



July 21, 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 Fifteenth Request for Confidential Classification filed in connection with the information contained within the transcript for the deposition of DEF's witness Jeff Adix taken in this proceeding on June 24, 2020, as well as Late-Filed Exhibit 3 to said deposition.

This filing includes the following:

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

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

Mr. Adam Teitzman, Commission Clerk
Florida Public Service Commission
July 21, 2020
Page 2

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 23173906 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 21, 2020

**DUKE ENERGY FLORIDA, LLC'S FIFTEENTH
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 Fifteenth Request for Confidential Classification (the “Request”) for certain information contained within the transcript for the deposition of DEF’s witness Jeff Adix taken on June 24, 2020 (“Deposition Transcript”), as well as late-filed exhibit 3 to said deposition (“Late-Filed Exhibit 3”). In support of this Request, DEF states:

1. Portions of the information contained within the Deposition Transcript and Late-Filed Exhibit 3 are “proprietary confidential business information” under Section 366.093(3), Florida Statutes.

2. The following exhibits are included with this Request:

(a) Sealed **Exhibit A** is a package containing an unredacted copy of the information contained within the Deposition Transcript for which DEF seeks confidential treatment. **Exhibit A** 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. The confidential unredacted version of Late-Filed Exhibit 3 was previously submitted to the Commission Clerk on July 2, 2020, and is identified on the docket as DN 03611-2020.

(b) **Composite Exhibit B** is two copies of the redacted information contained within the Deposition Transcript and Late-Filed Exhibit 3 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 the Deposition Transcript and Late-Filed Exhibit 3, 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.¹

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 the Deposition Transcript and Late-Filed Exhibit 3 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 DEF Crystal River Unit 3 Nuclear Plant (the “CR3 Facility”), as well as confidential information that is either subject to current pending requests

¹ 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.

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 **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 **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 Fifteenth Request for Confidential Classification be granted.

DATED this 21st day of July, 2020.

Respectfully submitted,

/s/ Daniel Hernandez

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Florida Bar No. 118904

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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 21st 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>
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Exhibit A

“CONFIDENTIAL”

(submitted under separate cover)

Exhibit B

REDACTED

(two copies)

REDACTED

Page 51

1 were multiple layers of protections built into the DSA
2 to ensure that. So beyond the normal case schedule on
3 the project where ADP is only being paid for completion,
4 completed progress or progress against predefined
5 milestones, then there's the additional buffer layer of
6 the \$50 million of cash and committed disposal that is
7 available from day one as another layer of protection.

8 So if there was someone looking at a
9 hypothetical scenario that says you may be 5 million
10 behind here, or I believe in his testimony Mr. Polich
11 raised the example of the [REDACTED] bucket where
12 there's the pay, then grieve requirement, you know, that
13 was perceived as being a hole or a risk that could allow
14 ADP to get out in front of, going back to my previous
15 term, the payments on the project, when in reality that
16 entire [REDACTED] is covered and effectively cash
17 collateralized by the provisional trust that is part of
18 the DSA from day one.

19 So as a specific rebuttal point on that, it's
20 not a coincidence that the amount of cash that is put in
21 trust on day one at closing matches this concept where
22 Duke must pay and then will work out the timing or work
23 out any question of where a specific item is because the
24 size of that gap again is cash collateralized on the
25 first day of the transaction.

REDACTED

1 A Not as a stand-alone asset. Generally no.

2 BY MR. REHWINKEL:

3 Q Okay. I was going to ask you a question about
4 the big document that you provided to us in the duces
5 tecum list, which is the credit agreement, the Credit
6 and Guarantee Agreement.

7 A Yes.

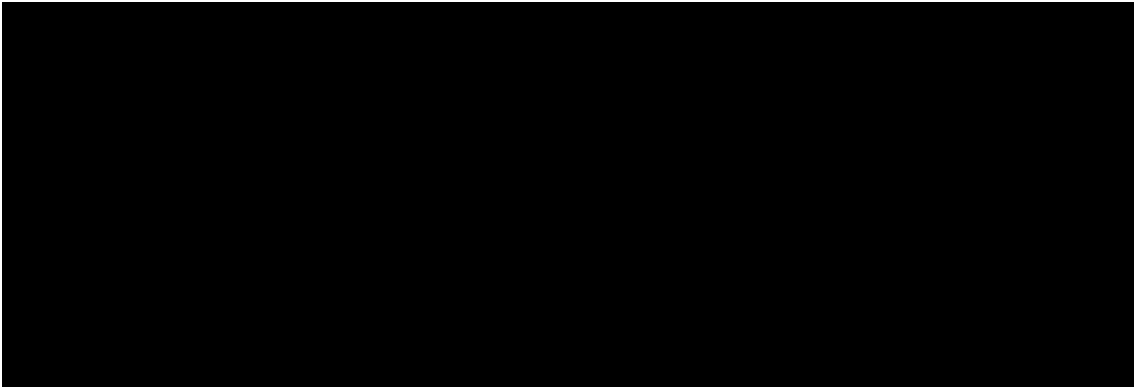
8 Q Okay. And this -- I want to ask you about
9 goodwill with respect to this document, but let's just
10 go over to Page 9 of your testimony and link this
11 document up to your testimony, if we can, on -- this is
12 in the Confidential section that goes from line 8
13 through line 11.

14 A Yes.

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A Yes. I would ask you to look at Page 130 of the agreement, section 6.4, sub part N, please.

Q Okay. Sub part N. All right. Would you mind reading the language?

A Yes. Sub part N: Additional restricted payments made by holdings or any of holdings' restricted subsidiaries provided on a proforma basis immediately after giving effect to any such restricted payment, A, no event of default should have occurred and be continuing or would result therefrom, and B, the consolidated total net leverage ratio shall not exceed 2.00 to 1.00.

Q Okay. And if we turn back to Page 18 of this agreement --

A Yes.

