



July 9, 2020

VIA ELECTRONIC FILING

Mr. Adam Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

In re: Petition by Duke Energy Florida, LLC to Approve Transaction with Accelerated Decommissioning Partners, LLC for Accelerated Decommissioning Services at the CR3 Facility, etc. (the "Petition"); Docket No. 20190140-EI

Dear Mr. Teitzman:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's Eleventh Request for Confidential Classification filed in connection with the information contained within the rebuttal testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC, the rebuttal testimony of Jeff Adix on behalf of Duke Energy Florida, LLC, and Exhibit No.__(JA-2) to the rebuttal testimony of Jeff Adix ("DEF Rebuttal Testimony and Exhibit No.__(JA-2)"), filed on June 18, 2020.

This filing includes the following:

- DEF's Eleventh Request for Confidential Classification;
- Slipsheet for confidential Amended Exhibit A;
- Redacted Exhibit B (two copies);
- Exhibit C (justification matrix); and
- Exhibit D (unverified affidavit of Terry Hobbs).

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

Mr. Adam Teitzman, Commission Clerk
Florida Public Service Commission
July 9, 2020
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Thank you for your assistance in this matter. Please feel free to call me at (813) 227-8114 should you have any questions concerning this filing.

Respectfully,

Shutts & Bowen LLP

/s/ Daniel Hernandez

Daniel Hernandez

Enclosures (as noted).

TPADOCS 23148814 1

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Duke Energy Florida, LLC to Approve Transaction with Accelerated Decommissioning Partners, LLC for Accelerated Decommissioning Services at the CR3 Facility, Transfer of Title to Spent Fuel, and Assumption of Operations of the CR3 Facility Pursuant to the NRC License, and Request for Waiver From Future Application of Rule 25-6.04365, F.A.C. for Nuclear Decommissioning Study

DOCKET NO.: 20190140-EI

Submitted for Filing: July 9, 2020

**DUKE ENERGY FLORIDA, LLC'S ELEVENTH
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 this Eleventh Request for Confidential Classification (the “Request”) for certain information contained within the rebuttal testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC, the rebuttal testimony of Jeff Adix on behalf of Duke Energy Florida, LLC, and Exhibit No.__(JA-2) to the rebuttal testimony of Jeff Adix (“DEF Rebuttal Testimony and Exhibit No.__(JA-2)”), filed on June 18, 2020. In support of this Request, DEF states:

1. The information contained within DEF Rebuttal Testimony and Exhibit No.__(JA-2) is “proprietary confidential business information” under Section 366.093(3), Florida Statutes.

2. The following exhibits are included with this Request:

(a) Sealed **Amended Exhibit A** is a package containing an unredacted copy of the information contained within DEF Rebuttal Testimony and Exhibit No.__(JA-2) for which

DEF seeks confidential treatment. **Amended Exhibit A**¹ is being submitted separately in sealed envelope labeled “CONFIDENTIAL.” In the unredacted copy, the information asserted to be confidential is highlighted in yellow. Also in the unredacted copy, the information asserted to be confidential is stamped “CONFIDENTIAL” in red at the top of each page.

(b) **Composite Exhibit B** is two copies of the redacted information contained within DEF Rebuttal Testimony and Exhibit No.__(JA-2) 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 the page and/or line, the information contained within DEF Rebuttal Testimony and Exhibit No.__(JA-2), 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 in this Request.²

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 contained within DEF Rebuttal Testimony and Exhibit No.__(JA-2) describes, concerns, or relates to commercially sensitive confidential information concerning contractual business information and obligations under a contract

¹ Confidential Amended Exhibit A is being submitted to include not only the previously submitted confidential portions of DEF Rebuttal Testimony, but also the specific confidential portions of Exhibit No. __(JA-2) which was previously submitted as confidential in entirety on June 18, 2020, pending DEF’s review and identification of the specific confidential information. DEF is asking that confidential Exhibit A (**DN 03179-2020**) be replaced with the enclosed **confidential Amended Exhibit A**.

² Due to the current circumstances with COVID-19, DEF is submitting this Request with an Unverified Affidavit. DEF will file a Verified Affidavit as soon as the climate allows.

between DEF, ADP CR3, LLC and ADP SF1, LLC for decommissioning activities related to the accelerated decommissioning of the DEF Crystal River Unit 3 Nuclear Plant (the “CR3 Facility”), as well as confidential information that is either subject to current pending requests for confidential classification filed by DEF, or has already been found to be exempt from public disclosure under orders granting confidential classification that have been issued in this proceeding by the Florida Public Service Commission, the disclosure of which would not only impair the Company’s competitive business advantages but would also violate contractual requirements. DEF is obligated to maintain the confidentiality of this information under the subject contract, and therefore it qualifies for confidential classification. *See* §§ 366.093(3)(d) and (e), F.S.; Affidavit of Terry Hobbs at ¶¶ 5 and 6. 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 impair the ability of the Company to negotiate contracts on favorable terms. *See* § 366.093(3)(d), F.S.; Affidavit of Terry Hobbs at ¶ 6. 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.

4. The information identified as **Amended Exhibit A** is intended to be and is treated as confidential by the Company. *See* Affidavit of Terry Hobbs at ¶¶ 7 and 8. The information has not been disclosed to the public and the Company has treated and continues to treat the information at issue in this Request as confidential. *Id.*

5. DEF requests that the information identified in **Amended 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 eighteen (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 Eleventh Request for Confidential Classification be granted.

DATED this 9th day of July, 2020.

Respectfully submitted,

/s/ Daniel Hernandez

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Florida Bar No. 176834

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Duke Energy Florida, LLC
Docket No.: 20190140-EI
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 9th day of July, 2020, to all parties of record as indicated below.

/s/ Daniel Hernandez

Attorney

<p>Suzanne Brownless Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 sbrownle@psc.state.fl.us</p>	<p>J. R. Kelly / Charles J. 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</p>
<p>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</p>	<p>James W. Brew Laura Wynn Baker Stone Mattheis Xenopoulos & Brew, PC 1025 Thomas Jefferson Street, NW Suite 800 West Washington, DC 20007-5201 jbrew@smxblaw.com lwb@smxblaw.com</p>

Amended Exhibit A

“CONFIDENTIAL”

(submitted under separate cover)

Exhibit B

REDACTED


(two copies)

REDACTED

- 1 7. With the exception of any changes to End-State Condition, ADP CR3 assumes all
2 project implementation risks including scope change, cost escalation, etc.
- 3 8. The DSA includes a provision for ADP CR3 to acquire an environmental
4 insurance policy (approximately \$30M) to use to remediate unknown
5 environmental conditions if any are discovered during the project. DEF will
6 reimburse ADP CR3 for the cost of this policy.
- 7 9. Parent Guarantees and Parent Support Agreements are provided pursuant to the
8 DSA to ensure the project is completed.
- 9 10. ADP CR3 will establish the Contractors Provisional Trust at Closing that will be
10 valued at \$50M through the project from the Closing Date to the date Milestone
11 One is completed. Thereafter, the Contractor's Provisional Trust will be valued at
12 \$20M until the date on which the ISFSI-Only Interim End-State Conditions are
13 achieved. The funds in the Contractor's Provisional Trust could be made
14 available to ADP CR3 to complete the project with written consent from DEF.
- 15 11. ADP CR3 will post a [REDACTED] letter of credit which DEF can immediately
16 draw upon if Milestone One is not completed by the Target Completion Date.
- 17 12. The transaction accelerates the termination of the NRC license by the NRC from
18 2073 to 2039. This acceleration significantly reduces project risks that could
19 impact the DEF customers in the future. Some examples of these risks include
20 more burdensome regulations, labor shortages, unavailability of radioactive
21 material disposal sites and cost escalation.
- 22 13. After DOE removes the spent fuel from the Crystal River Site, ADP CR3
23 decommissions the ISFSI and the NRC terminates the NRC license. DEF

REDACTED

1 such failure will constitute a Contractor Event of Default. See the discussion
2 regarding the occurrence of a Contractor Event of Default below with regard to
3 DEF's remedies. DEF would not likely petition the Commission to have its
4 customers pay into the NDF in this scenario.

