transmission, distribution, conducting, wheeling, sale or other use or conveyance of electricity (all of the foregoing, including the Solar Energy Facilities and Transmission Facilities, collectively a "Solar Energy System");

2.3. Using any existing water well or drilling, digging and excavating one or more wells on the Property for the purposes of servicing, operating and maintaining the Solar Energy System that is located on the Property, including the right to tap into (at Lessee's sole cost and expense under a separate meter) any municipal, township, county, or other public water service; provided that:

- During the Extended Term, removing, trimming, pruning, topping, clearing or otherwise controlling the growth of any tree, shrub, plant or other vegetation; dismantling, demolishing, and removing any improvement, Structure (as hereafter defined), embankment, impediment, berm, wall, fence, engineering works, or other object, on or that intrudes (or upon maturity could intrude) into the Property that could obstruct, interfere with or impair the Solar Energy System or the use of the Property intended by Lessee hereunder, provided, however, that the overall drainage of the Property remain materially unaffected if any portion of the Property is utilized for agricultural purposes, and provided further that, Lessee's removal of any such improvements or Structures having salvage value (as reasonably determined by Lessee) shall be coordinated with Lessor, and if so elected by Lessor in writing within ten (10) days after written notice from Lessee that any such improvement or Structure must be removed, Lessor shall have a fifteen (15) day period to remove any such improvement or Structure at Lessor's expense. In the event Lessor fails to respond in writing to Lessee within such ten (10) day period, or Lessor elects not to remove or fails to remove any such improvements or Structures within such fifteen (15) day period, Lessee may remove and dispose of such improvements or Structures at Lessee's expense, and Lessee shall have no liability to Lessor relating to the removal and disposal thereof;
- 2.5. A non-exclusive easement for vehicular and pedestrian access, ingress and egress to, from and over the Property, at such locations as Lessee shall determine, for purposes related to or associated with the Solar Energy System installed or to be installed on the Property or adjacent property, which, without limiting the generality of the foregoing, shall entitle Lessee to use, improve and widen any existing and future roads and access routes or construct such roads as Lessee may determine necessary from time to time located on or providing access to the Property, across any other adjacent property owned by Lessor and across any access routes over which Lessor has the right to travel;

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- 2.6. Undertaking any other lawful activities, whether accomplished by Lessee or a third party authorized by Lessee, that Lessee determines are necessary, helpful, appropriate, convenient or cost-effective in connection with, incidental to or to accomplish any of the foregoing purposes, including conducting surveys and soils, environmental, biological, cultural and other tests and studies.
- 2.7. Notwithstanding the foregoing in this Section 2, Lessee may use the approximately 100 foot-wide portion of the Property generally depicted and labeled as the "Right of Way Area" on Exhibit A-1 attached hereto only for the purpose of developing, constructing, reconstructing, erecting, enlarging, installing, improving, replacing, relocating and removing from time to time Transmission Facilities, and any necessary ingress and egress related thereto, including developing, constructing, or installing necessary access roads therein. Lessee may not develop, construct, erect, or install any Solar Energy Facilities within the Right of Way Area. The exact location and legal description of the Right of Way Area will be determined pursuant to the survey described in Section 4. The Parties agree to work in good faith to determine the exact location of the Transmission Facilities to be constructed, reconstructed, erected, enlarged, installed, improved, replaced, or relocated within the Right of Way Area so that such Transmission Facilities will not interfere with the operation of the irrigation system operated by Lessor and existing as of the Effective Date on real property adjacent to the Right of Way Area. In the event the Parties are unable to agree upon the exact location of such Transmission Facilities within the Right of Way Area, the Parties agree to consult with an independent licensed engineer for the purpose of such independent licensed engineer determining a location that does not interfere with such irrigation system. The cost and expense in hiring such independent licensed engineer shall be paid by Lessee. Any underground Transmission Facilities constructed, reconstructed, erected, enlarged. installed, improved, replaced, or relocated within the Right of Way Area will be buried to a depth of no less than four (4) feet.



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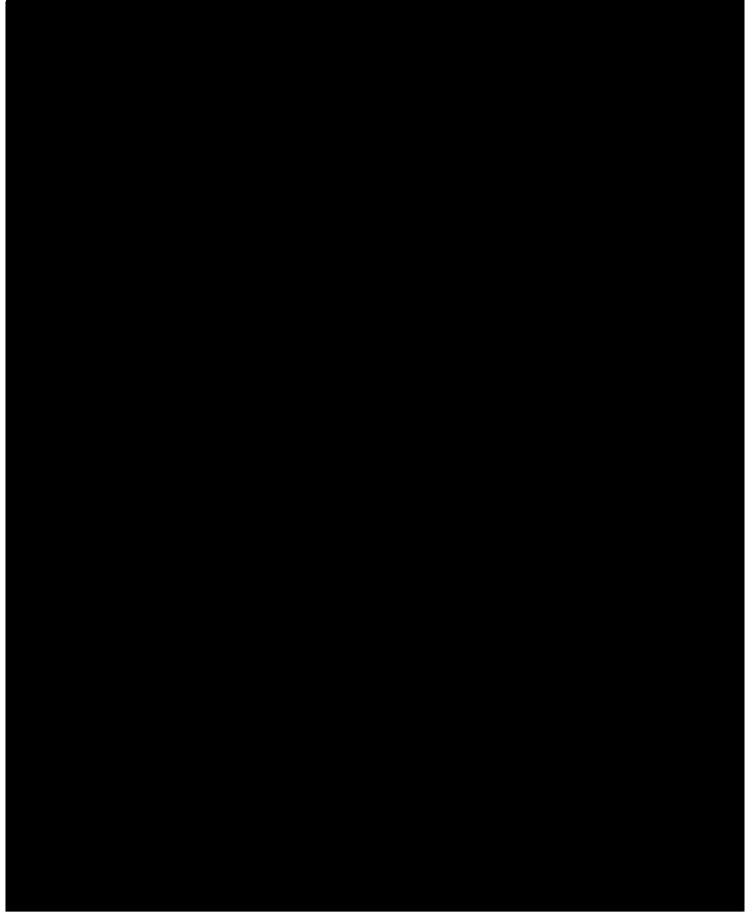
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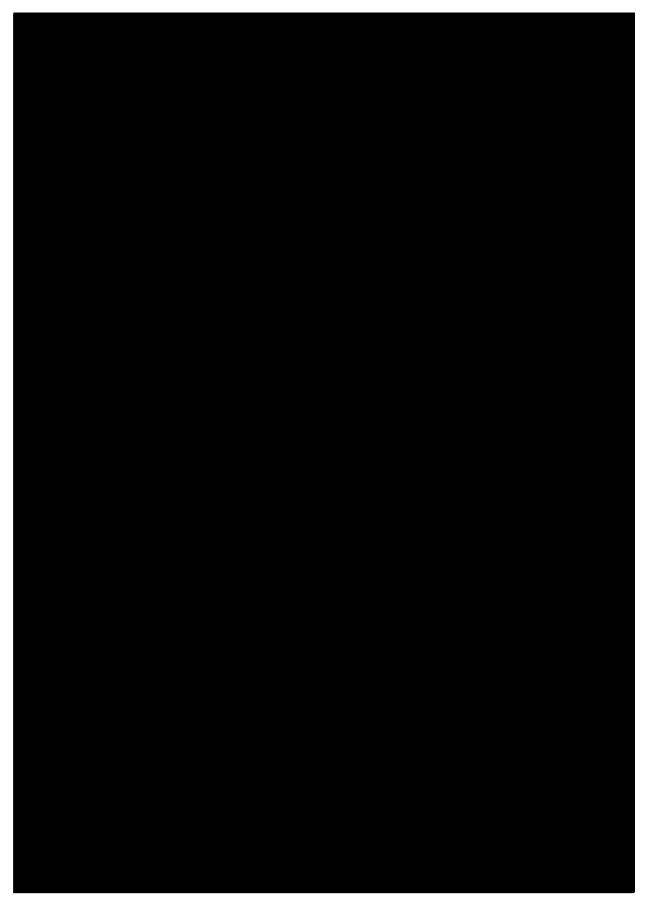
5 20180149-DEF-000086

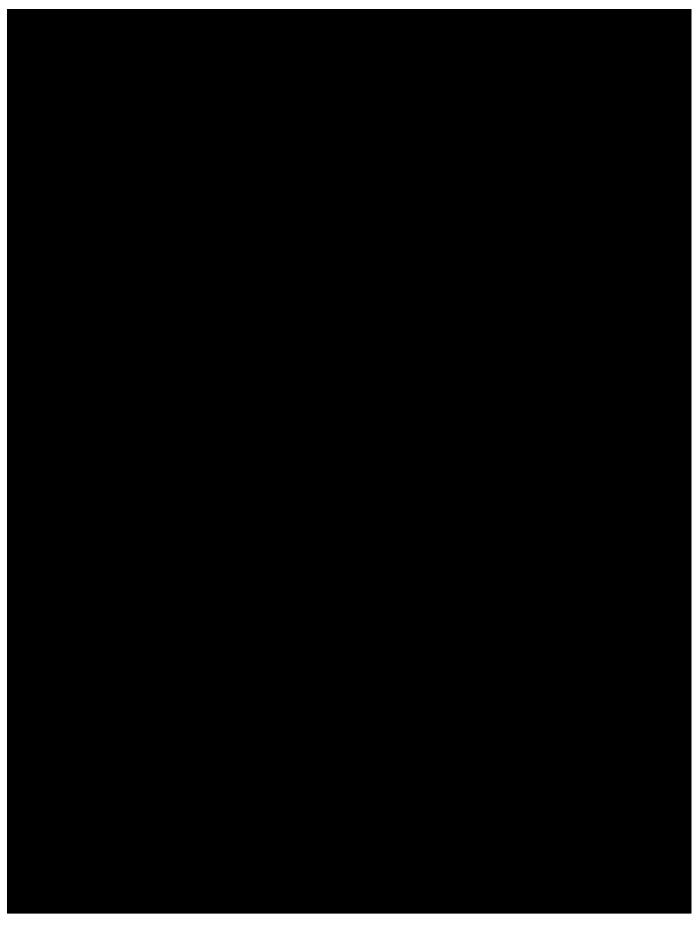
Duke Energy Florida Docket No. 20180149-EI DEF's Response to Staff's 1st PODs (1-4) Q2