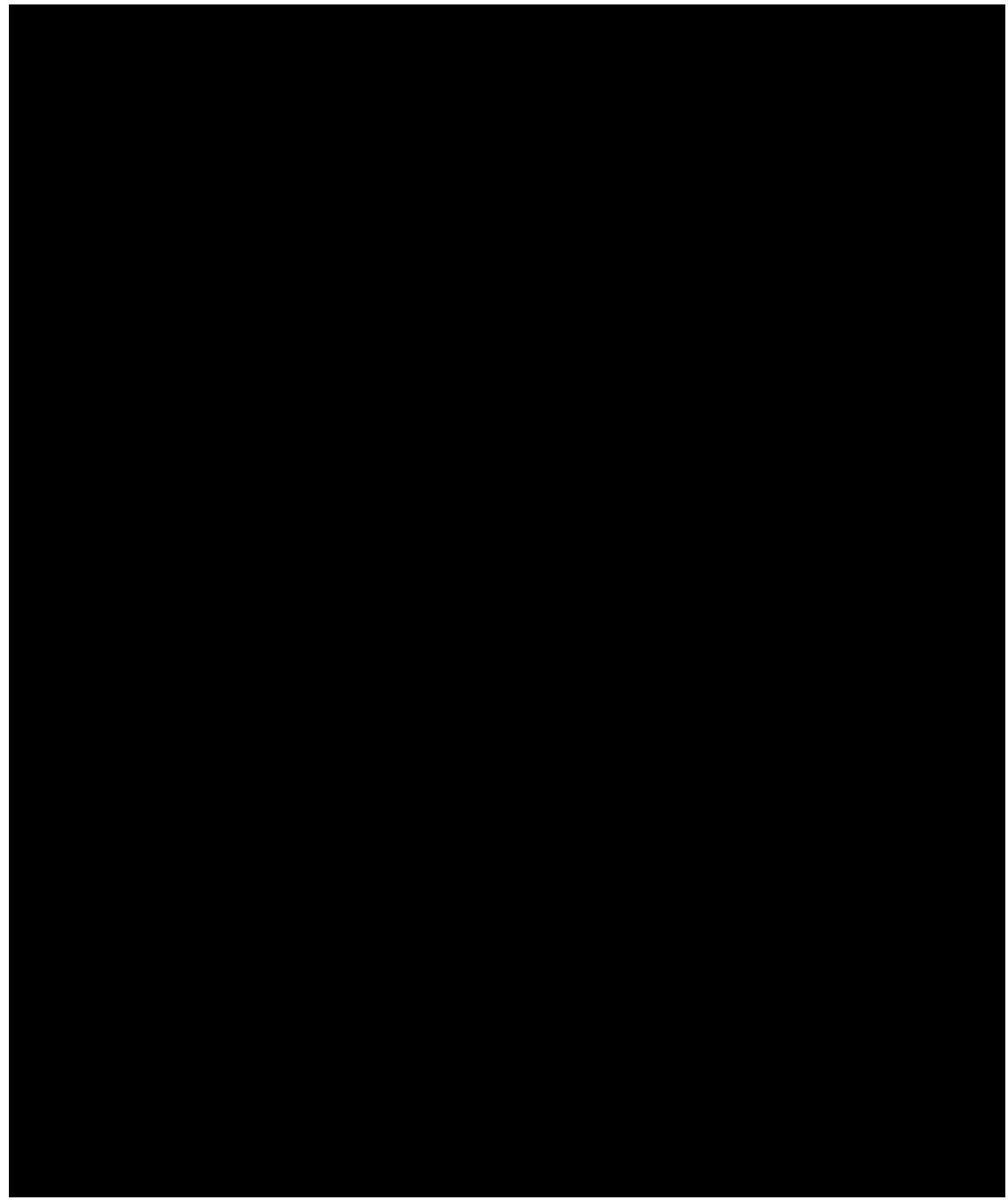
Q -- you see that the -- this is where the definition of consolidated -- is this the right definition? It says consolidated total net leverage ratio?

1 A I do.

2 Q And I paraphrased a little bit there.

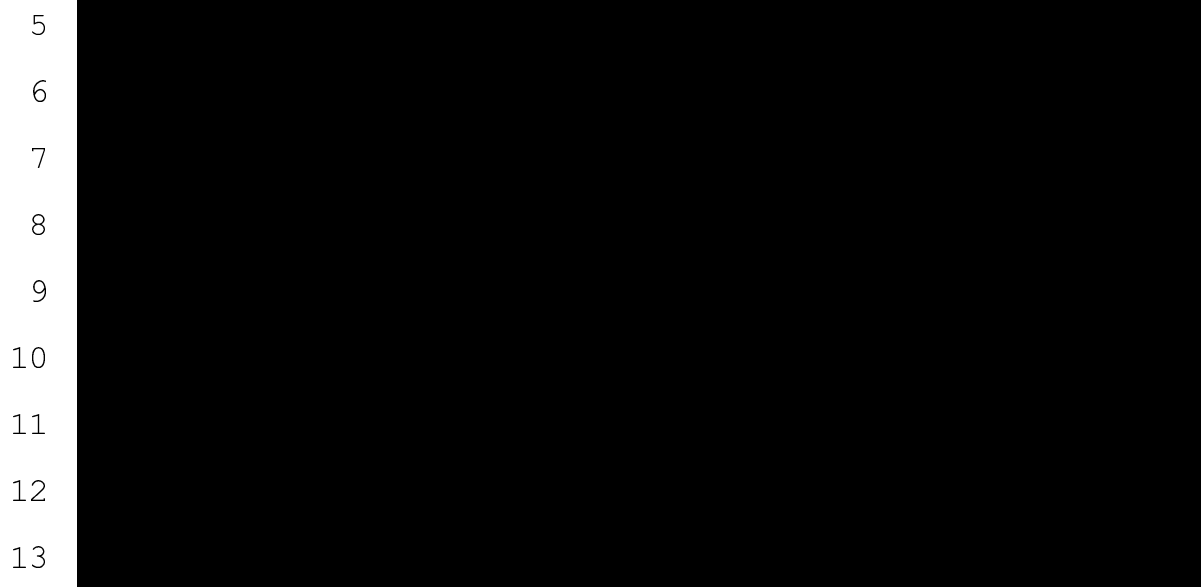
3 Can you tell me where he says that they -- he
4 ties old financial results to the forward-looking
5 financial prospects?