5 5. The next scenario is that ADP CR3 is performing its obligations under the DSA,
6 but the Project Schedule indicates that ADP CR3 will not complete Milestone
7 One by the Target Completion Date. In that case, ADP shall provide its written
8 plans to address any projected failure to complete Milestone One by the Target
9 Completion Date. If, notwithstanding the written plans, ADP CR3 fails to
10 complete Milestone One by the Target Completion Date, ADP CR3 shall, within
11 five (5) Business Days after the Target Completion Date, deliver to DEF a letter
12 of credit issued in favor of DEF by a Qualified Institution in the amount of
13  payable upon demand by DEF to an
14 account in the NDF as directed by DEF for use as directed by DEF. In addition,
15 failure to complete Milestone One by the Target Completion Date is an Event of
16 Default under the DSA. See the discussion regarding the occurrence of a
17 Contractor Event of Default below with regard to DEF's remedies. DEF would
18 not likely petition the Commission to have its customers pay into the NDF in this
19 scenario.

20 6. The next scenario is that, based on the decommissioning funding status reports
21 that ADP CR3 will submit to the NRC annually, the NRC determines that ADP
22 does not have sufficient funds to cover the estimated costs to complete the
23 decommissioning. In this scenario, NRC would direct ADP CR3, as the licensee,

REDACTED

1 with specialty trade subcontractors may not be bonded, ADP CR3 will use commercially
2 reasonable efforts to obtain bonds from subcontractors covering an aggregate of [REDACTED]
3 [REDACTED] of the value of the work covered by fixed price subcontracts. ADP CR3
4 anticipates that it will enter a unit price subcontract with Waste Control Specialists, LLC
5 for waste disposal services; provided, however, in the event that ADP CR3 is able to
6 obtain a fixed price subcontract, Waste Control Specialists, LLC shall post a payment and
7 performance bond that complies with the requirements of the DSA. Each payment and
8 performance bond shall be issued by surety issuer(s) with a credit rating of A-VII or
9 higher.

10
11 **Q: Why is DEF confident that ADP CR3 and ADP SF1 will execute and complete their**
12 **scopes of work and that the Parent Guarantors will comply with their respective**
13 **obligations, including the Parent Guaranties and the Parent Support Agreements?**

14 **A:** DEF is confident that ADP CR3 and ADP SF1 will be successful based on their
15 experience in nuclear decommissioning projects and the significant reviews of the CR3
16 design, construction and operational information made available by DEF to inform the
17 bid proposal submitted by ADP in July 2018. ADP CR3 was able to confirm the
18 information used in preparing their proposal during the on-site due diligence activities
19 during the fourth quarter of 2018. ADP CR3 did not change the pricing and risk transfer
20 to ADP when they submitted their refreshed bid in December 2018. Should ADP not be
21 successful, the Guarantors are legally bound to their obligations in the Parent Guarantees
22 which serve to protect DEF and its customers.

23

REDACTED

1 The Contractors Provisional Trust Fund consists of two accounts, the Provisional IOI
2 Account and the Provisional Milestone Account. ADP CR3 will deposit \$20M cash into
3 the Provisional IOI Account at Closing. ADP CR3 will also deposit the [REDACTED]
4 [REDACTED] into the Provisional Milestone Account at Closing. The value of the
5 Contractor's Provisional Trust Fund is \$50M from the Closing date until the date that
6 Milestone One is completed. ADP CR3 will invoice DEF monthly for work completed
7 the prior month throughout the project. DEF shall direct payment of an amount equal to
8 six percent (6%) of each disbursement into the Provisional Milestone Account until that
9 account reaches \$30M cash. The amount guaranteed under the [REDACTED] will
10 be reduced dollar-for-dollar until the [REDACTED] is fully released. Since the
11 value of the Contractor's Provisional Trust Fund is \$50M from the Closing Date until the
12 date that Milestone One is completed, renegotiating the DSA provides no additional
13 protection for DEF customers.

14 The [REDACTED] is Exhibit I of the DSA. The [REDACTED]
15 [REDACTED] If,
16 prior to the [REDACTED] being fully released, there is a Contractor's Event of
17 Default and DEF elects to terminate the DSA and DEF or its designee acquires the
18 membership interests of ADP CR3, then [REDACTED]

19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]

REDACTED

1 to recognize in financial statements presented under GAAP. His testimony attempts
2 to build further conclusions around pre-funding the PSA on top of this flawed
3 interpretation.

4

5 **Q. Are there other factual errors in Mr. Polich's testimony?**

6 A. Yes, in at least three different points in Mr. Polich's deposition he states that there are
7 no restrictions on NorthStar's ability to pay dividends to NorthStar's investors or
8 parent entities (p. 58, p. 120, p. 144 of my Exhibit No. __ (JA-2)). [REDACTED]

9

10

11 [REDACTED] In addition, on page 79 of his deposition Mr. Polich
12 testifies that Vermont Yankee generates a "significant amount of accounts receivable"
13 for NorthStar (See Exhibit No. __ (JA-2). In reality, Vermont Yankee generates no
14 accounts receivable under GAAP, as NorthStar already owns the source of payment.

15

16 **Q. How do these issues with Mr. Polich's testimony impact the credibility of the
17 remainder of his testimony?**

18 A. Mr. Polich draws a number of broad sweeping conclusions to reach his recommended
19 course of action and opines on NorthStar's financial situation based on his expertise.
20 Incorrect characterization of basic accounting principles, holding out inaccurate
21 financial information multiple times as fact, and representing accounting standards
22 that are out of date by nearly 20 years as current GAAP undermines the credibility of
23 the remaining financial review performed.

REDACTED

1 **Q. Mr. Polich makes a sweeping assessment of NorthStar’s financial situation on**
2 **page 24 of his testimony. What is your response to that opinion?**

3 A. I completely disagree with his assessment.
4

5 **Q. From your perspective, what is the proper context for evaluating NorthStar’s**
6 **financial position?**

7 A. The Company should be evaluated as a going concern, and not on a hypothetical
8 liquidation salvage value. NorthStar generated [REDACTED] of revenue in 2019, resulting
9 in [REDACTED] of net income. Net cash generated from operating activities, defined
10 according to GAAP, was [REDACTED]. In 2019 “Earnings before Interest, Taxes,
11 Depreciation, and Amortization” (EBITDA), a common financial measurement used
12 as a proxy for cash earnings, was [REDACTED] implying a market value of nearly [REDACTED]
13 [REDACTED] or more using common earnings multiples for companies with similar profiles.
14 This is in contrast to the minimal or negative available resources calculated in Mr.
15 Polich’s hypothetical scenario. Despite continuing growth and the 2019 dividend
16 payment referenced by Mr. Polich, the Company remains conservatively leveraged,
17 with a net leverage ratio (Net debt / EBITDA) of only [REDACTED] at year-end 2019.
18 Consistent with my going concern testimony above, these results are sustained by
19 [REDACTED] of reported revenue backlog entering 2020, and a larger pipeline of
20 additional opportunities. 2020 has continued the strong performance trends to date,
21 with both revenue and EBITDA up significantly compared to 2019 through the first
22 four months of 2020. Mr. Polich’s failure to acknowledge this full context, before

REDACTED

1 that tying up approximately 20% of a project's total revenue value up front, in cash,
2 should have no detrimental impact to project or entity finances further undercuts Mr.
3 Polich's credibility to speak as a financial expert. Capital has a cost, and this is a
4 material use of cash that was not contemplated in the transaction economics. In
5 addition, his argument for this point is based on a flawed accounting premise, as
6 previously discussed.