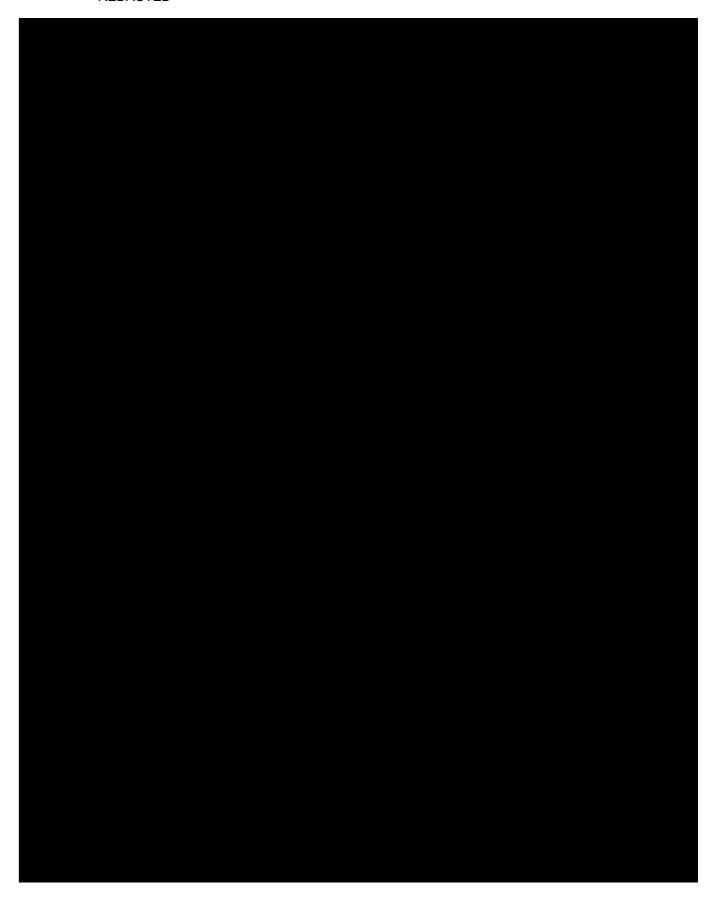
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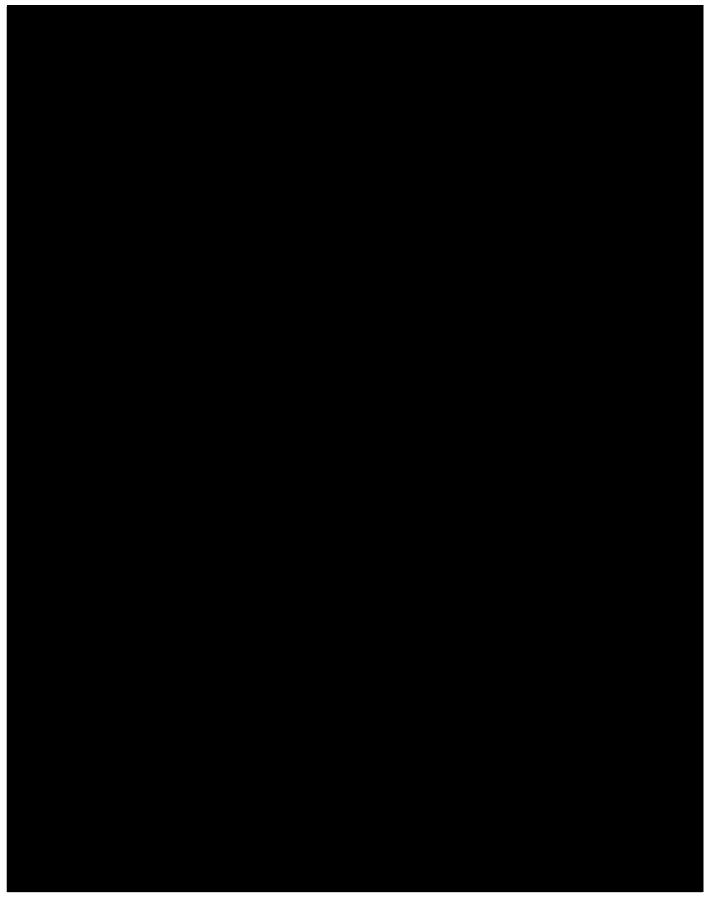
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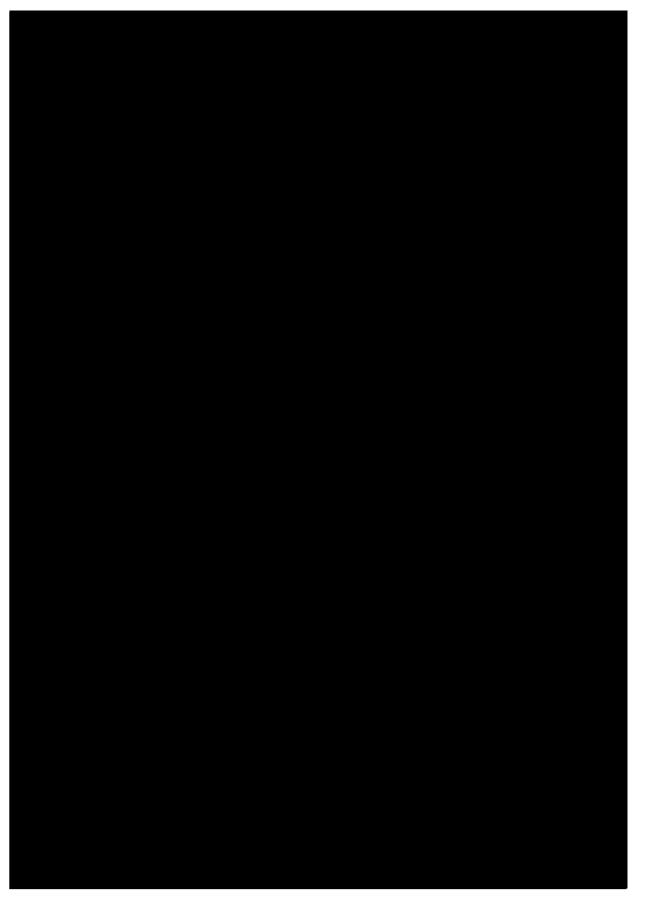


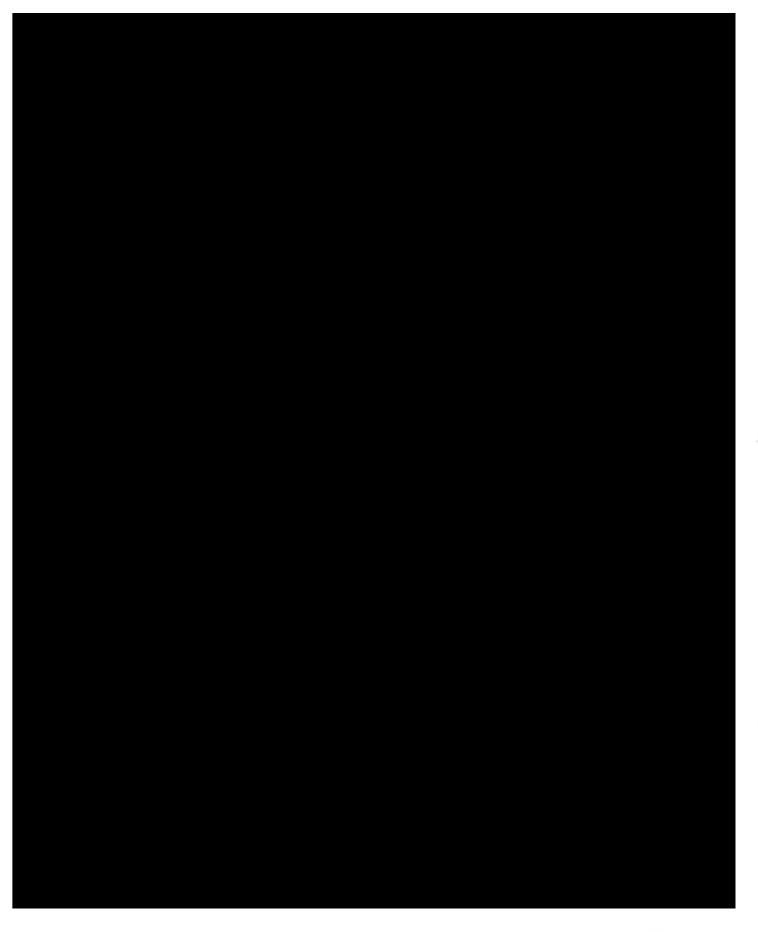












20 20180149-DEF-000101

2719600 22 20180149-DEF-000103

## AMENDMENT TO SOLAR ENERGY LEASE

This Amendment to Solar Energy Lease (this "Amendment") is effective as of January 10, 2016,7 and is entered into between Partridge Pea Farms, LLC, a Florida limited liability company ("Lessor"), and Hamilton County Solar Project, LLC, a Delaware limited liability company ("Lessee"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Solar Energy Lease dated December 1, 2015 (the "Lease") between Lessor and Lessee.

Lessor and Lessee hereby agree as follows:



Q#2719600 4

#### SECOND AMENDMENT TO SOLAR ENERGY LEASE

This Second Amendment to Solar Energy Lease (this "**Amendment**") is effective as of July 20, 2017 (the "**Effective Date**"), and is entered into between Partridge Pea Farms, LLC, a Florida limited liability company ("**Lessor**"), and Hamilton County Solar Project, LLC, a Delaware limited liability company ("**Lessee**").

WHEREAS, Lessor and Lessee are parties to that certain Solar Energy Lease dated December 1, 2015, notice of which is imparted by that certain Memorandum of Solar Energy Lease dated December 1, 2015, and recorded in the official records of the Hamilton County, Florida as Instrument No. 201524010279 in Book 775, Page 353, as amended by that certain Amendment to Solar Energy Lease dated January 10, 2017, notice of which is imparted by that certain Amendment to Memorandum of Solar Energy Lease dated January 10, 2017, and recorded in the official records of the Hamilton County, Florida as Instrument No. 201724000173, in Book 795, Page 317 (collectively, the "Lease"), wherein Lessor agreed to lease to Lessee that certain real property (including all air space thereof) described therein (the "Property"), which Property is located in the County of Hamilton, in the State of Florida; and

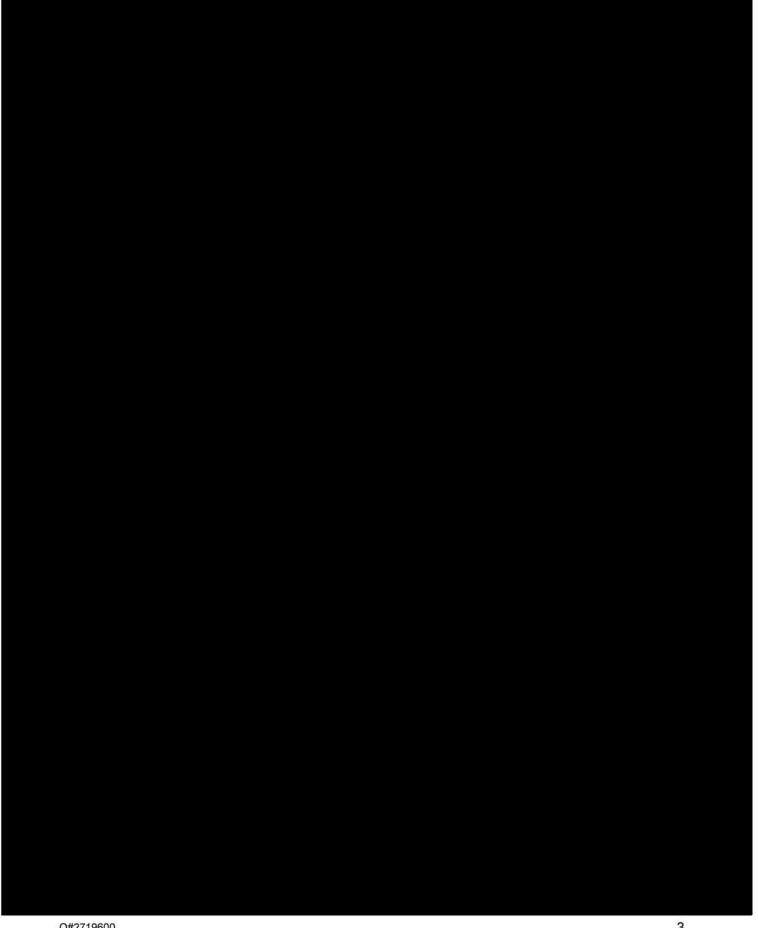
WHEREAS, Lessor and Lessee desire to further amend the Lease as provided herein.