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REDACTED

1 And I just want to know kind of what the two numbers are
2 that you would look at for the -- or what numbers, maybe
3 there are more than two, to determine the equity ratio
4 from this balance sheet for 2019.



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14 A Yes.

15 Q Okay. Let's go to Page 11, line 18 through
16 20, and it's -- if we go to Page 11 and go to lines 18
17 through 19, and I want to direct you to the sentence
18 that starts with the word "Consistent."

19 A Yes.

20 Q Do you see that?

21 A Yes.

22 Q Could you read that aloud, and then I want to
23 ask you about the document that I think relates to that.

24 A Okay. "Consistent with the going concern
25 testimony above, these results are sustained by

REDACTED

Page 89

1 [REDACTED] of reported revenue backlog entering 2020
2 and a larger pipeline of additional opportunities."

3 Q Okay. Now, the [REDACTED] backlog, we asked
4 you for the document. I think you gave us what's
5 number 8.

6 A Yes.

7 Q Okay. Can you show me on this document where
8 the components of the [REDACTED] are?

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15 Q Yes, if you wouldn't mind, and then I want to
16 ask you what soft backlog means, but --

17 A Yes. So in the way that we do our reporting,
18 hard backlog is existing signed fixed-price contracts on
19 percentage of completion work that is accounted for on a
20 percentage of completion accounting basis. And so this
21 is -- you know, there's a contract. You can point to
22 the contract and say, this contract has a fixed price of
23 \$10 million and we're 60 percent of the way through it,
24 so we have a hard backlog remaining of \$4 million.
25 Sixty percent of the 10 million is complete.

1 the same month.

2 So those are all types of work that roll into
3 what we would call soft backlog which are revenue that
4 we expect to see in the coming 12 months.

5 The other category of soft backlog is work
6 where we have a signed contract or we are in the
7 process -- we've been given an award by the customer,
8 but we're in the process of negotiating a contract. If
9 the work has been won, but you haven't yet moved it to
10 hard backlog, then that would also be included in our
11 standard recurring definition of soft backlog.

12 So there's two examples included in here.
13 Obviously, a large and very relevant one to this
14 conversation is the \$540 million value associated with
15 the Crystal River decommissioning. That qualifies as
16 soft backlog in this reporting because we have an
17 executed agreement against it as noted in the reporting,
18 subject to regulatory approval, of course. Or it can be
19 smaller things like this project up here, Ameren,
20 McLean, Illinois, where we have an [REDACTED] scope
21 expansion that's been awarded to us, but the relevant
22 contract documents, purchase orders were still in the
23 process of being issued at the reporting cutoff date.
24 So that's an example, a smaller example of a similar
25 concept.

1 So it's the total of those two, the
2 fixed-price, fully contracted work, the recurring
3 non-fixed-price work that runs through the numbers, as
4 well as timing items for work that's in the process --
5 it's awarded but in the process of being contracted that
6 makes up our total definition of backlog.

7 Q What is the reference to -- thank you for
8 that. What is the reference to the Duke Crystal River
9 Units 1 and 2? It says "exclude" and it's a negative of
10 [REDACTED] What does that reference?

11 A So that's the section of the calculation where
12 we start with the total hard backlog, the [REDACTED] from
13 the previous page, and this is the section where we are
14 calculating expected change orders on future work. And
15 so we're not saying that we're going to earn change
16 orders on all of the work that's in hard backlog. We're
17 backing out Vermont Yankee. We're not going to earn
18 change orders against ourselves there. We don't expect
19 to apply for change orders or receive change orders on
20 the Duke Crystal River 1 and 2. We're not assuming that
21 on this other 270 Park project that's referenced.

22 So fundamentally, we're excluding these
23 individually larger projects where we don't expect
24 change orders to be following a similar pattern to
25 routine historical smaller work.

1 And so we're applying this 32 percent change
2 order factor not to the entire [REDACTED] of hard
3 backlog, but only applying it to this residual
4 [REDACTED] pool of individually smaller projects. So
5 we're just backing that out of a calculated -- out of a
6 calculation to get to the relevant denominator, if you
7 will.

8 Q So if I go look on the first page in the hard
9 backlog, this is the hard backlog on the first page?

10 A Correct.

11 Q The Tampa IE, is that Crystal River?

12 A No, it is not. That's a different business.

13 Q So where is -- okay. First of all, I wasn't
14 aware you were doing decommissioning. Is this a D&D job
15 at Crystal River 1 and 2?

16 A Of the fossil units that are -- yes, that was
17 announced as part of the overall transaction
18 announcement at the same time that Crystal River 3 was
19 publicly announced, as I recall, and that is fossil
20 decommissioning work at that site.

21 Q So were those negotiated together?

22 A At least on a parallel timeline. I don't know
23 exactly if they overlap. I believe there were different
24 individuals involved from different parts of Duke and
25 certainly even parts of NorthStar, but the timing ran in

REDACTED

Page 96

1 the preamble which is -- I guess it's Page 1.

2 A Yes. It says Credit and Guarantee Agreement
3 at the top?

4 Q Yes, sir. And there's a definition -- well, I
5 guess the first definition is 2019 dividend. And this
6 is that [REDACTED] that Mr. Polich discussed in his
7 testimony; is that right?

8 A Yes.

9 Q What does that have to do with this agreement?
10 I'm just curious.

11 A It was specifically -- as I mentioned
12 previously, in a credit agreement like this, the lenders
13 are going to generally put restrictions on the company's
14 ability to pay difficult dividends out, pay funds out to
15 investors in the company. And so that [REDACTED]
16 dividend that's referenced here on the first page was
17 explicitly allowed as part of the refinancing
18 transaction. So it was actually paid concurrently with
19 the refinancing. And so it was referenced here in the
20 document as being allowed by the lenders.

21 Q Is it fair to say that the refinancing or the
22 restructuring provided for funds to make the dividend
23 payment?

24 A Yes, it is actually.

25 Q Okay. If you could go to Page 40 and 41 of

REDACTED

1 them in any way?