7 I would also note that Mr. Polich, during his deposition, refused to acknowledge that
8 this requirement would reduce resources available to complete the decommissioning
9 work. In another example of inconsistent and inaccurate testimony, he represented
10 multiple times that restricted cash or trust assets could be borrowed against (see pages
11 61, 119-20 of Exhibit No. __ (JA-2), while testifying in his deposition that the
12 existing Vermont Yankee trust funds should be assigned a value of zero in his
13 financial analysis. Beyond this inconsistency in his testimony, his testimony is also
14 inaccurate, as this type of borrowing is also prohibited by the Company's existing
15 credit agreement.

16
17 **Q. Do you have any other comments about Mr. Polich's suggested amendments?**

18 A. Yes, regarding the request to increase the retainage from six percent to ten percent, I
19 believe Mr. Polich fails to appreciate the significance of the [REDACTED]
20 [REDACTED] and the value that creates for DEF's customers. Waste disposal is a key
21 cost variable and risk in any decommissioning project, and the committed value of
22 this airspace directly offsets the cost of completing the project. I would also note that
23 Mr. Polich is wrong about the details of the VY transaction. He asserts that NorthStar

REDACTED

1 agreed to ten percent in that deal, but the ten percent retainage only starts after
2 NorthStar has taken \$100 million from that trust fund. By comparison, in this
3 transaction, the six percent retainage begins immediately. That is in addition to the
4 significant value of the initial \$50 million funding, including the [REDACTED]
5 So with respect to this item, the CR3 transaction actually offers more upfront
6 protection, in a transaction structure where the counterparty retains control of the
7 decommissioning trust. Consistent with my previous testimony, he also
8 misrepresents the ability to borrow against these provisional trust assets and remains
9 inconsistent by stating that these assets remain available to the project despite
10 assigning zero value to the Vermont Yankee trust assets in his analysis.

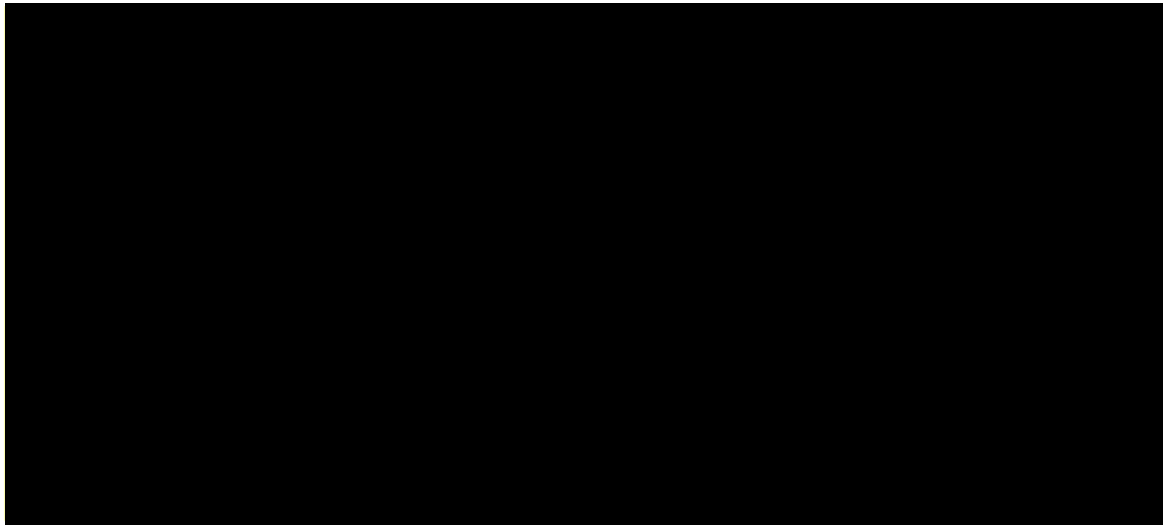
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12 **Q. Do you have any other comments on comparisons made to NorthStar's Vermont**
13 **Yankee transaction?**

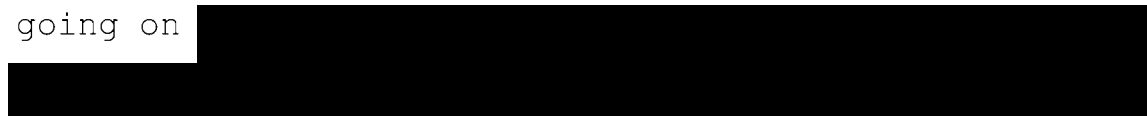
14 A. Yes. Mr. Polich makes a number of comparisons between the CR3 structure and the
15 VY transaction. It appears he has selectively chosen certain terms from that
16 transaction to apply in this transaction without appropriate consideration of the full
17 context. There are key differences in the framework of the two deals that make the
18 CR3 deal more favorable for customers. First, in VY, there was no remaining utility
19 over which the Vermont PUC could regulate. Entergy is now completely out of the
20 state of Vermont. Accordingly, the state of Vermont had motivation to include
21 additional terms, including inclusion on the parent support guaranty with the NRC, as
22 they had reduced regulatory oversight over NorthStar compared to a public utility
23 company such as Entergy. By contrast, DEF is still the owner of CR3 and the FPSC

Richard A. Polich, P.E. Confidential
June 12, 2020

1 consortium, the two parent companies, which are Orano
2 and NorthStar -- Orano is a well-capitalized entity of
3 which has minimal risk of not being able to support the
4 parental support agreement.



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13 Without that covenant, if the project gets in
14 financial trouble -- and again, with the other
15 enhancements that we're talking about in terms of
16 frequency of reporting of information to Duke as well
17 in Recommendation 4, as well as Recommendation 5, it
18 could be sometime before anybody knows what's really
19 going on



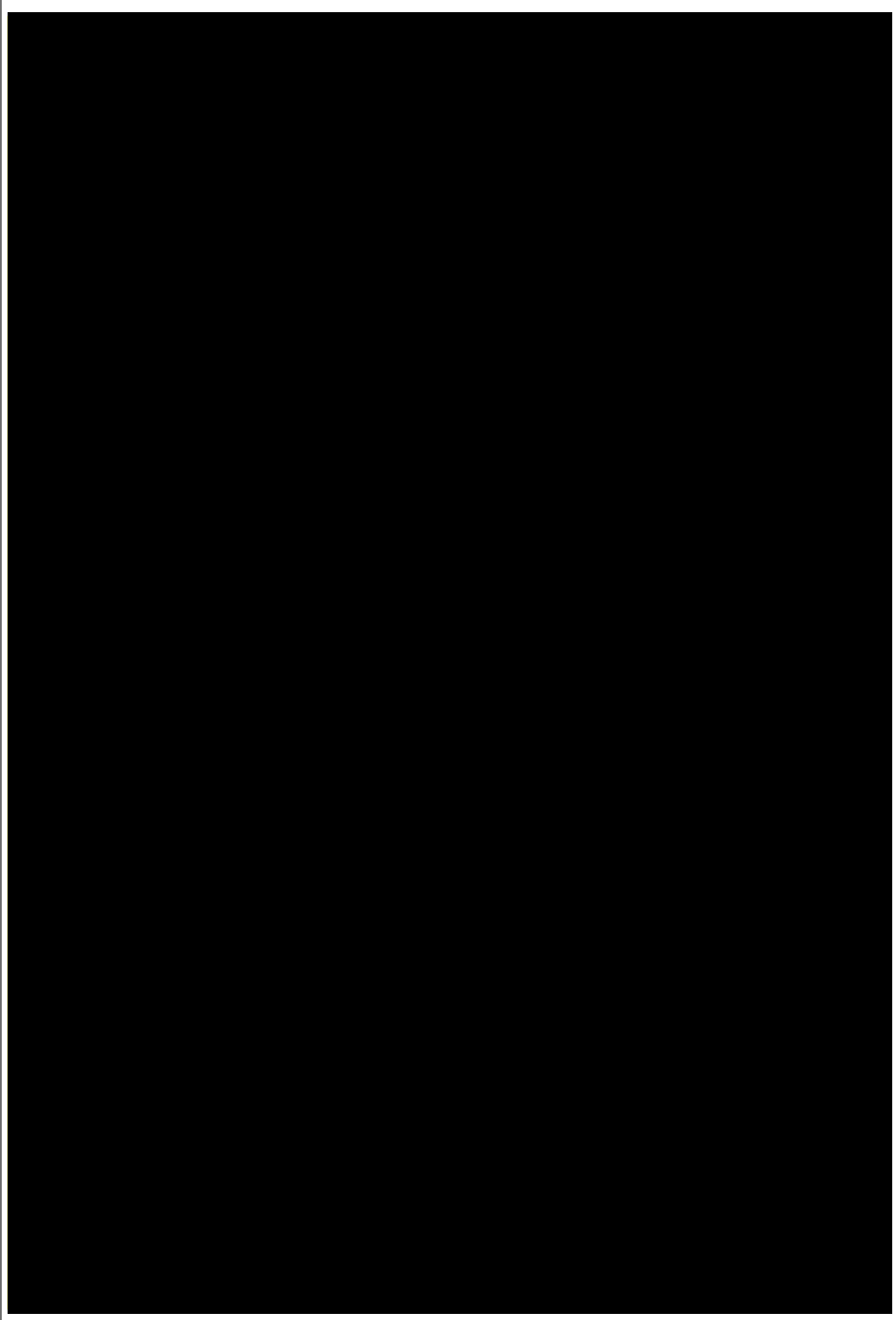
21 Q Okay. And if the commission requires that
22 this recommended enhancement be made part of the DSA
23 and the ADP parties refuse to agree to do so, would it
24 be your recommendation that the commission not approve
25 the DSA on that basis?