NOW, THEREFORE, in consideration of the foregoing recitals and mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

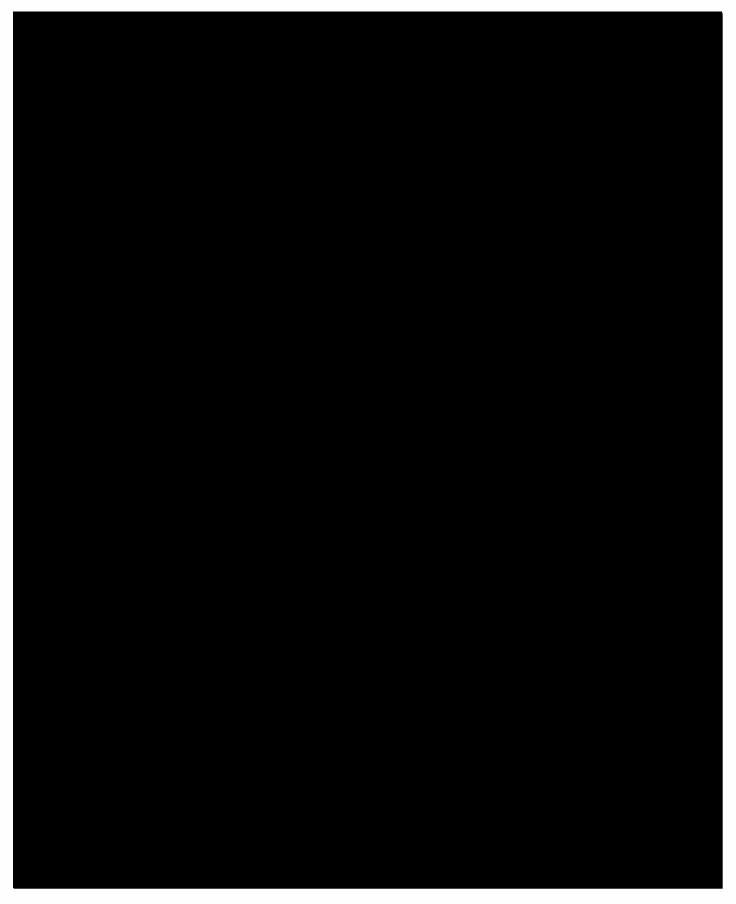
- 1. <u>Exhibit A</u>. <u>Exhibit A</u> of the Lease is hereby amended and replaced in its entirety with <u>Exhibit A</u> attached hereto.
- 2. <u>Exhibit A-1</u>. <u>Exhibit A-1</u> of the Lease is hereby amended and replaced in its entirety with Exhibit A-1 attached hereto.

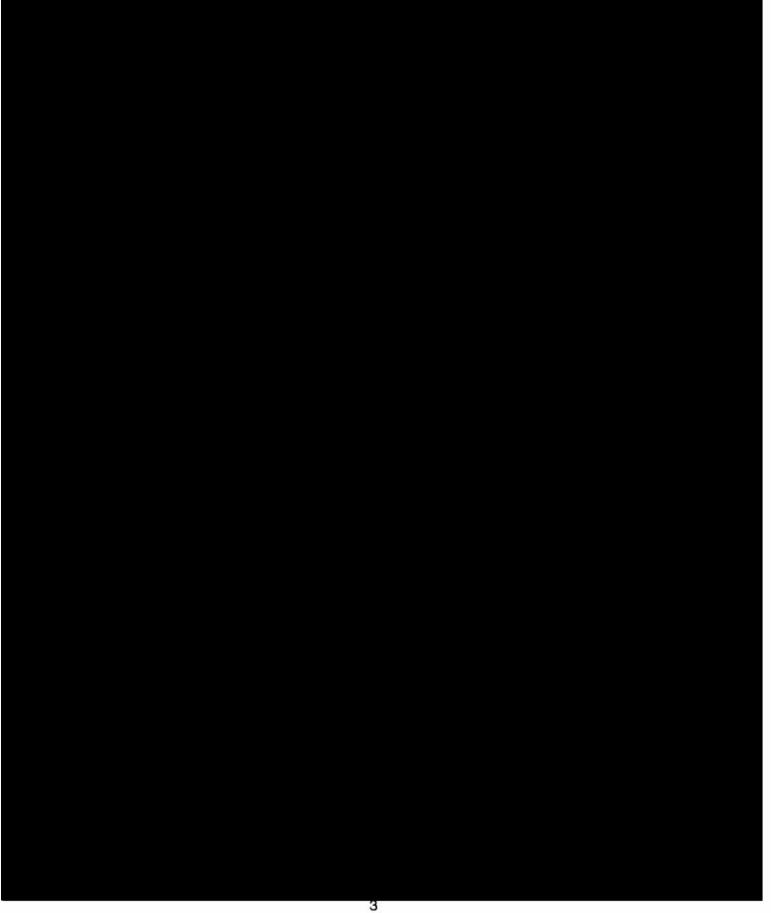






Duke Energy Florida Docket No. 20180149-EI DEF's Response to Staff's 1st PODs (1-4)





Duke Energy Florida Docket No. 20180149-EI DEF's Response to Staff's 1st PODs (1-4)

## Duke Energy Florida Docket No. 20180149-EI

400 South Tryon St, ST13A



Alachua, Florida 32616

June 1, 2018

Partridge Pea Farms LLC Attn: Eric J. Fields and Kevin L. Coggins P.O. Box 2407



Duke Energy Florida Docket No. 20180149-El

> 400 South Tryon St, ST13A Charlotte NC 28202



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## Duke Energy Florida Docket No. 20180149-EI



400 South Tryon St, ST13A Charlotte, NC 28202

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20180149-DEF-000151

## Duke Energy Florida Docket No. 20180149-EI



400 South Tryon St, ST13A Charlotte, NC 28202

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Duke Energy Florida Docket No. 20180149-EI DEF's Response to Staff's 1st PODs (1-4) Q3

Duke Energy Florida Docket No. 20180149-El DEF's Response to Staff's 1st PODs (1-4)

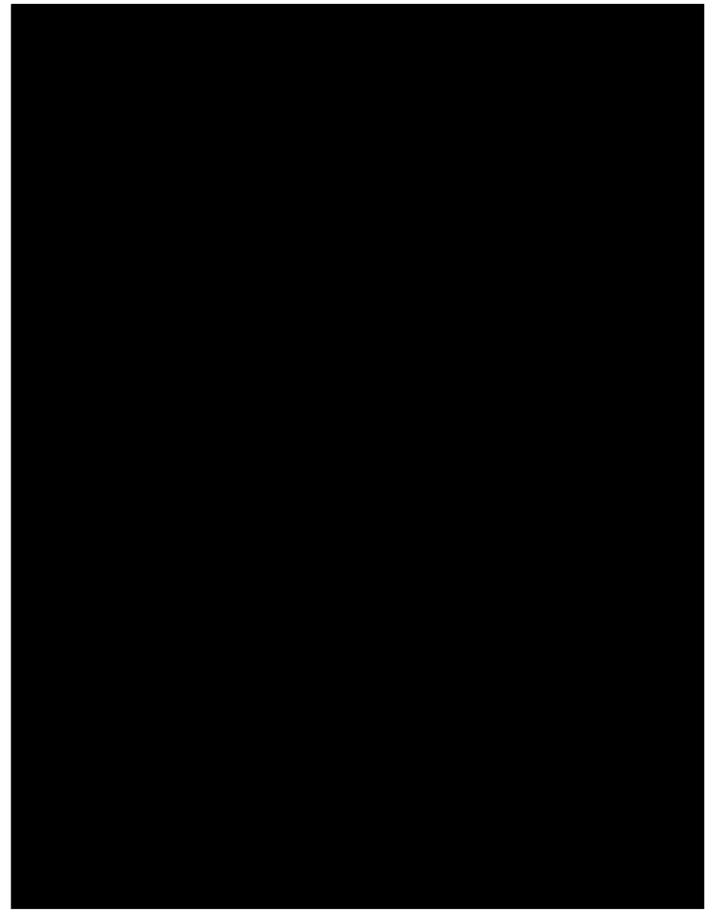
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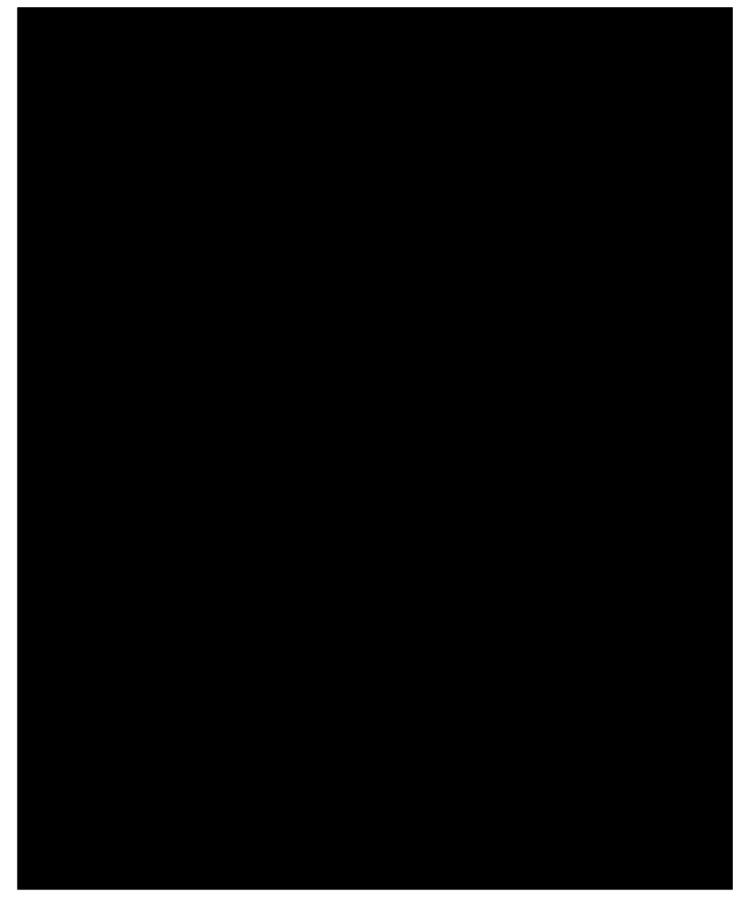
Duke Energy Florida Docket No. 20180149-EI DEF's Response to Staff's 1st PODs (1-4)