2 A Yes. They are only available to support the
3 continued performance of the ongoing decommissioning
4 work.

5 Q Okay. On Page 14 starting at line 17, you
6 talk about -- well, you get into talking about the
7 [REDACTED] Do you see that?

8 A Yes.

9 Q Okay. And you talk about the value that
10 creates for DEF's customers. What do you mean by that
11 phrase, "value that creates for DEF's customers"?

12 A That disposal cost is a -- disposal is a key
13 cost variable on any decommissioning project. And
14 knowing that there is [REDACTED] of pre-committed
15 disposal as part of the transaction structure, that
16 creates a layer of protection, a buffer layer. And
17 when, you know, we talk about the scenario, you
18 mentioned some hypothetical scenarios of what if there
19 was a cost overrun, or what if, you know, 50 percent of
20 the money had been paid but there was still 75 percent
21 of the work to do, this is a protection because it is a
22 dollar to dollar -- dollar for dollar offset effectively
23 to the expected cost of performing the decommissioning.

24 So it is a resource that provides additional
25 funding and/or really reduces the out-of-pocket cost to

1 complete the decommissioning if you could send
2 [REDACTED] site at no
3 incremental cost to the trust fund if there was some
4 problem.

5 Q Okay. So I don't know how a low-level
6 radioactive waste disposal site works, but I assume
7 there is some kind of a unit cost either by weight or
8 volume or some other measure that's got a dollar sign
9 attached to each unit. Is that fair?

10 A For accounting purposes, yes. For economic
11 purposes, not necessarily. I'm not trying to be
12 evasive. I can clarify that if you'd like.

13 Q I'm just trying to understand how you would
14 know that you've got [REDACTED]. Is it like
15 [REDACTED] of what you're going to take out of CR3? How
16 do you know that?

17 Well, first of all, how do you value that
18 relative to the job you're trying to do?

19 MR. HERNANDEZ: Object to form.

20 A Yes, at a high level there would be standard
21 pricing established for waste coming out of the site
22 depending on the characterization of that waste.
23 Whether it's class A, class B, class C, there's
24 different pricing associated with those different levels
25 of waste.

1 And so in the normal course of business, the
2 expectation would be that NorthStar or Orano, depending
3 on the nature of the work being performed, would
4 generate low-level radioactive waste in the
5 decommissioning, would send it to WCS. WCS would send
6 an invoice to the relevant party. Cash would change
7 hands and things would flow that way.

8 Q Okay.

9 A The pricing that's used to support the flow of
10 waste back and forth in what's anticipated to be the
11 normal course of business, if one of the parties didn't
12 perform or there was payment not made or anything along
13 those lines, that same -- instead of sending a

14 [REDACTED] if there was a failure to
15 perform, this agreement has been put in place to say
16 that that waste could still be sent to the disposal
17 site. WCS is effectively guaranteeing to take that
18 waste regardless of -- take that waste and guarantee
19 that they'll take [REDACTED] of waste if there was some
20 event that triggered this provision to become relevant.

21 Q Has the [REDACTED] has that become fixed in
22 terms of what services will be provided? In other
23 words, I'm going to make a number up. One hundred -- I
24 mean 10 million pounds. I don't know how many tons that
25 is. Let's say that you sat down and you said

1 10 million pounds today over X period of time is
2 [REDACTED] Is that in any way fixed? In
3 other words, do you know for sure that you could put
4 this amount of volume over there for [REDACTED] credit
5 or cash, however, over this period of time or can that
6 number change?

7 MR. HERNANDEZ: Object to form.

8 A I don't know whether that's completely
9 finalized or it's in a draft form, but there's
10 indicative pricing, I believe, that exists. I don't
11 know whether that's still being refined or not, but it's
12 not a -- it's a number that has some basis behind it.

13 It's important to remember that this
14 [REDACTED] So if
15 you think about the balance of how this is structured,
16 and this is another, you know, thing that was done
17 intentionally and thoughtfully as part of the
18 negotiations on this, at the beginning of the project
19 you haven't by definition disposed of anything yet. So
20 you have your greatest disposal liability at the time
21 you have the [REDACTED]

22 Over time, as some of the work and some of the
23 volume starts being sent there, through the 6 percent
24 contribution we're replacing the [REDACTED]
25 [REDACTED] with more general cash collateral

REDACTED

1 that could be used for anything, not just disposal.

2 So there's some thought that goes into that
3 structure because at the beginning you have your
4 greatest disposal exposure to the project, and as you go
5 from starting to send waste over and taking down the
6 remaining disposal, you're replacing that specific type
7 of project guarantee or support with a more general cash
8 collateral.

9 But the reason you wanted to rebut this point
10 specifically in the testimony is there really didn't
11 seem to be any credit being given for this [REDACTED] up
12 front when you have all of the disposal of the project
13 out in front of you, and then we replace it over time
14 with cash to get to the commercially negotiated
15 50 million. But there's always \$50 million of cost
16 protection to the project the way this was structured
17 and designed.

18 BY MR. REHWINKEL:

19 Q So the transaction between ADP and WCS, that
20 would be an affiliate party transaction, right?

21 A Yes, because of the relationship there, we
22 would likely characterize it as that.

23 Q And is the financial arrangement contract
24 indicative pricing, whatever, that's going to be at some
25 point, I guess, executed, is that a fixed price over the

REDACTED

1 regulatory approval process hasn't been completed. And
2 therefore, we're not in a position to proceed with the
3 actual execution of the work.

4 Q You have an executed contract with Duke,
5 right?

6 A Yes.

7 Q Are there other contracts that are not
8 executed at this point?

9 A No. At this point, there's nothing else --
10 there's nothing else material in that number that is not
11 supported by an underlying contract.

12 Q When you were talking about the [REDACTED]

13 [REDACTED]

14 A Yes.

15 Q -- it sounded to me like you weren't sure
16 whether that contract was executed or not. Do you know,
17 is that contract executed and in place?

18 A There is agreed-upon price -- well, the
19 [REDACTED] is executed and will be
20 executed and will be in place as of the date of the
21 closing. We don't have an approved transaction yet, so
22 it's not really in force at this point. So, you know,
23 it will be effective the date of the closing of the
24 transaction.