REDACTED

Richard A. Polich, P.E. Confidential
June 12, 2020

Docket No. 20190140
Duke Energy Florida
Witness: Adix
Exhibit No. (JA-2)
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Richard A. Polich, P.E. Confidential
June 12, 2020
Richard A. Polich, P.E. Confidential
June 12, 2020

1 corresponding liability equivalent to that cash to
2 raise additional cash. And that additional cash can
3 then be turned around and used for paying bills and
4 doing other types of corporate -- additional corporate
5 needs.

6 Just because an entity is required to
7 maintain a cash asset doesn't necessarily mean that it
8 does not have the ability to utilize that cash.

9 Q Okay. Thank you for that explanation. I
10 want to turn to page 27, in particular lines 4 through
11 5.

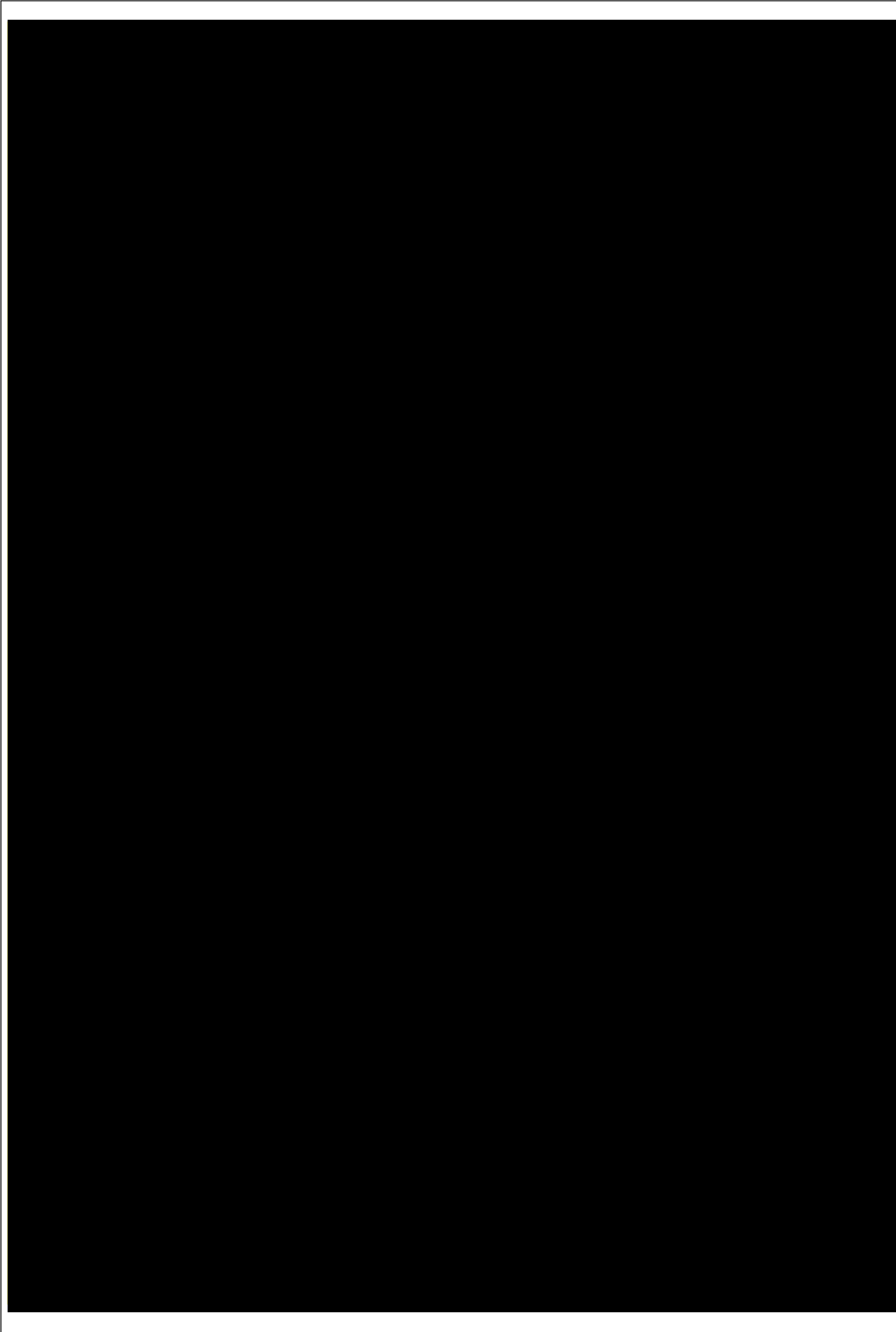


REDACTED

Richard A. Polich, P.E. Confidential
June 12, 2020

Docket No. 20190140
Duke Energy Florida
Witness: Adix
Exhibit No. (JA-2)
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Richard A. Polich, P.E. Confidential
June 12, 2020

1 Q Okay. Do you have an idea of what higher
2 price Duke and in essence Duke's customers should be
3 willing to pay to include your enhancements?

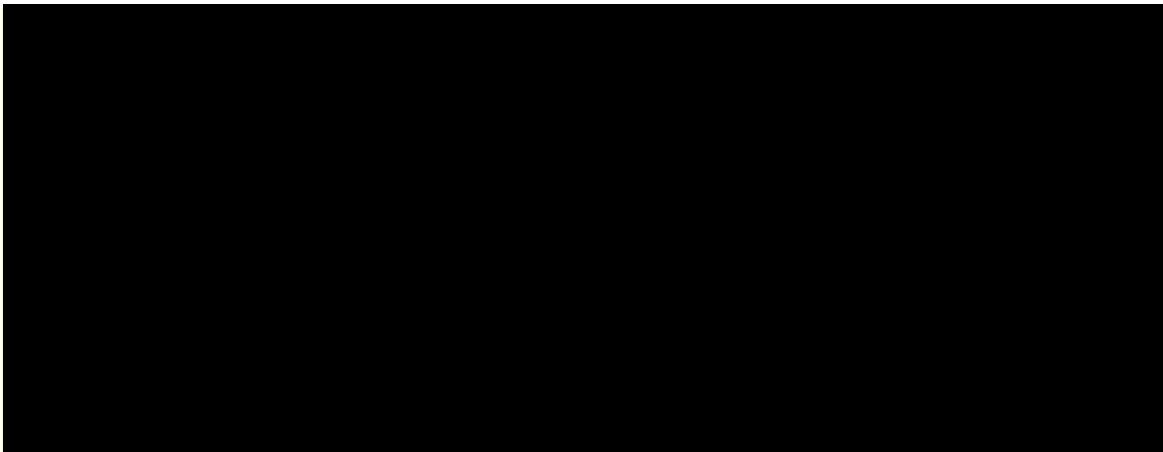
4 A Let's use the \$10,000,000 figure I just gave
5 you.