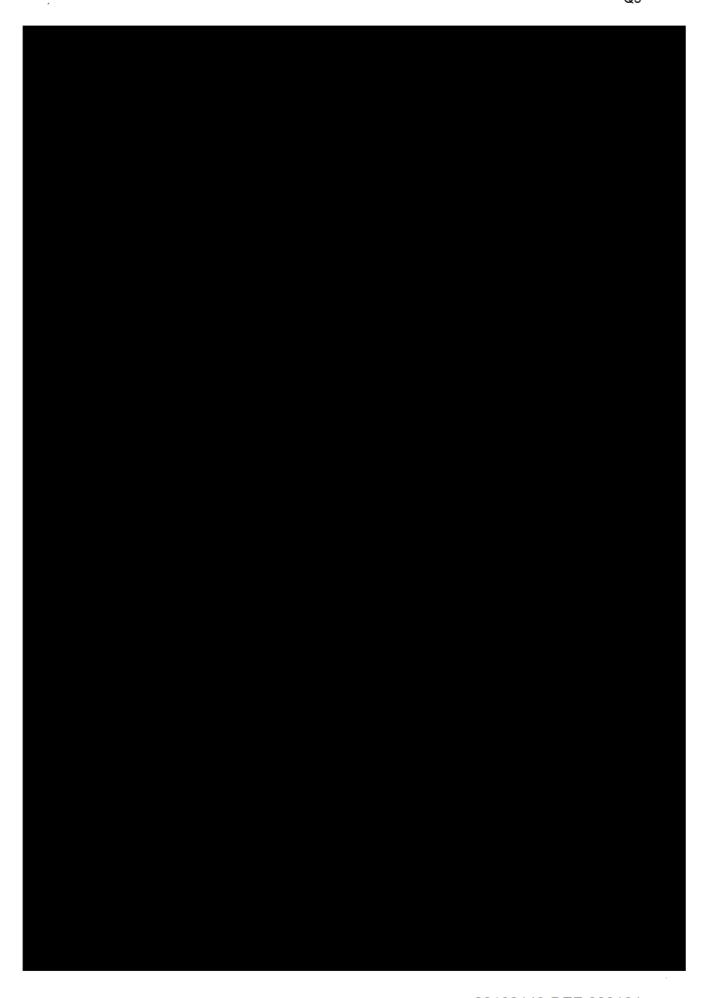
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Duke Energy Florida Docket No. 20180149-EI DEF's Response to Staff's 1st PODs (1-4)

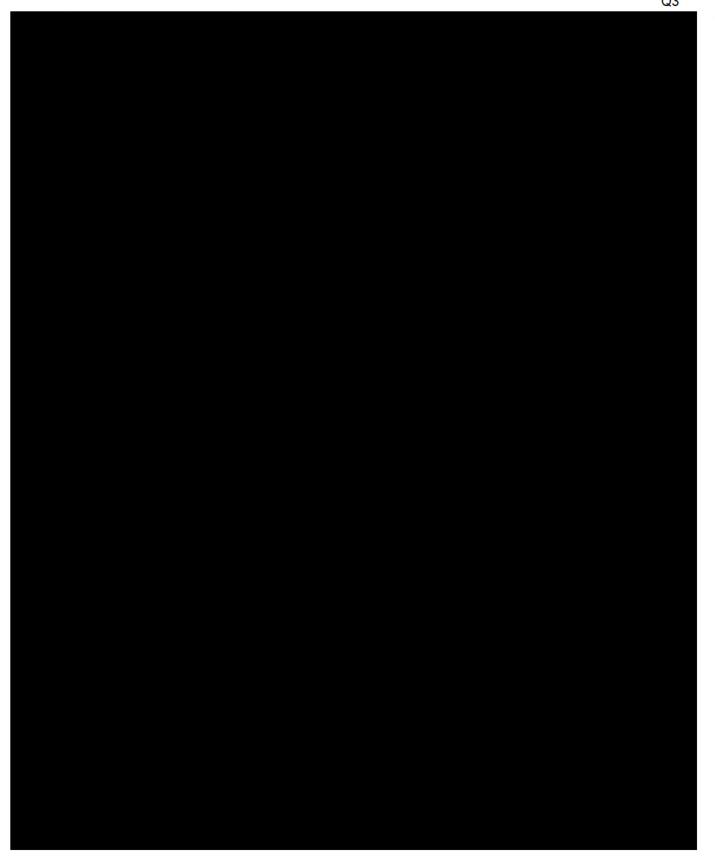
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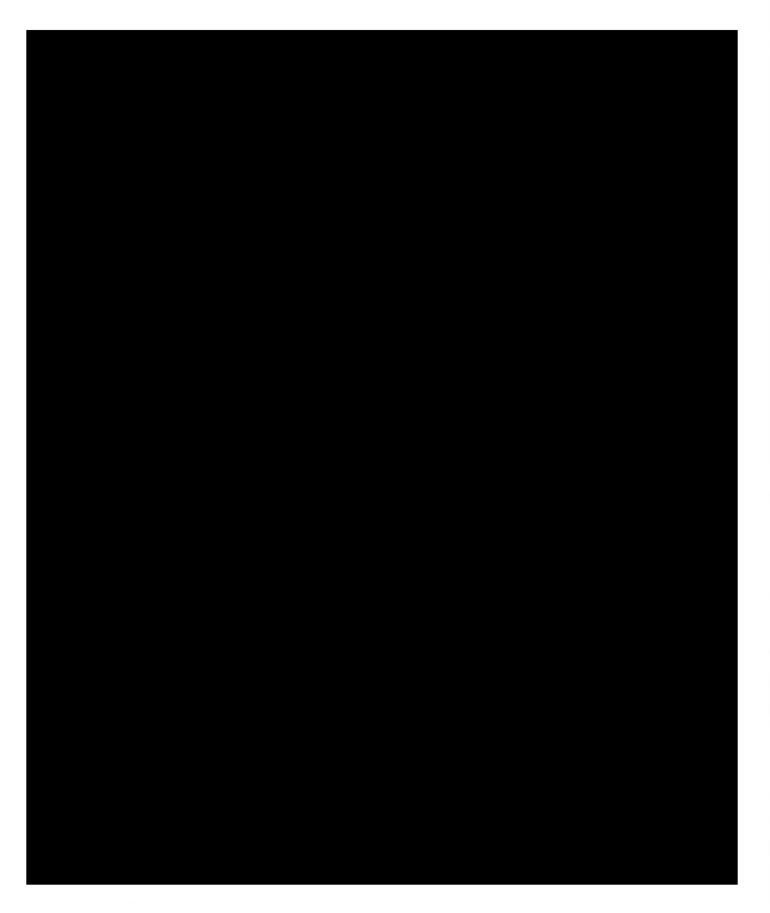