25 Q Right. But you're saying that you've seen the

1 with that?

2 A Well, conservatively, you know, there's 40 to
3 50 years of expected permitted operation at a minimum
4 and a potential for expansions beyond that. So again, I
5 can't give you exact numbers, but the potential -- the
6 volumes associated with the guarantee here are amply
7 covered multiple times over by the capacity of the site.

8 Q And you would agree if that guarantee, that
9 number, it could be a good deal for Duke or maybe it's
10 not a good deal for Duke?

11 MR. HERNANDEZ: Object to form.

12 A The number is a supplemental protection. The
13 deal for Duke is in the \$540 million pricing. The
14 [REDACTED] is just a supplemental layer of protection as
15 part of the whole provisional trust concept that's
16 structured into the DSA.

17 BY MR. MOYLE:

18 Q So it's not an add on [REDACTED] It's just part of
19 the overall 540 and you've got a locked-in disposal
20 price?

21 A No, it's -- there's a \$540 million fixed
22 price. That is what Duke is going to put into the trust
23 and that's all that's available to support the project.
24 What the [REDACTED] is is simply saying if ADP didn't perform
25 for any reason, that there's [REDACTED] of committed

**REDACTED IN
ENTIRETY**

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
Dated: July 2, 2020

**JEFF ADIX RESPONSE TO
LATE-FILED DEPOSITION EXHIBIT
ON BEHALF OF
DUKE ENERGY FLORIDA, LLC**

REDACTED

Late filed Ex. 3 –

[REDACTED]

[REDACTED]

REDACTED

1 were multiple layers of protections built into the DSA
2 to ensure that. So beyond the normal case schedule on
3 the project where ADP is only being paid for completion,
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5 milestones, then there's the additional buffer layer of
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12 there's the pay, then grieve requirement, you know, that
13 was perceived as being a hole or a risk that could allow
14 ADP to get out in front of, going back to my previous
15 term, the payments on the project, when in reality that
16 entire [REDACTED] is covered and effectively cash
17 collateralized by the provisional trust that is part of
18 the DSA from day one.

19 So as a specific rebuttal point on that, it's
20 not a coincidence that the amount of cash that is put in
21 trust on day one at closing matches this concept where
22 Duke must pay and then will work out the timing or work
23 out any question of where a specific item is because the
24 size of that gap again is cash collateralized on the
25 first day of the transaction.

REDACTED

Page 71

1 A Not as a stand-alone asset. Generally no.

2 BY MR. REHWINKEL:

3 Q Okay. I was going to ask you a question about
4 the big document that you provided to us in the duces
5 tecum list, which is the credit agreement, the Credit
6 and Guarantee Agreement.

7 A Yes.

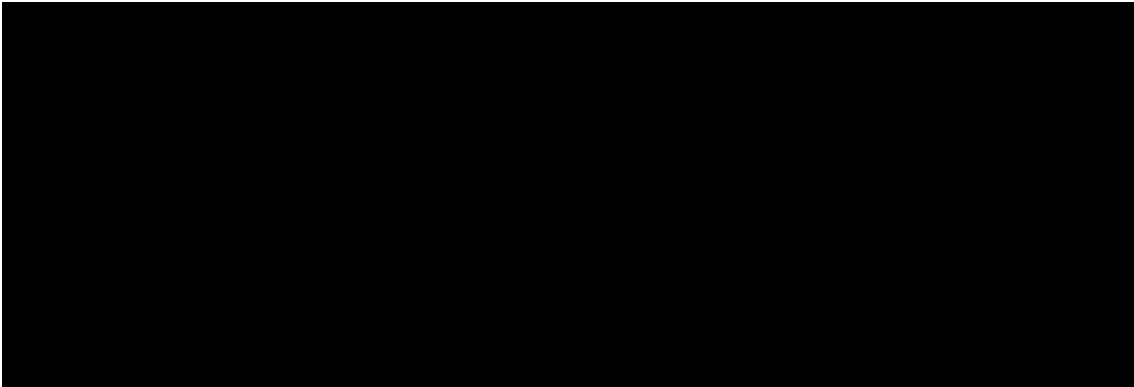
8 Q Okay. And this -- I want to ask you about
9 goodwill with respect to this document, but let's just
10 go over to Page 9 of your testimony and link this
11 document up to your testimony, if we can, on -- this is
12 in the Confidential section that goes from line 8
13 through line 11.

14 A Yes.

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A Yes. I would ask you to look at Page 130 of the agreement, section 6.4, sub part N, please.

Q Okay. Sub part N. All right. Would you mind reading the language?

A Yes. Sub part N: Additional restricted payments made by holdings or any of holdings' restricted subsidiaries provided on a proforma basis immediately after giving effect to any such restricted payment, A, no event of default should have occurred and be continuing or would result therefrom, and B, the consolidated total net leverage ratio shall not exceed 2.00 to 1.00.

Q Okay. And if we turn back to Page 18 of this agreement --

A Yes.