6 Q Are you aware of instances where NorthStar
7 was not able to meet its contractual responsibilities
8 related to a nuclear decommissioning?

9 A NorthStar has not done a nuclear
10 decommissioning of this size.

11 I have to go back to their balance sheets
12 prior to the 2017 acquisition by the consortium. It's
13 hard to tell who acquired who in that configuration.

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21 Q But the question I'm asking, notwithstanding
22 that, were there any instances in which NorthStar did
23 not comply and complete their contractual
24 responsibilities related to a nuclear decommissioning?

25 A Again, going back to what they were

REDACTED

- 1 7. With the exception of any changes to End-State Condition, ADP CR3 assumes all
2 project implementation risks including scope change, cost escalation, etc.
- 3 8. The DSA includes a provision for ADP CR3 to acquire an environmental
4 insurance policy (approximately \$30M) to use to remediate unknown
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21 material disposal sites and cost escalation.
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REDACTED

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9 Completion Date. If, notwithstanding the written plans, ADP CR3 fails to
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REDACTED

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9 higher.

10
11 **Q: Why is DEF confident that ADP CR3 and ADP SF1 will execute and complete their**
12 **scopes of work and that the Parent Guarantors will comply with their respective**
13 **obligations, including the Parent Guaranties and the Parent Support Agreements?**

14 **A:** DEF is confident that ADP CR3 and ADP SF1 will be successful based on their
15 experience in nuclear decommissioning projects and the significant reviews of the CR3
16 design, construction and operational information made available by DEF to inform the
17 bid proposal submitted by ADP in July 2018. ADP CR3 was able to confirm the
18 information used in preparing their proposal during the on-site due diligence activities
19 during the fourth quarter of 2018. ADP CR3 did not change the pricing and risk transfer
20 to ADP when they submitted their refreshed bid in December 2018. Should ADP not be
21 successful, the Guarantors are legally bound to their obligations in the Parent Guarantees
22 which serve to protect DEF and its customers.

23

REDACTED

1 The Contractors Provisional Trust Fund consists of two accounts, the Provisional IOI
2 Account and the Provisional Milestone Account. ADP CR3 will deposit \$20M cash into
3 the Provisional IOI Account at Closing. ADP CR3 will also deposit the [REDACTED]
4 [REDACTED] into the Provisional Milestone Account at Closing. The value of the
5 Contractor's Provisional Trust Fund is \$50M from the Closing date until the date that
6 Milestone One is completed. ADP CR3 will invoice DEF monthly for work completed
7 the prior month throughout the project. DEF shall direct payment of an amount equal to
8 six percent (6%) of each disbursement into the Provisional Milestone Account until that
9 account reaches \$30M cash. The amount guaranteed under the [REDACTED] will
10 be reduced dollar-for-dollar until the [REDACTED] is fully released. Since the
11 value of the Contractor's Provisional Trust Fund is \$50M from the Closing Date until the
12 date that Milestone One is completed, renegotiating the DSA provides no additional
13 protection for DEF customers.

14 The [REDACTED] is Exhibit I of the DSA. The [REDACTED]
15 [REDACTED] If,
16 prior to the [REDACTED] being fully released, there is a Contractor's Event of
17 Default and DEF elects to terminate the DSA and DEF or its designee acquires the
18 membership interests of ADP CR3, then [REDACTED]

19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]

REDACTED

1 to recognize in financial statements presented under GAAP. His testimony attempts
2 to build further conclusions around pre-funding the PSA on top of this flawed
3 interpretation.

4

5 **Q. Are there other factual errors in Mr. Polich's testimony?**

6 A. Yes, in at least three different points in Mr. Polich's deposition he states that there are
7 no restrictions on NorthStar's ability to pay dividends to NorthStar's investors or
8 parent entities (p. 58, p. 120, p. 144 of my Exhibit No. __ (JA-2)). [REDACTED]

9

10

11 [REDACTED] In addition, on page 79 of his deposition Mr. Polich
12 testifies that Vermont Yankee generates a "significant amount of accounts receivable"
13 for NorthStar (See Exhibit No. __ (JA-2). In reality, Vermont Yankee generates no
14 accounts receivable under GAAP, as NorthStar already owns the source of payment.

15

16 **Q. How do these issues with Mr. Polich's testimony impact the credibility of the**
17 **remainder of his testimony?**

18 A. Mr. Polich draws a number of broad sweeping conclusions to reach his recommended
19 course of action and opines on NorthStar's financial situation based on his expertise.
20 Incorrect characterization of basic accounting principles, holding out inaccurate
21 financial information multiple times as fact, and representing accounting standards
22 that are out of date by nearly 20 years as current GAAP undermines the credibility of
23 the remaining financial review performed.

REDACTED

1 **Q. Mr. Polich makes a sweeping assessment of NorthStar’s financial situation on**
2 **page 24 of his testimony. What is your response to that opinion?**

3 A. I completely disagree with his assessment.
4

5 **Q. From your perspective, what is the proper context for evaluating NorthStar’s**
6 **financial position?**

7 A. The Company should be evaluated as a going concern, and not on a hypothetical
8 liquidation salvage value. NorthStar generated [REDACTED] of revenue in 2019, resulting
9 in [REDACTED] of net income. Net cash generated from operating activities, defined
10 according to GAAP, was [REDACTED]. In 2019 “Earnings before Interest, Taxes,
11 Depreciation, and Amortization” (EBITDA), a common financial measurement used
12 as a proxy for cash earnings, was [REDACTED] implying a market value of nearly [REDACTED]
13 [REDACTED] or more using common earnings multiples for companies with similar profiles.
14 This is in contrast to the minimal or negative available resources calculated in Mr.
15 Polich’s hypothetical scenario. Despite continuing growth and the 2019 dividend
16 payment referenced by Mr. Polich, the Company remains conservatively leveraged,
17 with a net leverage ratio (Net debt / EBITDA) of only [REDACTED] at year-end 2019.
18 Consistent with my going concern testimony above, these results are sustained by
19 [REDACTED] of reported revenue backlog entering 2020, and a larger pipeline of
20 additional opportunities. 2020 has continued the strong performance trends to date,
21 with both revenue and EBITDA up significantly compared to 2019 through the first
22 four months of 2020. Mr. Polich’s failure to acknowledge this full context, before

REDACTED

1 that tying up approximately 20% of a project's total revenue value up front, in cash,
2 should have no detrimental impact to project or entity finances further undercuts Mr.
3 Polich's credibility to speak as a financial expert. Capital has a cost, and this is a
4 material use of cash that was not contemplated in the transaction economics. In
5 addition, his argument for this point is based on a flawed accounting premise, as
6 previously discussed.

7 I would also note that Mr. Polich, during his deposition, refused to acknowledge that
8 this requirement would reduce resources available to complete the decommissioning
9 work. In another example of inconsistent and inaccurate testimony, he represented
10 multiple times that restricted cash or trust assets could be borrowed against (see pages
11 61, 119-20 of Exhibit No. __ (JA-2), while testifying in his deposition that the
12 existing Vermont Yankee trust funds should be assigned a value of zero in his
13 financial analysis. Beyond this inconsistency in his testimony, his testimony is also
14 inaccurate, as this type of borrowing is also prohibited by the Company's existing
15 credit agreement.