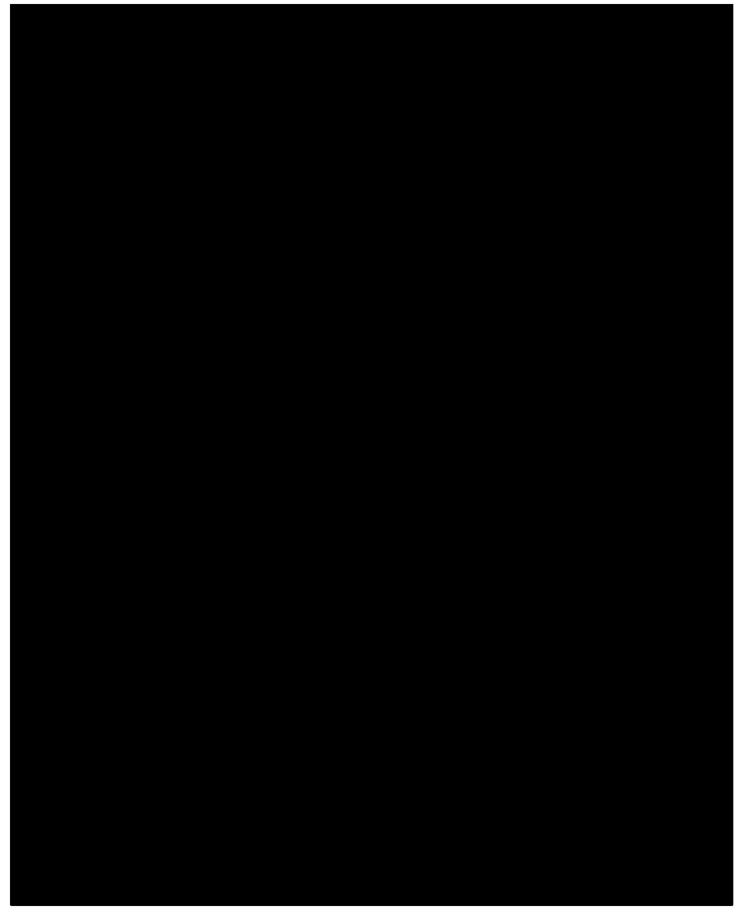


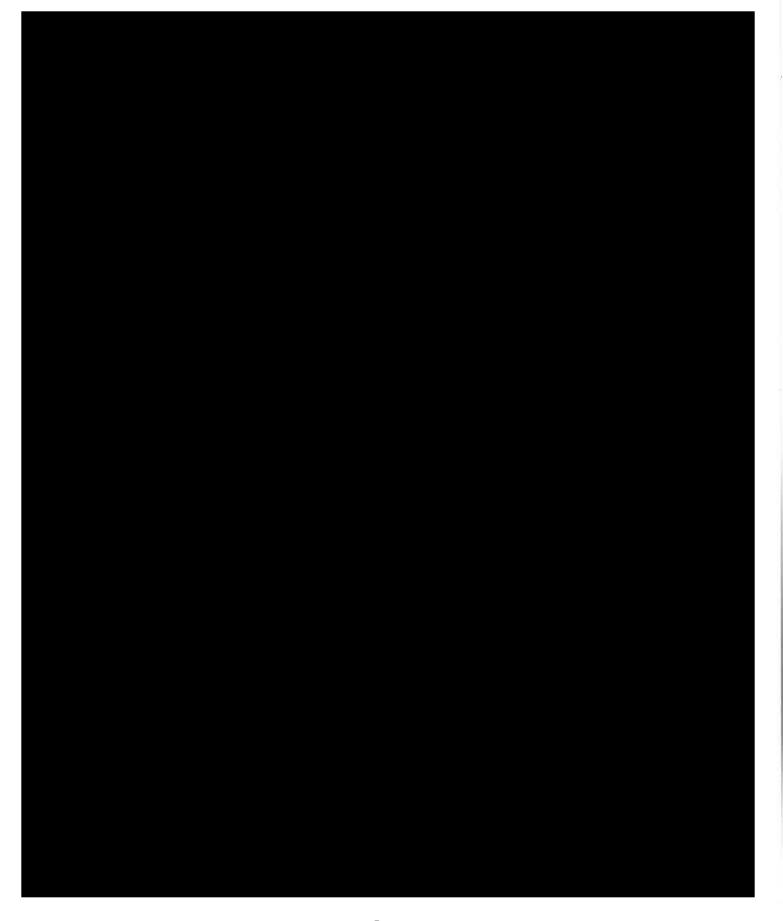


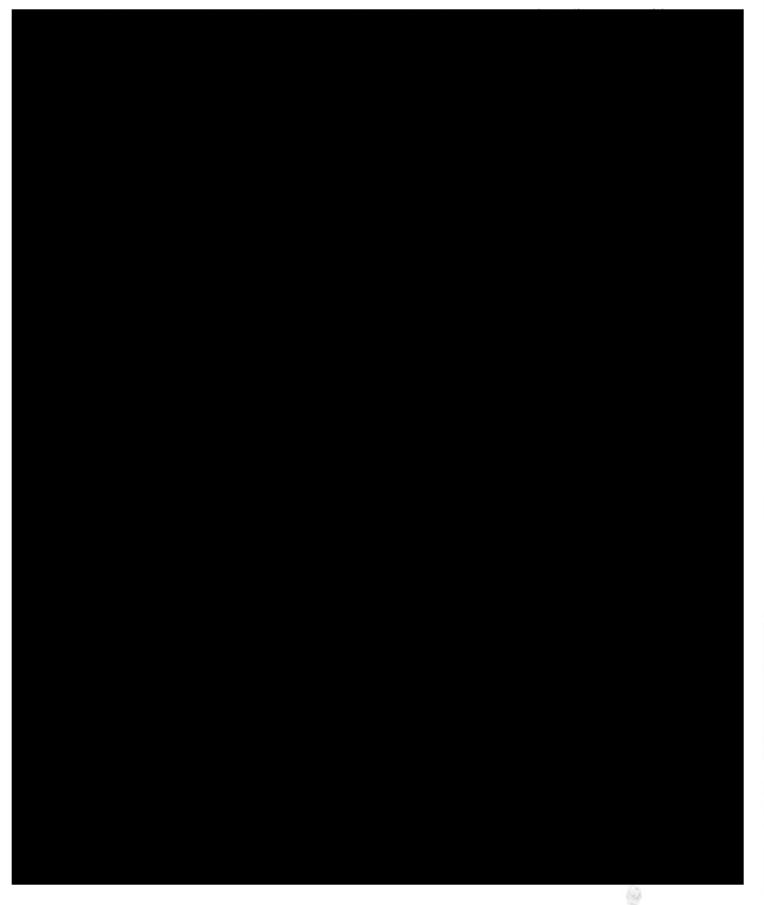


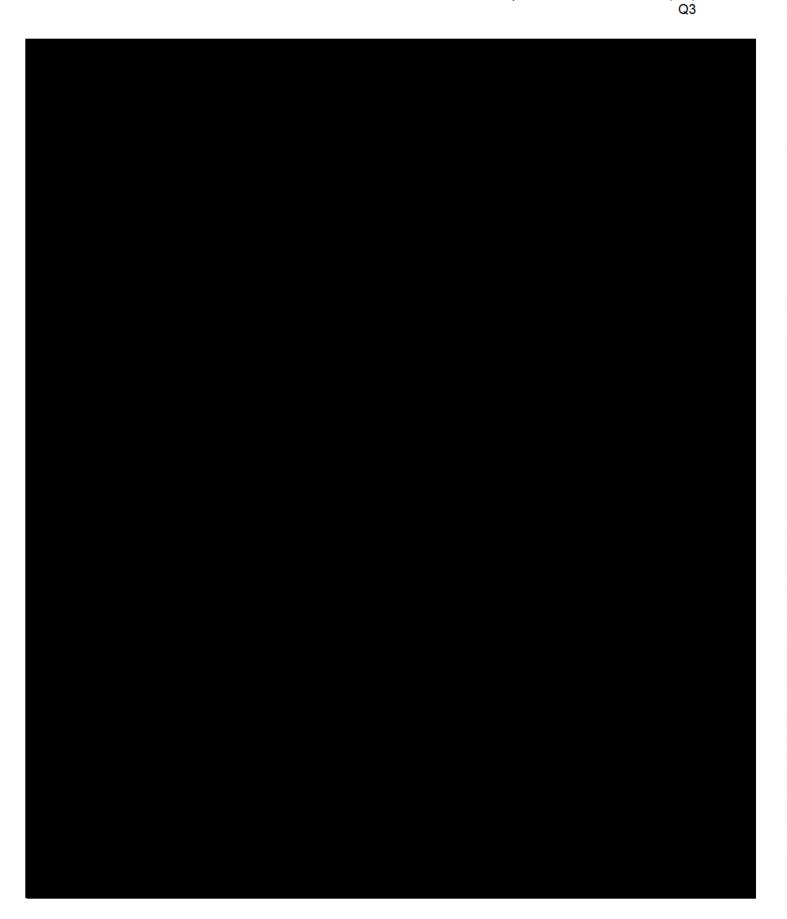


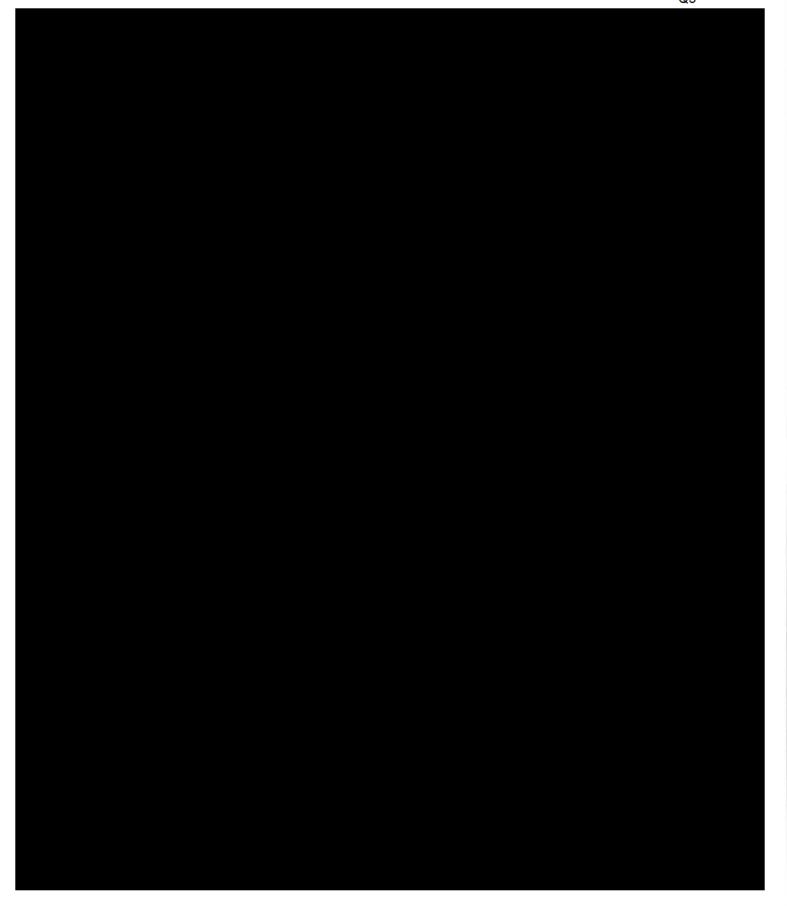








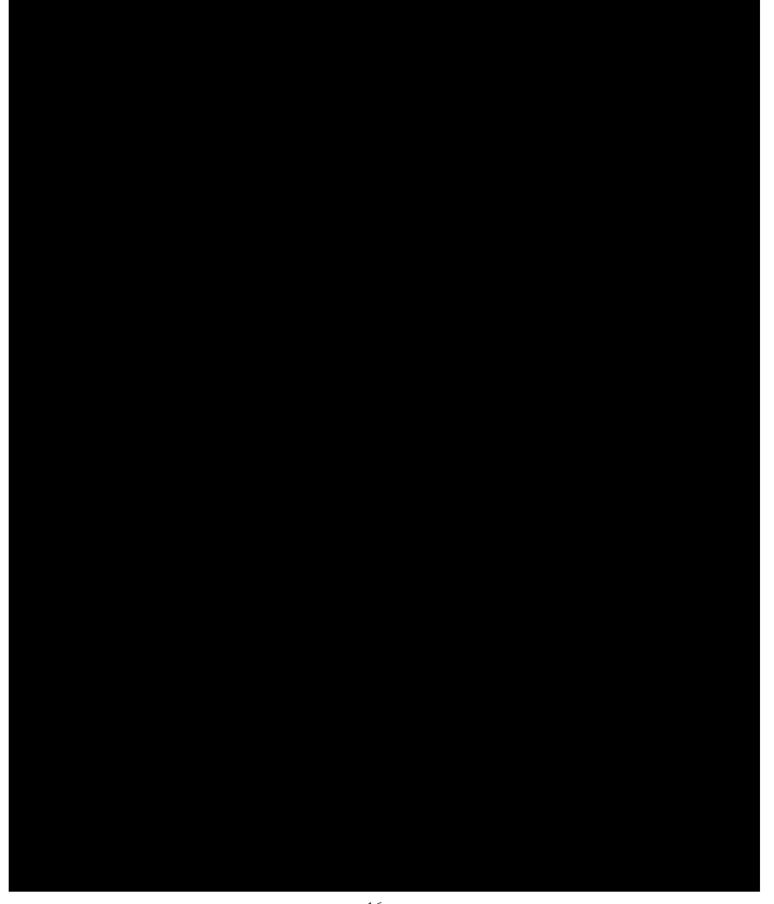


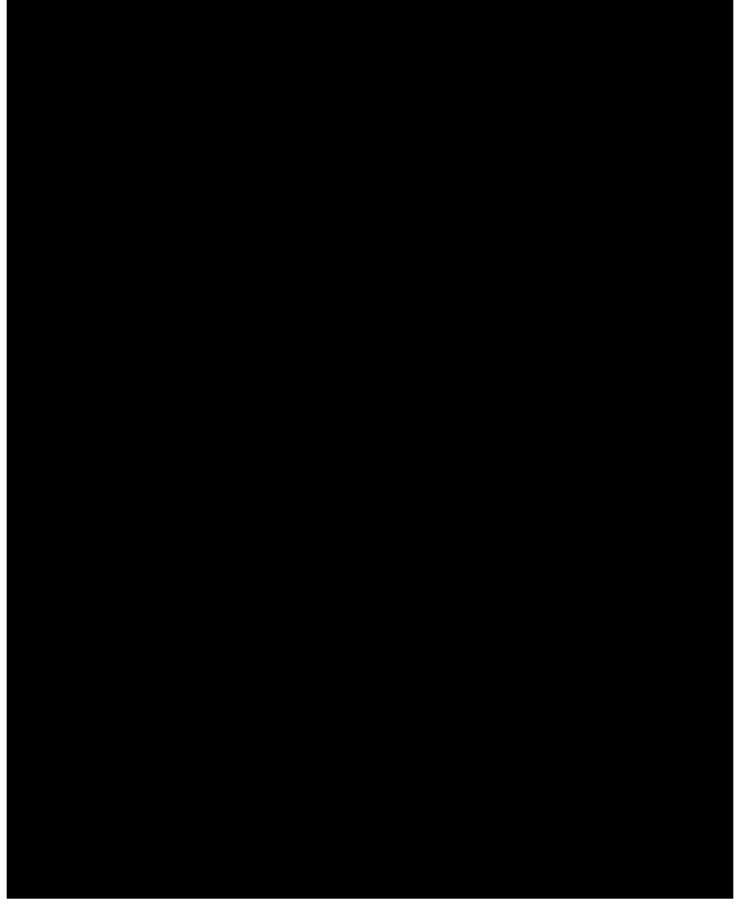