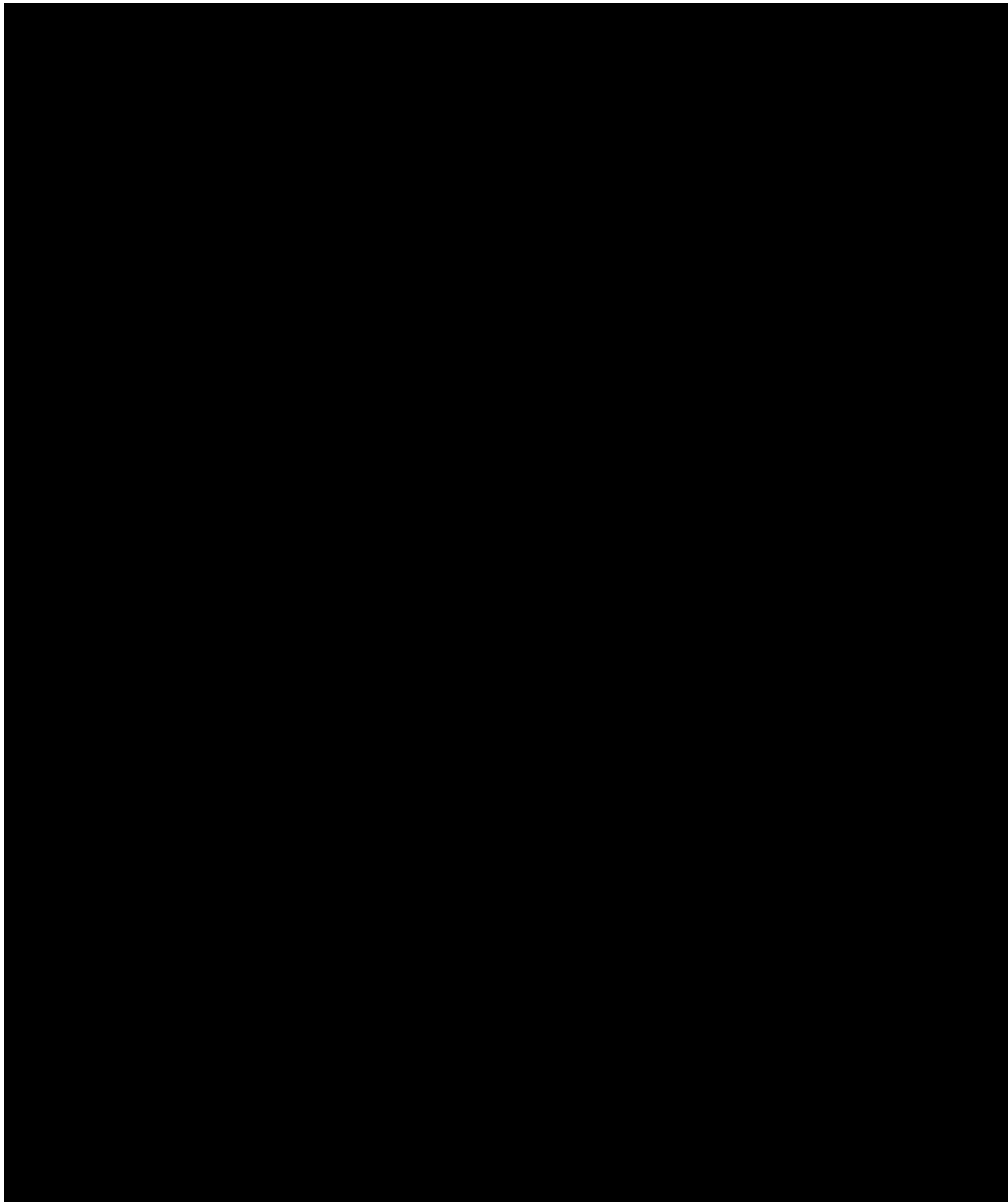
Q -- you see that the -- this is where the definition of consolidated -- is this the right definition? It says consolidated total net leverage ratio?

1 A I do.

2 Q And I paraphrased a little bit there.

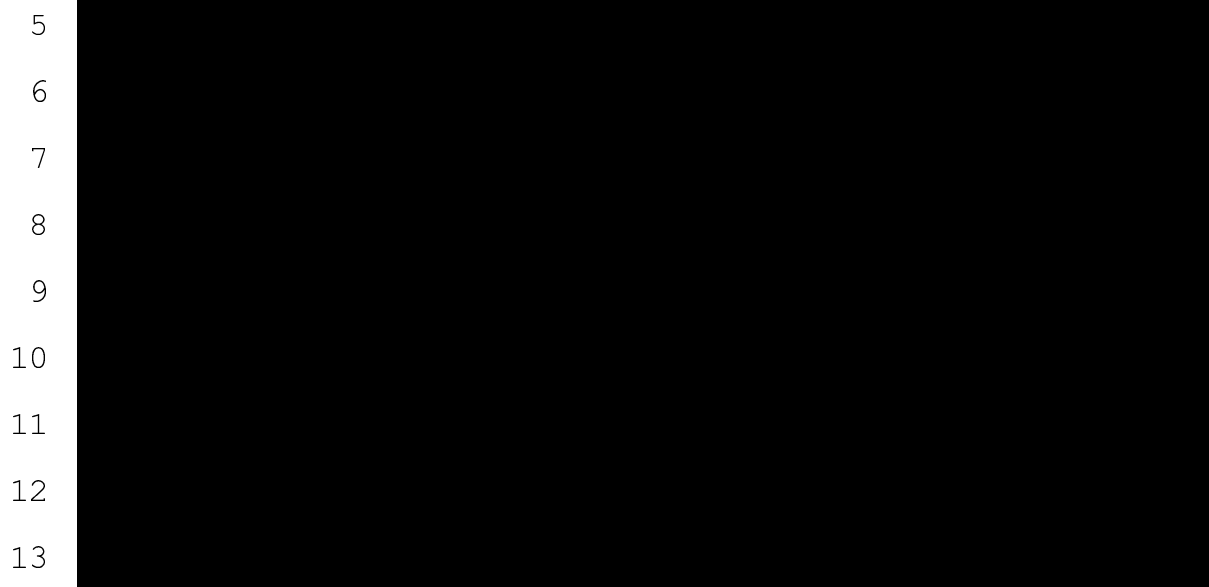
3 Can you tell me where he says that they -- he
4 ties old financial results to the forward-looking
5 financial prospects?

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REDACTED

1 And I just want to know kind of what the two numbers are
2 that you would look at for the -- or what numbers, maybe
3 there are more than two, to determine the equity ratio
4 from this balance sheet for 2019.



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14 A Yes.

15 Q Okay. Let's go to Page 11, line 18 through
16 20, and it's -- if we go to Page 11 and go to lines 18
17 through 19, and I want to direct you to the sentence
18 that starts with the word "Consistent."

19 A Yes.

20 Q Do you see that?

21 A Yes.

22 Q Could you read that aloud, and then I want to
23 ask you about the document that I think relates to that.

24 A Okay. "Consistent with the going concern
25 testimony above, these results are sustained by

REDACTED

Page 89

1 [REDACTED] of reported revenue backlog entering 2020
2 and a larger pipeline of additional opportunities."