16
17 **Q. Do you have any other comments about Mr. Polich's suggested amendments?**

18 A. Yes, regarding the request to increase the retainage from six percent to ten percent, I
19 believe Mr. Polich fails to appreciate the significance of the [REDACTED]
20 [REDACTED] and the value that creates for DEF's customers. Waste disposal is a key
21 cost variable and risk in any decommissioning project, and the committed value of
22 this airspace directly offsets the cost of completing the project. I would also note that
23 Mr. Polich is wrong about the details of the VY transaction. He asserts that NorthStar

REDACTED

1 agreed to ten percent in that deal, but the ten percent retainage only starts after
2 NorthStar has taken \$100 million from that trust fund. By comparison, in this
3 transaction, the six percent retainage begins immediately. That is in addition to the
4 significant value of the initial \$50 million funding, including the [REDACTED]
5 So with respect to this item, the CR3 transaction actually offers more upfront
6 protection, in a transaction structure where the counterparty retains control of the
7 decommissioning trust. Consistent with my previous testimony, he also
8 misrepresents the ability to borrow against these provisional trust assets and remains
9 inconsistent by stating that these assets remain available to the project despite
10 assigning zero value to the Vermont Yankee trust assets in his analysis.

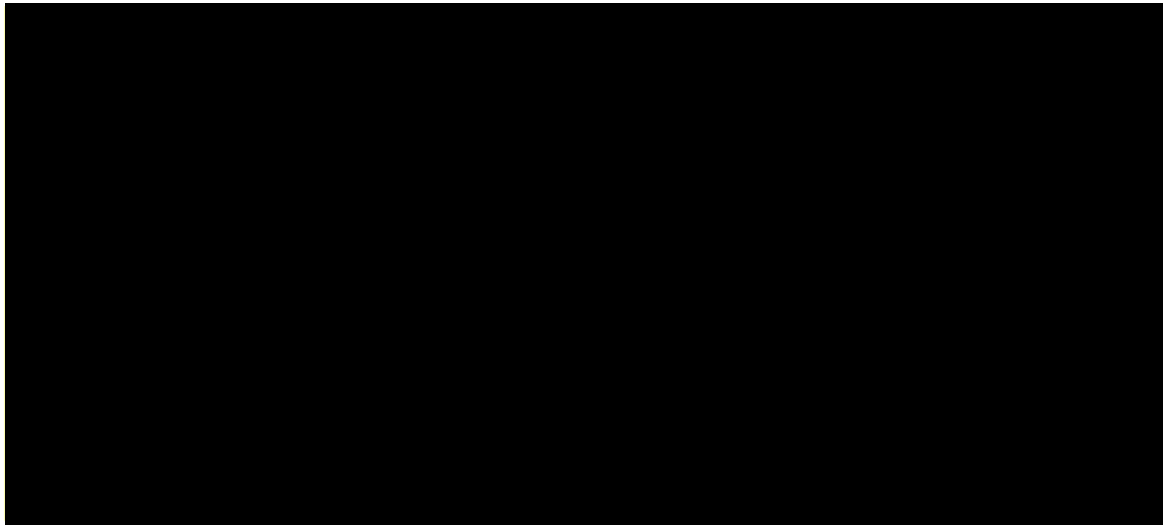
11

12 **Q. Do you have any other comments on comparisons made to NorthStar's Vermont**
13 **Yankee transaction?**

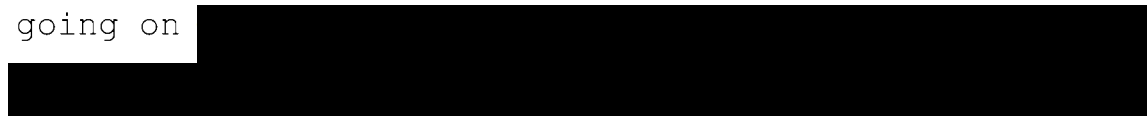
14 A. Yes. Mr. Polich makes a number of comparisons between the CR3 structure and the
15 VY transaction. It appears he has selectively chosen certain terms from that
16 transaction to apply in this transaction without appropriate consideration of the full
17 context. There are key differences in the framework of the two deals that make the
18 CR3 deal more favorable for customers. First, in VY, there was no remaining utility
19 over which the Vermont PUC could regulate. Entergy is now completely out of the
20 state of Vermont. Accordingly, the state of Vermont had motivation to include
21 additional terms, including inclusion on the parent support guaranty with the NRC, as
22 they had reduced regulatory oversight over NorthStar compared to a public utility
23 company such as Entergy. By contrast, DEF is still the owner of CR3 and the FPSC

Richard A. Polich, P.E. Confidential
June 12, 2020

1 consortium, the two parent companies, which are Orano
2 and NorthStar -- Orano is a well-capitalized entity of
3 which has minimal risk of not being able to support the
4 parental support agreement.



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13 Without that covenant, if the project gets in
14 financial trouble -- and again, with the other
15 enhancements that we're talking about in terms of
16 frequency of reporting of information to Duke as well
17 in Recommendation 4, as well as Recommendation 5, it
18 could be sometime before anybody knows what's really
19 going on



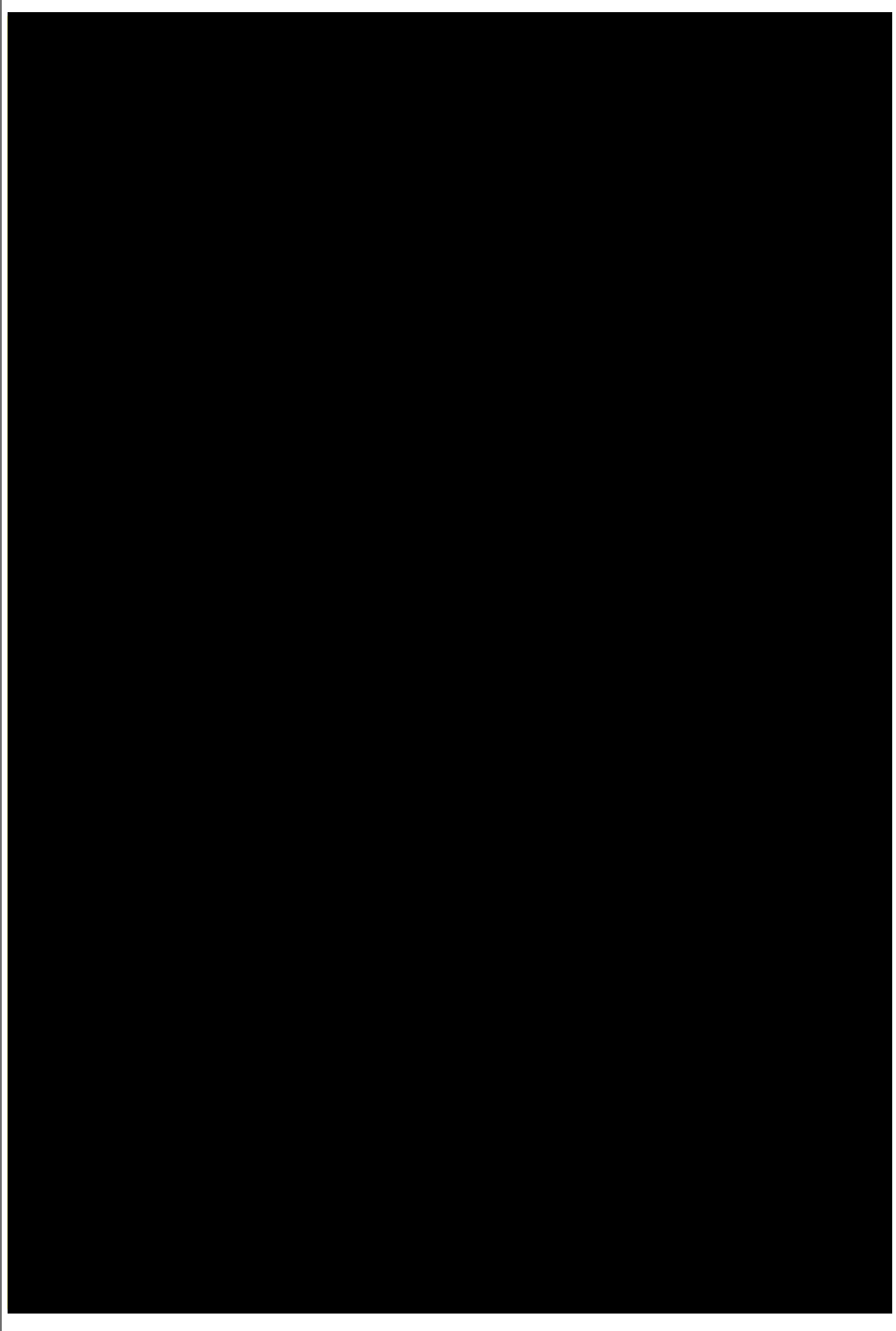
21 Q Okay. And if the commission requires that
22 this recommended enhancement be made part of the DSA
23 and the ADP parties refuse to agree to do so, would it
24 be your recommendation that the commission not approve
25 the DSA on that basis?