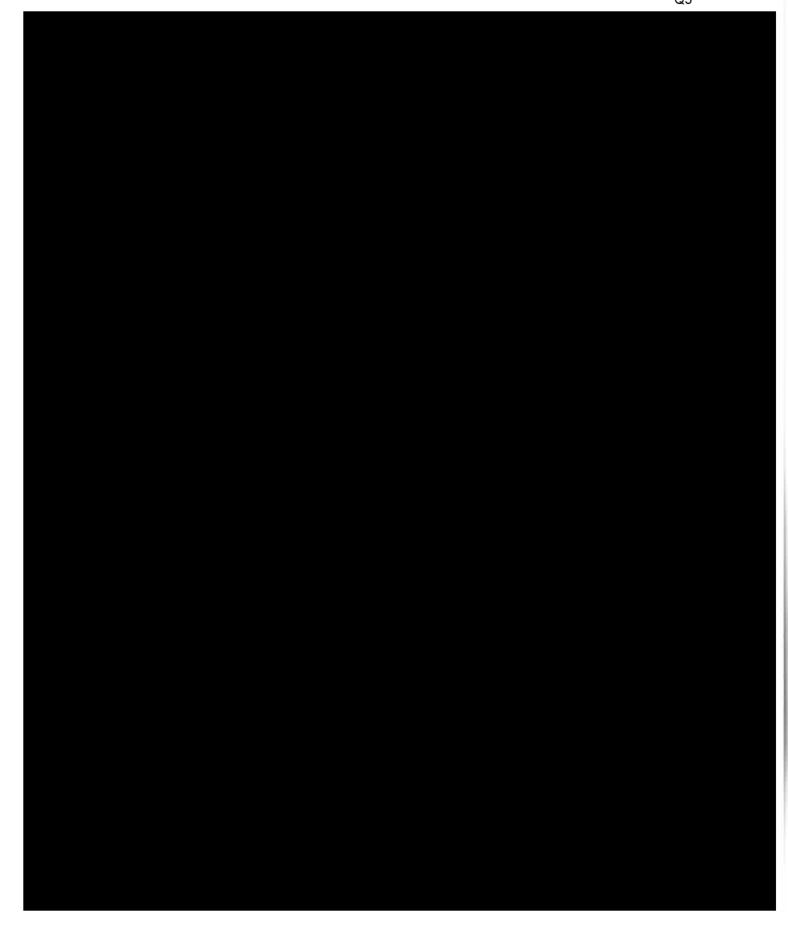




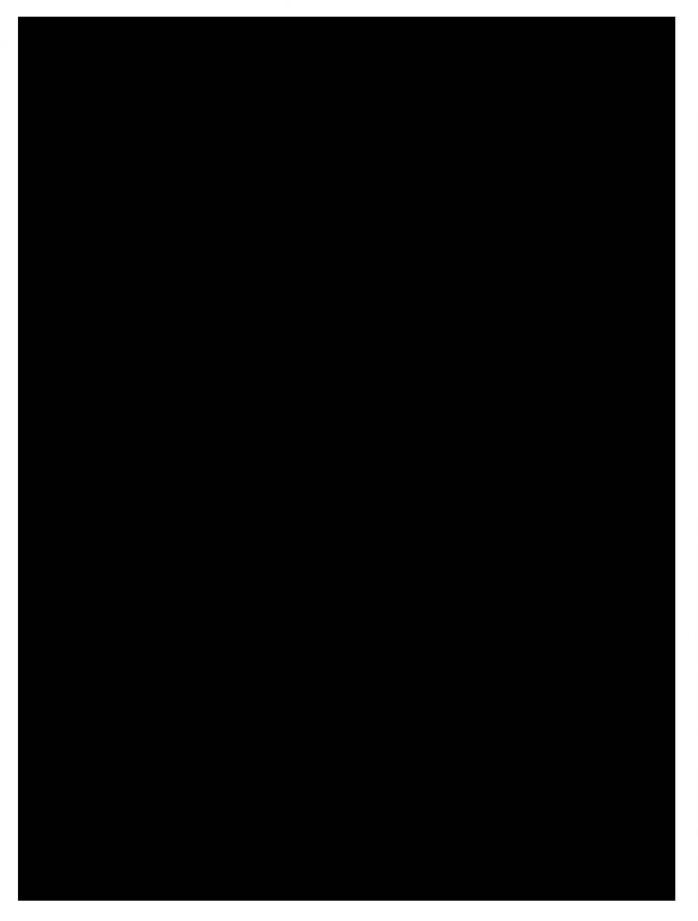






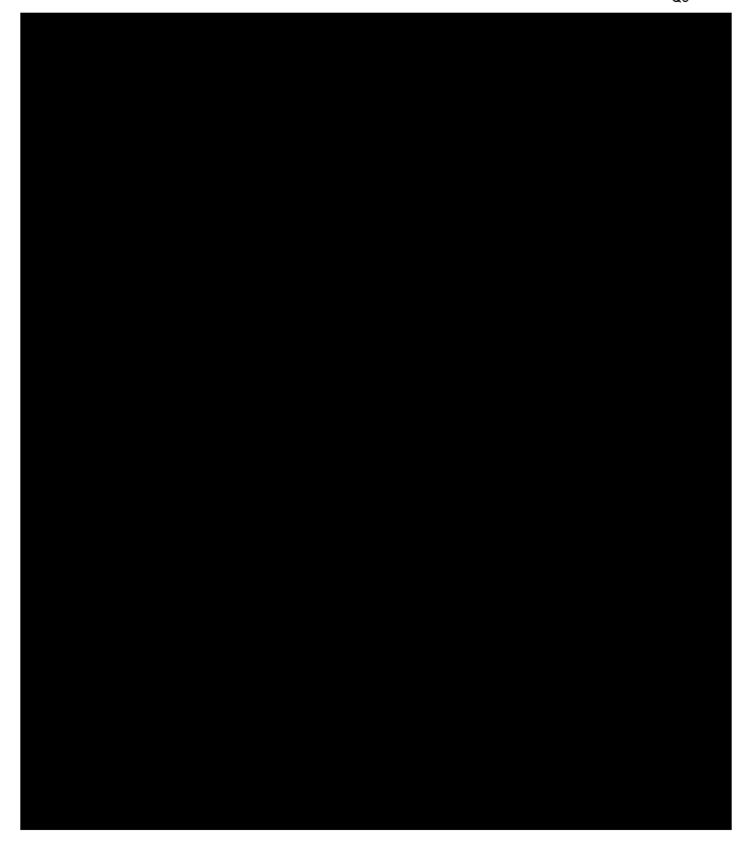


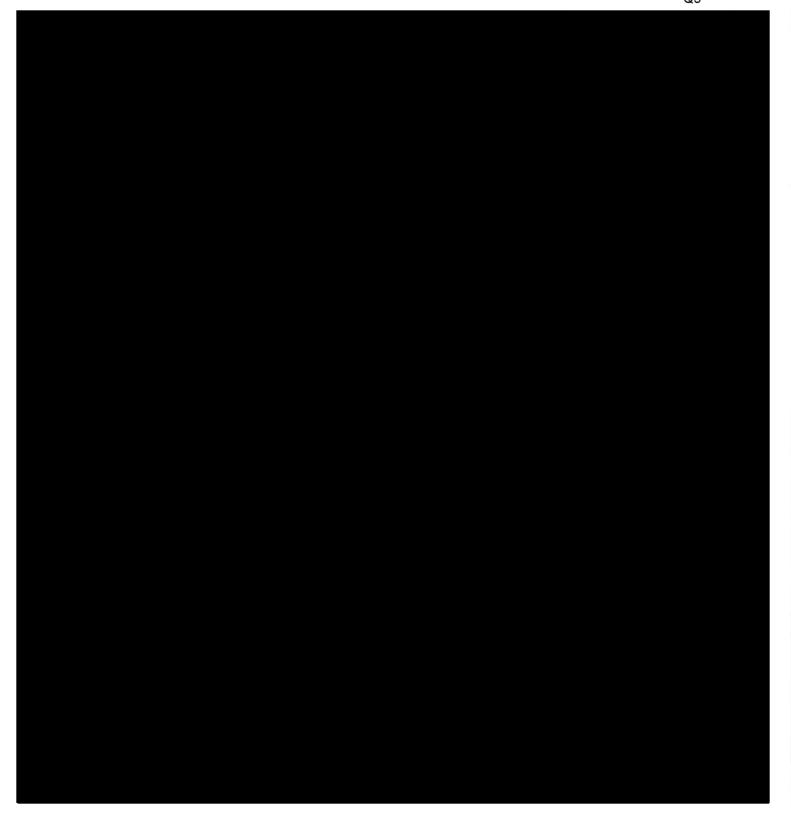




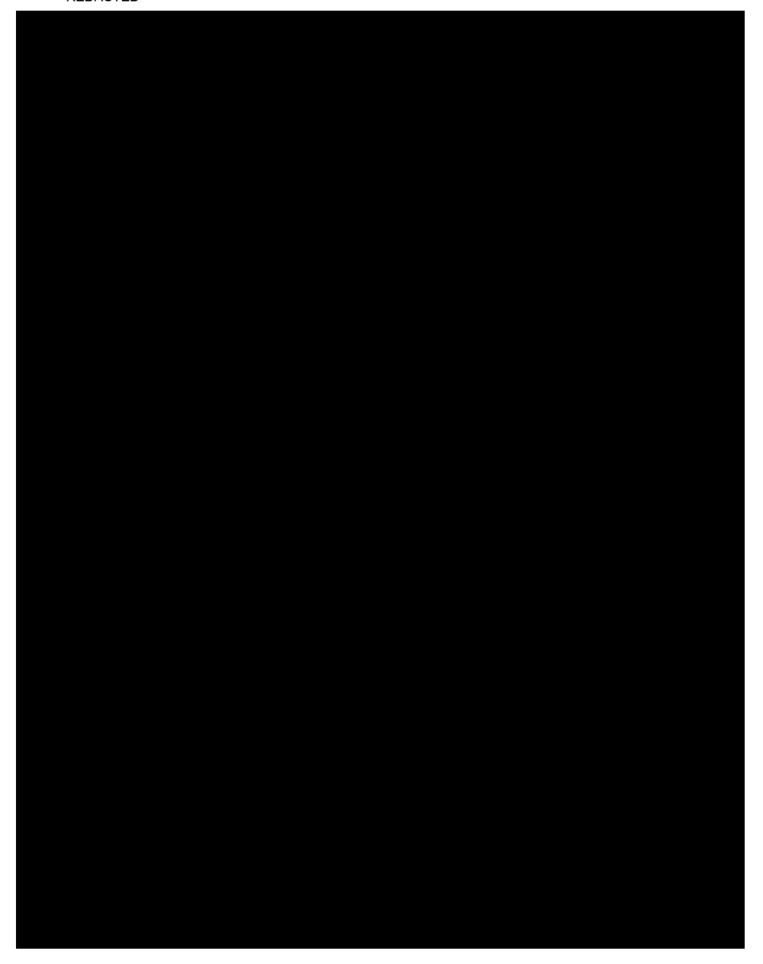
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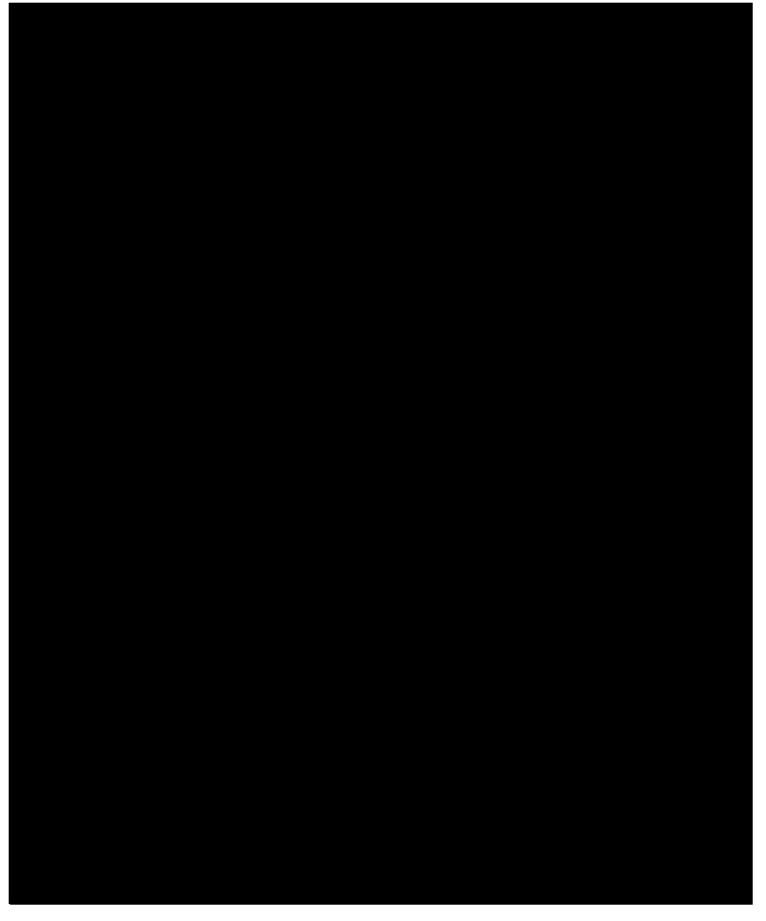