3 Q Okay. Now, the [REDACTED] backlog, we asked
4 you for the document. I think you gave us what's
5 number 8.

6 A Yes.

7 Q Okay. Can you show me on this document where
8 the components of the [REDACTED] are?

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13
14

15 Q Yes, if you wouldn't mind, and then I want to
16 ask you what soft backlog means, but --

17 A Yes. So in the way that we do our reporting,
18 hard backlog is existing signed fixed-price contracts on
19 percentage of completion work that is accounted for on a
20 percentage of completion accounting basis. And so this
21 is -- you know, there's a contract. You can point to
22 the contract and say, this contract has a fixed price of
23 \$10 million and we're 60 percent of the way through it,
24 so we have a hard backlog remaining of \$4 million.
25 Sixty percent of the 10 million is complete.

1 the same month.

2 So those are all types of work that roll into
3 what we would call soft backlog which are revenue that
4 we expect to see in the coming 12 months.

5 The other category of soft backlog is work
6 where we have a signed contract or we are in the
7 process -- we've been given an award by the customer,
8 but we're in the process of negotiating a contract. If
9 the work has been won, but you haven't yet moved it to
10 hard backlog, then that would also be included in our
11 standard recurring definition of soft backlog.

12 So there's two examples included in here.
13 Obviously, a large and very relevant one to this
14 conversation is the \$540 million value associated with
15 the Crystal River decommissioning. That qualifies as
16 soft backlog in this reporting because we have an
17 executed agreement against it as noted in the reporting,
18 subject to regulatory approval, of course. Or it can be
19 smaller things like this project up here, Ameren,
20 McLean, Illinois, where we have an [REDACTED] scope
21 expansion that's been awarded to us, but the relevant
22 contract documents, purchase orders were still in the
23 process of being issued at the reporting cutoff date.
24 So that's an example, a smaller example of a similar
25 concept.

1 So it's the total of those two, the
2 fixed-price, fully contracted work, the recurring
3 non-fixed-price work that runs through the numbers, as
4 well as timing items for work that's in the process --
5 it's awarded but in the process of being contracted that
6 makes up our total definition of backlog.

7 Q What is the reference to -- thank you for
8 that. What is the reference to the Duke Crystal River
9 Units 1 and 2? It says "exclude" and it's a negative of
10 [REDACTED] What does that reference?

11 A So that's the section of the calculation where
12 we start with the total hard backlog, the [REDACTED] from
13 the previous page, and this is the section where we are
14 calculating expected change orders on future work. And
15 so we're not saying that we're going to earn change
16 orders on all of the work that's in hard backlog. We're
17 backing out Vermont Yankee. We're not going to earn
18 change orders against ourselves there. We don't expect
19 to apply for change orders or receive change orders on
20 the Duke Crystal River 1 and 2. We're not assuming that
21 on this other 270 Park project that's referenced.

22 So fundamentally, we're excluding these
23 individually larger projects where we don't expect
24 change orders to be following a similar pattern to
25 routine historical smaller work.

1 And so we're applying this 32 percent change
2 order factor not to the entire [REDACTED] of hard
3 backlog, but only applying it to this residual
4 [REDACTED] pool of individually smaller projects. So
5 we're just backing that out of a calculated -- out of a
6 calculation to get to the relevant denominator, if you
7 will.

8 Q So if I go look on the first page in the hard
9 backlog, this is the hard backlog on the first page?

10 A Correct.

11 Q The Tampa IE, is that Crystal River?

12 A No, it is not. That's a different business.

13 Q So where is -- okay. First of all, I wasn't
14 aware you were doing decommissioning. Is this a D&D job
15 at Crystal River 1 and 2?

16 A Of the fossil units that are -- yes, that was
17 announced as part of the overall transaction
18 announcement at the same time that Crystal River 3 was
19 publicly announced, as I recall, and that is fossil
20 decommissioning work at that site.

21 Q So were those negotiated together?

22 A At least on a parallel timeline. I don't know
23 exactly if they overlap. I believe there were different
24 individuals involved from different parts of Duke and
25 certainly even parts of NorthStar, but the timing ran in

1 the preamble which is -- I guess it's Page 1.

2 A Yes. It says Credit and Guarantee Agreement
3 at the top?

4 Q Yes, sir. And there's a definition -- well, I
5 guess the first definition is 2019 dividend. And this
6 is that [REDACTED] that Mr. Polich discussed in his
7 testimony; is that right?

8 A Yes.

9 Q What does that have to do with this agreement?
10 I'm just curious.

11 A It was specifically -- as I mentioned
12 previously, in a credit agreement like this, the lenders
13 are going to generally put restrictions on the company's
14 ability to pay difficult dividends out, pay funds out to
15 investors in the company. And so that [REDACTED]
16 dividend that's referenced here on the first page was
17 explicitly allowed as part of the refinancing
18 transaction. So it was actually paid concurrently with
19 the refinancing. And so it was referenced here in the
20 document as being allowed by the lenders.

21 Q Is it fair to say that the refinancing or the
22 restructuring provided for funds to make the dividend
23 payment?

24 A Yes, it is actually.

25 Q Okay. If you could go to Page 40 and 41 of

REDACTED

1 them in any way?

2 A Yes. They are only available to support the
3 continued performance of the ongoing decommissioning
4 work.

5 Q Okay. On Page 14 starting at line 17, you
6 talk about -- well, you get into talking about the
7 [REDACTED] Do you see that?

8 A Yes.

9 Q Okay. And you talk about the value that
10 creates for DEF's customers. What do you mean by that
11 phrase, "value that creates for DEF's customers"?

12 A That disposal cost is a -- disposal is a key
13 cost variable on any decommissioning project. And
14 knowing that there is [REDACTED] of pre-committed
15 disposal as part of the transaction structure, that
16 creates a layer of protection, a buffer layer. And
17 when, you know, we talk about the scenario, you
18 mentioned some hypothetical scenarios of what if there
19 was a cost overrun, or what if, you know, 50 percent of
20 the money had been paid but there was still 75 percent
21 of the work to do, this is a protection because it is a
22 dollar to dollar -- dollar for dollar offset effectively
23 to the expected cost of performing the decommissioning.