REDACTED

Richard A. Polich, P.E. Confidential
June 12, 2020

Docket No. 20190140
Duke Energy Florida
Witness: Adix
Exhibit No. (JA-2)
Page 4 of 9 79

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June 12, 2020
Richard A. Polich, P.E. Confidential
June 12, 2020

1 corresponding liability equivalent to that cash to
2 raise additional cash. And that additional cash can
3 then be turned around and used for paying bills and
4 doing other types of corporate -- additional corporate
5 needs.

6 Just because an entity is required to
7 maintain a cash asset doesn't necessarily mean that it
8 does not have the ability to utilize that cash.

9 Q Okay. Thank you for that explanation. I
10 want to turn to page 27, in particular lines 4 through
11 5.

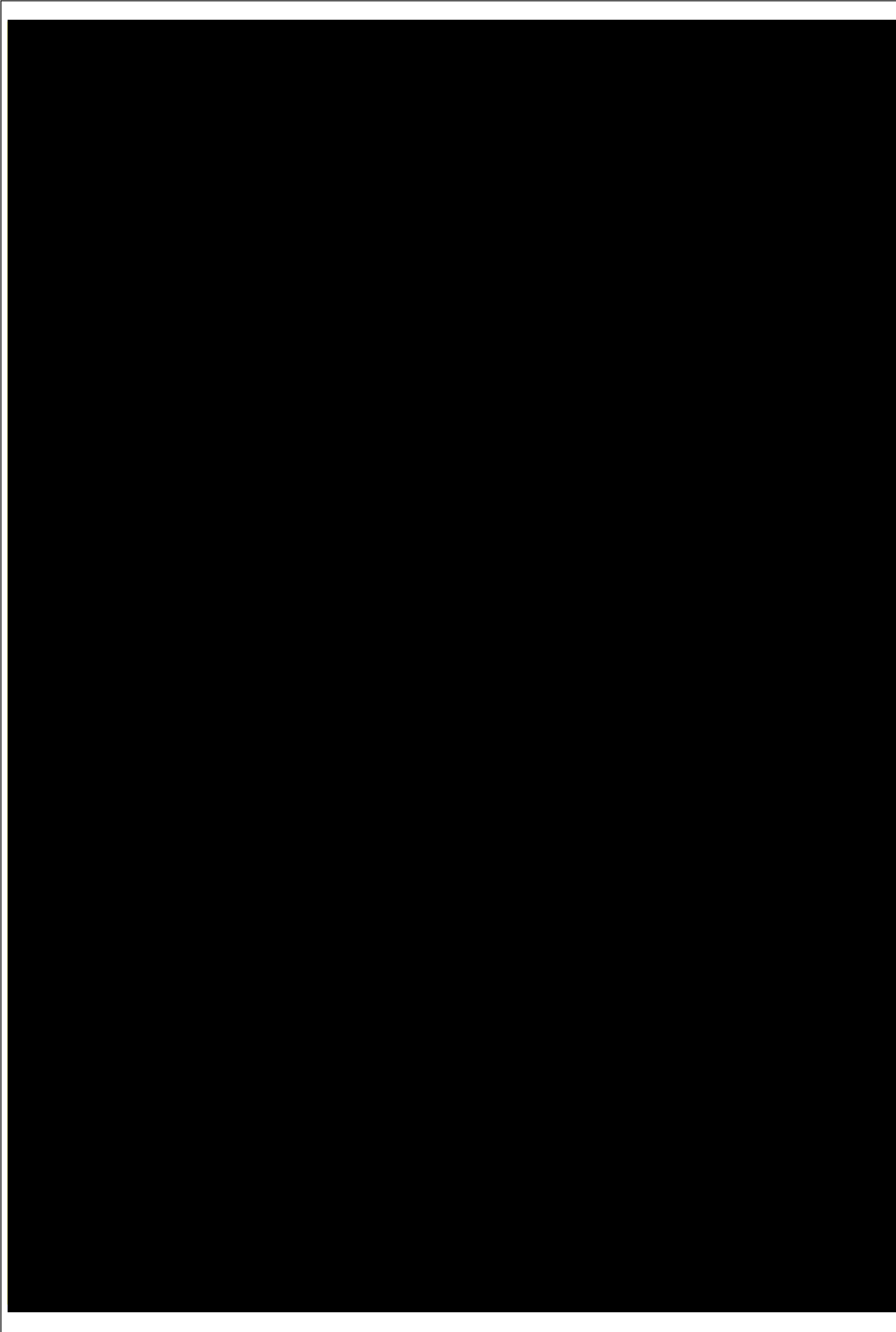


REDACTED

Richard A. Polich, P.E. Confidential
June 12, 2020

Docket No. 20190140
Duke Energy Florida
Witness: Adix
Exhibit No. (JA-2)
Page 7 of 9 144

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Richard A. Polich, P.E. Confidential
June 12, 2020

1 Q Okay. Do you have an idea of what higher
2 price Duke and in essence Duke's customers should be
3 willing to pay to include your enhancements?

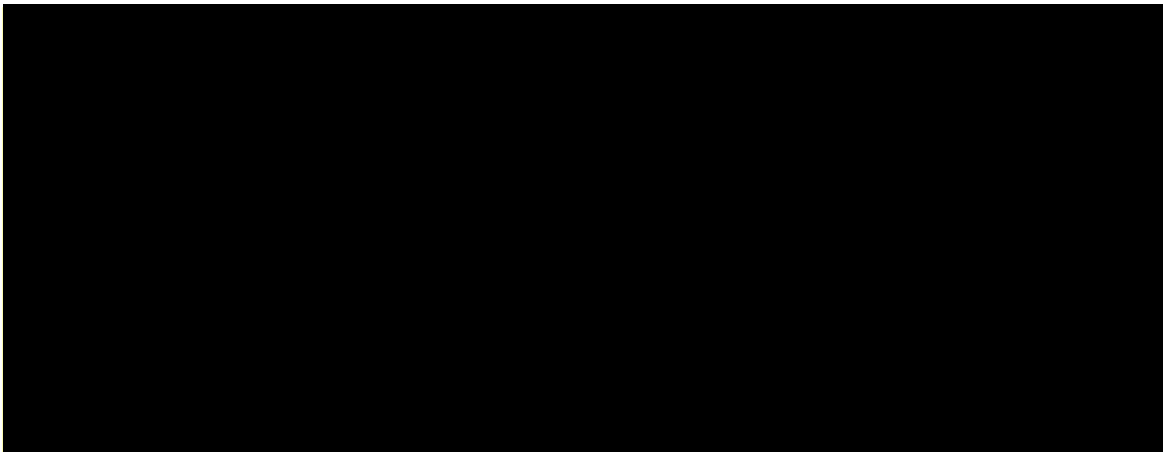
4 A Let's use the \$10,000,000 figure I just gave
5 you.

6 Q Are you aware of instances where NorthStar
7 was not able to meet its contractual responsibilities
8 related to a nuclear decommissioning?

9 A NorthStar has not done a nuclear
10 decommissioning of this size.

11 I have to go back to their balance sheets
12 prior to the 2017 acquisition by the consortium. It's
13 hard to tell who acquired who in that configuration.

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21 Q But the question I'm asking, notwithstanding
22 that, were there any instances in which NorthStar did
23 not comply and complete their contractual
24 responsibilities related to a nuclear decommissioning?