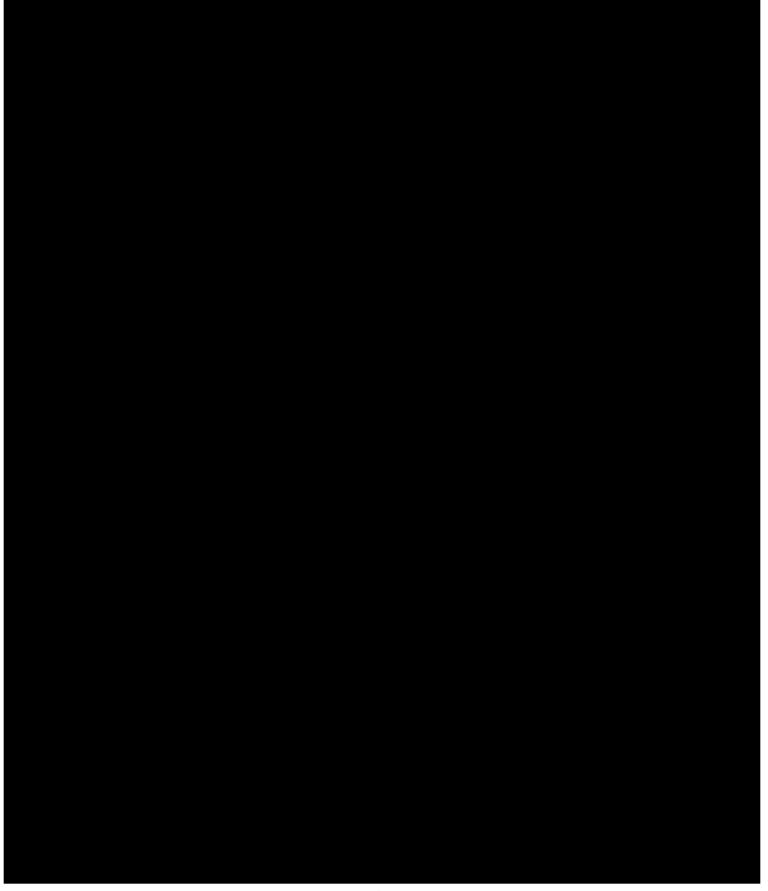


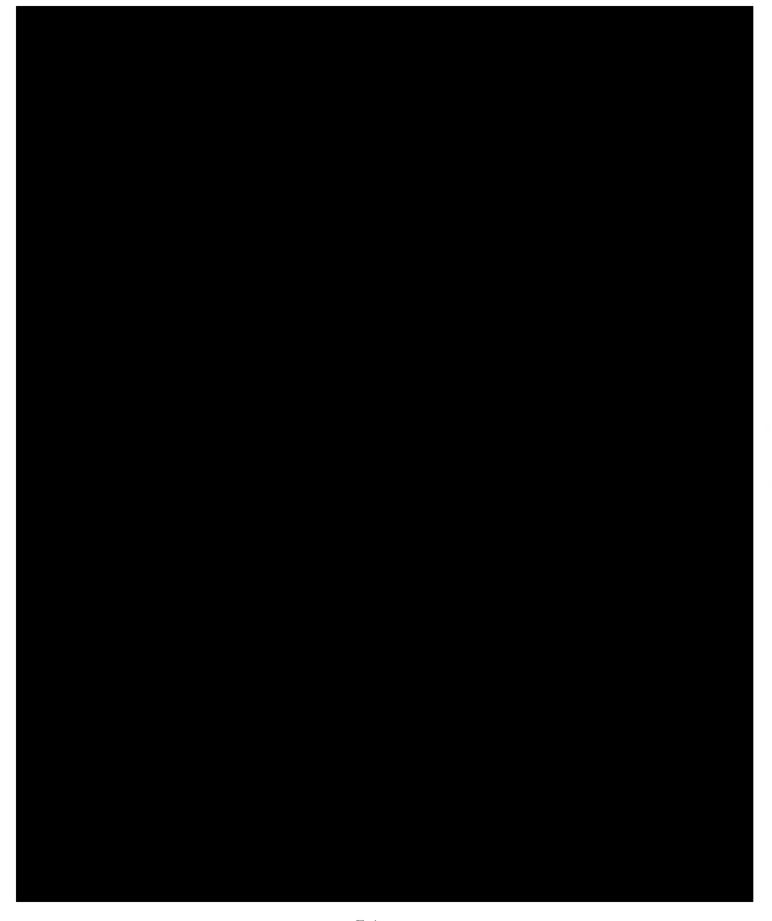


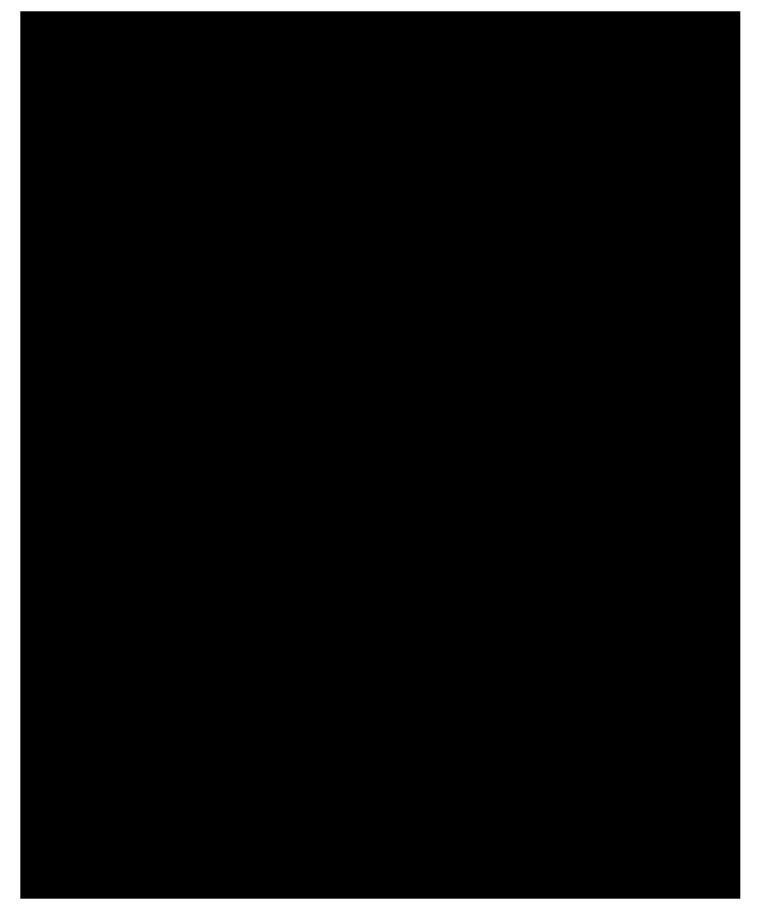


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## **DUKE ENERGY FLORIDA Confidentiality Justification Matrix**