25 A Again, going back to what they were

Exhibit C
DUKE ENERGY FLORIDA, LLC
Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
Rebuttal Testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC	Page 11, Line 15: All information after “ADP CR3 will post a” and before “letter of credit which” is confidential.	§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, the disclosure of which would impair DEF’s competitive interests.
Rebuttal Testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC	Page 20, Line 13: All information before “payable upon demand by DEF” is confidential.	§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, the disclosure of which would impair DEF’s competitive interests.
Rebuttal Testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC	Page 26, Lines 2-3: All information after “covering an aggregate of” and before “of the value of the work” is confidential.	§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, the disclosure of which would impair DEF's competitive interests.
Rebuttal Testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC	Page 28, Lines 3-4: All information after "ADP CR3 will also deposit the" and before "into the Provisional Milestone Account" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Rebuttal Testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC	Page 28, Line 9: All information after "The amount guaranteed under the" and before "will" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Rebuttal Testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC	Page 28, Line 10: All information after "dollar-for-dollar until the" and before "is fully released" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question</p>

		contains confidential information, the disclosure of which would impair DEF's competitive interests.
Rebuttal Testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC	Page 28, Line 14: All information after "The" and before "is Exhibit I of the DSA." is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Rebuttal Testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC	Page 28, Lines 14-15: All information after "The" and before "If," is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Rebuttal Testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC	Page 28, Line 16: All information after "prior to the" and before "being fully released" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question</p>

		contains confidential information, the disclosure of which would impair DEF's competitive interests.
Rebuttal Testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC	Page 28, Lines 18-22: All information after "membership interests of ADP CR3, then" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Page 9, Lines 8-11: All information after "of my Exhibit No. __ (JA-2)." and before "In addition, on page 79" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Page 11, Line 8: All information after "NorthStar generated" and before "of revenue in 2019" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question</p>

		contains confidential information, the disclosure of which would impair DEF's competitive interests.
Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Page 11, Line 9: All information after "in" and before "of net income." is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Page 11, Line 10: All information after "to GAAP, was" and before "In 2019" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Page 11, Line 12: All information after "cash earnings, was" and before "implying a market value" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question</p>

		contains confidential information, the disclosure of which would impair DEF's competitive interests.
Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Page 11, Lines 12-13: All information after "of nearly" and before "or more using common earnings multiples" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Page 11, Line 17: All information after "of only" and before "at year-end 2019." is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Page 11, Line 19: All information before "of reported revenue backlog" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question</p>

		contains confidential information, the disclosure of which would impair DEF's competitive interests.
Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Page 14, Lines 19-20: All information after "the significance of the" and before "and the value that creates" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Page 15, Line 4: All information after "including the" is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
Exhibit No. __ (JA-2) attached to the Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	<p>Exhibit No. __ (JA-2), page 2 of 9</p> <p>Page 58, Lines 5-12: All information is confidential; and</p> <p>Page 58, Lines 19-20: All information after "going on" is confidential.</p>	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question</p>

		contains confidential information, the disclosure of which would impair DEF's competitive interests.
Exhibit No. __ (JA-2) attached to the Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Exhibit No. __ (JA-2), page 4 of 9 Page 79, Lines 1-25: All information is confidential.	§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, the disclosure of which would impair DEF's competitive interests.
Exhibit No. __ (JA-2) attached to the Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Exhibit No. __ (JA-2), page 6 of 9 Page 120, Lines 11-25: All information after "5." is confidential.	§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, the disclosure of which would impair DEF's competitive interests.
Exhibit No. __ (JA-2) attached to the Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Exhibit No. __ (JA-2), page 7 of 9 Page 144, Lines 1-25: All information is confidential.	§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, the disclosure of which would impair DEF's competitive interests.
Exhibit No. __ (JA-2) attached to the Rebuttal Testimony of Jeff Adix on behalf of Duke Energy Florida, LLC	Exhibit No. __ (JA-2), page 9 of 9 Page 150, Lines 14-20: All information is confidential.	<p>§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.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>

Exhibit D

AFFIDAVIT OF TERRY HOBBS

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Duke Energy Florida, LLC to Approve Transaction with Accelerated Decommissioning Partners, LLC for Accelerated Decommissioning Services at the CR3 Facility, Transfer of Title to Spent Fuel, and Assumption of Operations of the CR3 Facility Pursuant to the NRC License, and Request for Waiver From Future Application of Rule 25-6.04365, F.A.C. for Nuclear Decommissioning Study

DOCKET NO.: 20190140-EI

Submitted for Filing: July 9, 2020

**AFFIDAVIT OF TERRY HOBBS IN SUPPORT OF
DUKE ENERGY FLORIDA, LLC'S ELEVENTH
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF FLORIDA

COUNTY OF CITRUS

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

1. My name is Terry Hobbs. I am over the age of eighteen (18) and I have been authorized by Duke Energy Florida, LLC (hereinafter "DEF" or "Company") to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's Eleventh Request for Confidential Classification ("DEF's Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. I am the General Manager for the Decommissioning of the DEF Crystal River Unit 3 Nuclear Plant (the "CR3 Facility").

3. As the General Manager, I am responsible for the overall management, implementation, and coordination of activities to place the CR3 Facility in a long-term dormant condition commonly referred to as a "SAFSTOR" condition. I am also responsible for ensuring

the safe storage of the used nuclear fuel at the CR3 Facility. Additionally, I oversee several managers and I ensure that such managers implement the plant programs, including the ground water monitoring, radiation, control and engineering programs, in an effective and efficient manner.

4. DEF is seeking the confidential classification for certain information contained within the rebuttal testimony of Terry Hobbs on behalf of Duke Energy Florida, LLC, the rebuttal testimony of Jeff Adix on behalf of Duke Energy Florida, LLC, and Exhibit No.__(JA-2) to the rebuttal testimony of Jeff Adix (“DEF Rebuttal Testimony and Exhibit No.__(JA-2)”), filed on June 18, 2020. The confidential information at issue is contained in Amended Exhibit A to DEF’s Request and is outlined in DEF’s Justification Matrix attached to DEF’s Request as Exhibit C. DEF is requesting confidential classification of this information because it contains competitively sensitive confidential information concerning contractual business information and obligations under a contract, the disclosure of which would impair DEF’s efforts to contract for goods or services on favorable terms.

5. The confidential information at issue describes, concerns, or relates to commercially sensitive confidential information concerning contractual business information and obligations under a contract between DEF, ADP CR3, LLC and ADP SF1, LLC for decommissioning activities related to the accelerated decommissioning of the CR3 Facility, as well as confidential information that is either subject to current pending requests for confidential classification filed by DEF, or has already been found to be exempt from public disclosure under orders granting confidential classification that have been issued in this proceeding by the Florida Public Service Commission. The disclosure of such information would not only impair the Company’s competitive business advantages, but would also violate DEF’s contractual

requirements to maintain the confidentiality of such information under the subject contract. Therefore, the confidential information at issue qualifies for confidential classification.

6. DEF is obligated to maintain the confidentiality of certain contractual terms under the subject contract. 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 impair the Company to negotiate such contracts on favorable terms.

7. The information identified as Amended Exhibit A is intended to be and is treated as confidential by the Company. With respect to the information at issue in DEF's Request, such information has not been disclosed to the public, and the Company has treated and continues to treat such information as confidential.

8. 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.

9. This concludes my affidavit.

FURTHER AFFIANT SAYETH NOT.

[Signature Page to Follow]

Dated the ____ day of _____, 2020.

Terry Hobbs
Duke Energy Crystal River, Unit 3
Nuclear Plant
15760 W. Power Line St.
Crystal River, FL 34428

The foregoing instrument was sworn to and subscribed before me this ____ day of _____, 2020, by Terry Hobbs. He is personally known to me, or has produced his ____ driver's license, ____ or his _____ as identification.

Signature

(AFFIX NOTARY SEAL)

Printed Name

NOTARY PUBLIC, STATE OF _____

Commission Expiration Date