| DOCUMENT/RESPONSES  | PAGE/LINE  | JUSTIFICATION   |
|---|--|---|
| DEF's Response to Staff's 1 <sup>st</sup>   | Question 2: all information  | §366.093(3)(d), F.S.  |
| Set of Interrogatories (Nos. 1-   | listed in the Hamilton   | The document in question  |
| 40)   | Project table in rows titled   | contains confidential   |
|   | "Solar Modules", "Project  | information, the disclosure of  |
|   | Transformer" and Balance   | which would impair DEF's  |
|   | of System"   | efforts to contract for goods or  |
|   |  | services on favorable terms.  |
|   |  | \$366.093(3)(e), F.S.   |
|   |  | The document in question  |
|   |  | contains confidential   |
|   |  | information relating to   |
|   |  | competitive business interests,   |
|   |  | the disclosure of which would   |
|   |  | impair the competitive  |
|   |  | business of the provider/owner  |
|   |  | of the information.   |
|   |  |   |
|   |  |   |
| DOCUMENT/RESPONSES  | PAGE/LINE  | JUSTIFICATION   |
|   | PAGE/LINE Question 3: all information  | <b>JUSTIFICATION</b><br>§366.093(3)(d), F.S.  |
| DOCUMENT/RESPONSES  DEF's Response to Staff's 1 <sup>st</sup> Set of Interrogatories (Nos. 1- |  |   |
| DEF's Response to Staff's 1 <sup>st</sup>   | Question 3: all information  | §366.093(3)(d), F.S.  |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | <b>Question 3</b> : all information listed in the Columbia Solar   | §366.093(3)(d), F.S.<br>The document in question  |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | Question 3: all information listed in the Columbia Solar Project table in rows titled  | §366.093(3)(d), F.S. The document in question contains confidential   |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | Question 3: all information listed in the Columbia Solar Project table in rows titled "Solar Modules", "Project                          | §366.093(3)(d), F.S.<br>The document in question<br>contains confidential<br>information, the disclosure of   |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | Question 3: all information listed in the Columbia Solar Project table in rows titled "Solar Modules", "Project Transformer" and Balance | §366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's   |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | Question 3: all information listed in the Columbia Solar Project table in rows titled "Solar Modules", "Project Transformer" and Balance | §366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.   |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | Question 3: all information listed in the Columbia Solar Project table in rows titled "Solar Modules", "Project Transformer" and Balance | §366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S.   |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | Question 3: all information listed in the Columbia Solar Project table in rows titled "Solar Modules", "Project Transformer" and Balance | §366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question  |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | Question 3: all information listed in the Columbia Solar Project table in rows titled "Solar Modules", "Project Transformer" and Balance | §366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential  |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | Question 3: all information listed in the Columbia Solar Project table in rows titled "Solar Modules", "Project Transformer" and Balance | §366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to  |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | Question 3: all information listed in the Columbia Solar Project table in rows titled "Solar Modules", "Project Transformer" and Balance | §366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests,  |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | Question 3: all information listed in the Columbia Solar Project table in rows titled "Solar Modules", "Project Transformer" and Balance | §366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would                        |
| DEF's Response to Staff's 1 <sup>st</sup><br>Set of Interrogatories (Nos. 1-                  | Question 3: all information listed in the Columbia Solar Project table in rows titled "Solar Modules", "Project Transformer" and Balance | §366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive |
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| DEF's Response to Staff's 1 <sup>st</sup> Request to Produce (Nos. 1-4) | Question 1: information after "and the" and before "The NYMEX"; and all information contained in documents bearing bates numbers 20180149-DEF-000009 through 20180149-DEF-000081.   | §366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information. |
|---|---|--|
| DOCUMENT/RESPONSES  | PAGE/LINE   | JUSTIFICATION  |
| DEF's Response to Staff's 1 <sup>st</sup> Request to Produce (Nos. 1-4) | Question 2: all information on document bearing bates number 20180149-DEF-000083, in sections 2.31 and 2.3.2; all information on document bearing bates number 20180149-DEF-000084, in section 3; all information on document bearing bates numbers 20180149-DEF-000085 through 20180149-DEF-000103; all information on document bearing bates number 20180149-DEF-000123 after "as follows"; all information on documents bearing bates numbers 20180149-DEF-000124 through 20180149-DEF-000126; all information on document bearing bates number 20180149-DEF-000132 after "attached hereto"; all | §366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information. |

|   | information on documents bearing bates numbers 20180149-DEF-000133 through 20180149-DEF-000136; all information on documents bearing bates numbers 20180149-DEF-000140 through 20180149-DEF-000143; and all information on documents bearing bates numbers 20180149-DEF-000147 through 20180149-DEF-000151. |  |
|---|---|--|
| DOCUMENT/RESPONSES                        | PAGE/LINE   | JUSTIFICATION  |
| DEF's Response to Staff's 1 <sup>st</sup> | Question 3: all information   | §366.093(3)(d), F.S.   |
| Request to Produce (Nos. 1-4)             | in documents bearing bates<br>numbers 20180149-DEF-   | The document in question contains confidential   |
| 4)  | 000153 through 20180149-  |  |
|   |   | i information the disclosure of  |
|   |   | information, the disclosure of which would impair DEF's  |
|   | DEF-000156; and all information in document   | which would impair DEF's   |
|   | DEF-000156; and all   | *  |
|   | DEF-000156; and all information in document bearing bates numbers 20180149-DEF-000161   | which would impair DEF's efforts to contract for goods or services on favorable terms.   |
|   | DEF-000156; and all information in document bearing bates numbers 20180149-DEF-000161 through 20180149-DEF-   | which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S.   |
|   | DEF-000156; and all information in document bearing bates numbers 20180149-DEF-000161   | which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question  |
|   | DEF-000156; and all information in document bearing bates numbers 20180149-DEF-000161 through 20180149-DEF-   | which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential  |
|   | DEF-000156; and all information in document bearing bates numbers 20180149-DEF-000161 through 20180149-DEF-   | which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to  |
|   | DEF-000156; and all information in document bearing bates numbers 20180149-DEF-000161 through 20180149-DEF-   | which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests,  |
|   | DEF-000156; and all information in document bearing bates numbers 20180149-DEF-000161 through 20180149-DEF-   | which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would                        |
|   | DEF-000156; and all information in document bearing bates numbers 20180149-DEF-000161 through 20180149-DEF-   | which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests,  |
|   | DEF-000156; and all information in document bearing bates numbers 20180149-DEF-000161 through 20180149-DEF-   | which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive |

# Exhibit D AFFIDAVIT OF BENJAMINE M. H. BORSCH

## Exhibit D AFFIDAVIT OF MATTHEW G. STOUT

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

\_\_\_\_

In re: Duke Energy Florida, LLC's Petition

for a Limited Proceeding to approve First Solar

Base Rate Adjustment.

\_\_\_\_\_ Dated: December 3, 2018

Docket No. 20180149-EI

AFFIDAVIT OF BENJAMINE M.H. BORSCH IN SUPPORT OF DUKE ENERGY FLORIDA'S REQUEST FOR CONFIDENTIAL CLASSIFICATION

STATE OF FLORIDA

**COUNTY OF CITRUS** 

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

- 1. My name is Benjamin M.H. Borsch. I am over the age of 18 years old and I have been authorized by Duke Energy Florida (hereinafter "DEF" or the "Company") to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's Request for Confidential Classification (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.
- 2. I am the Director of IRP & Analytics. This section is responsible for resource planning for DEF.
- 3. As the Director of IRP & Analytics, I am responsible, along with the other members of the section, for the resource planning process in an integrated approach in order to find the most cost-effective alternatives to meet the Company's obligation to serve its customers in Florida.

- 4. DEF is seeking confidential classification for certain information provided in its response to Staff's First Request to Produce (Nos. 1-4), specifically question 1. The confidential information at issue is contained in confidential Exhibit A to DEF's Request and is outlined in DEF's Justification Matrix that is attached to DEF's Request as Exhibit C. DEF is requesting confidential classification of this information because it contains confidential proprietary sensitive business information, the disclosure of which would impair the Company's competitive business interests and efforts to contract for goods or services on favorable terms.
- 5. The confidential information at issue relates to proprietary, projected natural gas prices received from a third party. Pursuant to its contract with the third party provider of this information, DEF is obligated to maintain the confidentiality of this information. DEF must be able to assure third parties that confidential proprietary sensitive business information will be kept confidential. With respect to the information at issue in this Request, DEF has kept confidential and has not publicly disclosed the confidential information. Without DEF's measures to maintain the confidentiality of sensitive business information, the Company's efforts to obtain competitive gas prices could be undermined, because third parties could simply offer the highest prices against the disclosed information.
- 6. Upon receipt of its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information and contracts. 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.   |  |  |
|---|--|--|
| 7. This concludes my affidavit.   |  |  |
| Further affiant sayeth not.   |  |  |
| Dated the 25 day of November, 2018.   |  |  |
|   | (Signature) Benjamin M. H. Borsch Director IRP & Analytics Duke Energy Florida, LLC St. Petersburg, FL |  |
| THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of November, 2018 by Benjamin M. H. Borsch. He is personally known to me, or has produced his driver's license, or his as identification. |  |  |
| (AFFIX NOTARIAL SEAL)   | (Signature)  Mongue West  (Printed Name)  NOTARY PUBLIC, STATE OF                                      |  |
| MONIQUE WEST  | Commission Expiration Date)  |  |

(Serial Number, If Any)

MONOUE WEST
MY COMMISSION # FF 244727
EXPIRES: June 28, 2019
Bonded Thru Notary Public Underwriters

### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for a Limited Proceeding to Approve First Solar Base Rate Adjustment, By Duke Energy Florida, LLC

Docket No. 20180149-EI

Dated: November 30, 2018

## AFFIDAVIT OF MATTHEW G. STOUT IN SUPPORT OF DUKE ENERGY FLORIDA'S REQUEST FOR CONFIDENTIAL CLASSIFICATION

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

- 1. My name is Matthew G. Stout. I am over the age of 18 years old and I have been authorized by Duke Energy Florida, LLC (hereinafter "DEF" or the "Company") to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's Request for Confidential Classification (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.
- 2. I am the Managing Director of Business Development for Wind and Solar Development within the RGD Business Development Department. This department is responsible for the development of new solar facilities for DEF.
- 3. As the Managing Director of Business Development for Wind and Solar Development, I am responsible, along with the other members of the department, for conducting solar development activities including project siting, land acquisition, resource assessment,

permitting, obtaining interconnection rights, project layout and design, and arranging contracts for engineering, procurement and construction, as well as originating, structuring, and executing transactions to acquire rights to existing solar development projects.

- 4. DEF is seeking confidential classification for information contained in its Response to Staff's First Set of Interrogatories (Nos. 1-40) and Staff's First Request to Produce Documents submitted on November 30, 2018. The confidential information at issue is contained in confidential Exhibit A to DEF's Request and is outlined in DEF's Justification Matrix that is attached to DEF's Request for Confidential Classification as Exhibit C. DEF is requesting confidential classification of this information because it contains sensitive business information, the disclosure of which would impair the Company's efforts to contract for goods and services on favorable terms.
- 5. Additionally, the disclosure of confidential information contained in DEF's land purchase contracts and other such documents could adversely impact DEF's competitive business interests. The terms of these contracts, including pricing terms, are negotiated terms between DEF and the sellers of the properties. If such information was disclosed to prospective sellers of property in the marketplace, it would provide valuable insight into prices that DEF may be willing to pay in certain circumstances, thereby materially harming DEF's ability to negotiate competitive contracts in the future. DEF's efforts to obtain competitive contracts that provide economic value to both DEF and its customers could be compromised. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and sellers, the Company's efforts to obtain competitive contracts could be undermined.
- 6. Upon receipt of confidential information from suppliers, and with its own confidential information, strict procedures are established and followed to maintain the

confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information and contracts. At no time since receiving the contracts and information in question has the Company publicly disclosed that information or contracts. 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 28th day of November, 2018.

Matthew G. Stout

Managing Director of Business Development for

Wind and Solar Development

RGD Business Development Department Duke

Energy

400 South Tryon

Charlotte, North Carolina 28202

| THE FOREGOING INSTRUMENT                  | was sworn to and subscribed before me this and ay   |
|---|---|
| of November, 2018, by Matthew G. Stout    | . He is personally known to me, or has produced his |
| Vermont (# (2551143) driver's license, or | his as identification.                              |
|   | (Signature)   |
|   | Aloma M. Felder (Printed Name)                      |
| (AFFIX NOTARIAL SEAL)                     | NOTARY PUBLIC,                                      |
| (,  | STATE OF NORTH CAROLINA                             |
| STREET OMA M. ACCORDER                    | (Commission Expiration Date)                        |
| HOTAR                                     | W/A   |
| 0 0,                                      | (Serial Number, If Any)                             |