24 So it is a resource that provides additional
25 funding and/or really reduces the out-of-pocket cost to

1 complete the decommissioning if you could send
2 [REDACTED] site at no
3 incremental cost to the trust fund if there was some
4 problem.

5 Q Okay. So I don't know how a low-level
6 radioactive waste disposal site works, but I assume
7 there is some kind of a unit cost either by weight or
8 volume or some other measure that's got a dollar sign
9 attached to each unit. Is that fair?

10 A For accounting purposes, yes. For economic
11 purposes, not necessarily. I'm not trying to be
12 evasive. I can clarify that if you'd like.

13 Q I'm just trying to understand how you would
14 know that you've got [REDACTED]. Is it like
15 [REDACTED] of what you're going to take out of CR3? How
16 do you know that?

17 Well, first of all, how do you value that
18 relative to the job you're trying to do?

19 MR. HERNANDEZ: Object to form.

20 A Yes, at a high level there would be standard
21 pricing established for waste coming out of the site
22 depending on the characterization of that waste.
23 Whether it's class A, class B, class C, there's
24 different pricing associated with those different levels
25 of waste.

1 And so in the normal course of business, the
2 expectation would be that NorthStar or Orano, depending
3 on the nature of the work being performed, would
4 generate low-level radioactive waste in the
5 decommissioning, would send it to WCS. WCS would send
6 an invoice to the relevant party. Cash would change
7 hands and things would flow that way.

8 Q Okay.

9 A The pricing that's used to support the flow of
10 waste back and forth in what's anticipated to be the
11 normal course of business, if one of the parties didn't
12 perform or there was payment not made or anything along
13 those lines, that same -- instead of sending a

14 [REDACTED] if there was a failure to
15 perform, this agreement has been put in place to say
16 that that waste could still be sent to the disposal
17 site. WCS is effectively guaranteeing to take that
18 waste regardless of -- take that waste and guarantee
19 that they'll take [REDACTED] of waste if there was some
20 event that triggered this provision to become relevant.

21 Q Has the [REDACTED] has that become fixed in
22 terms of what services will be provided? In other
23 words, I'm going to make a number up. One hundred -- I
24 mean 10 million pounds. I don't know how many tons that
25 is. Let's say that you sat down and you said

1 10 million pounds today over X period of time is
2 [REDACTED] Is that in any way fixed? In
3 other words, do you know for sure that you could put
4 this amount of volume over there for [REDACTED] credit
5 or cash, however, over this period of time or can that
6 number change?

7 MR. HERNANDEZ: Object to form.

8 A I don't know whether that's completely
9 finalized or it's in a draft form, but there's
10 indicative pricing, I believe, that exists. I don't
11 know whether that's still being refined or not, but it's
12 not a -- it's a number that has some basis behind it.

13 It's important to remember that this
14 [REDACTED] So if
15 you think about the balance of how this is structured,
16 and this is another, you know, thing that was done
17 intentionally and thoughtfully as part of the
18 negotiations on this, at the beginning of the project
19 you haven't by definition disposed of anything yet. So
20 you have your greatest disposal liability at the time
21 you have the [REDACTED]

22 Over time, as some of the work and some of the
23 volume starts being sent there, through the 6 percent
24 contribution we're replacing the [REDACTED]
25 [REDACTED] with more general cash collateral

REDACTED

1 that could be used for anything, not just disposal.

2 So there's some thought that goes into that
3 structure because at the beginning you have your
4 greatest disposal exposure to the project, and as you go
5 from starting to send waste over and taking down the
6 remaining disposal, you're replacing that specific type
7 of project guarantee or support with a more general cash
8 collateral.

9 But the reason you wanted to rebut this point
10 specifically in the testimony is there really didn't
11 seem to be any credit being given for this [REDACTED] up
12 front when you have all of the disposal of the project
13 out in front of you, and then we replace it over time
14 with cash to get to the commercially negotiated
15 50 million. But there's always \$50 million of cost
16 protection to the project the way this was structured
17 and designed.

18 BY MR. REHWINKEL:

19 Q So the transaction between ADP and WCS, that
20 would be an affiliate party transaction, right?

21 A Yes, because of the relationship there, we
22 would likely characterize it as that.

23 Q And is the financial arrangement contract
24 indicative pricing, whatever, that's going to be at some
25 point, I guess, executed, is that a fixed price over the

REDACTED

1 regulatory approval process hasn't been completed. And
2 therefore, we're not in a position to proceed with the
3 actual execution of the work.

4 Q You have an executed contract with Duke,
5 right?

6 A Yes.

7 Q Are there other contracts that are not
8 executed at this point?

9 A No. At this point, there's nothing else --
10 there's nothing else material in that number that is not
11 supported by an underlying contract.

12 Q When you were talking about the [REDACTED]

13 [REDACTED]

14 A Yes.

15 Q -- it sounded to me like you weren't sure
16 whether that contract was executed or not. Do you know,
17 is that contract executed and in place?

18 A There is agreed-upon price -- well, the
19 [REDACTED] is executed and will be
20 executed and will be in place as of the date of the
21 closing. We don't have an approved transaction yet, so
22 it's not really in force at this point. So, you know,
23 it will be effective the date of the closing of the
24 transaction.

25 Q Right. But you're saying that you've seen the

1 with that?

2 A Well, conservatively, you know, there's 40 to
3 50 years of expected permitted operation at a minimum
4 and a potential for expansions beyond that. So again, I
5 can't give you exact numbers, but the potential -- the
6 volumes associated with the guarantee here are amply
7 covered multiple times over by the capacity of the site.

8 Q And you would agree if that guarantee, that
9 number, it could be a good deal for Duke or maybe it's
10 not a good deal for Duke?

11 MR. HERNANDEZ: Object to form.

12 A The number is a supplemental protection. The
13 deal for Duke is in the \$540 million pricing. The
14 [REDACTED] is just a supplemental layer of protection as
15 part of the whole provisional trust concept that's
16 structured into the DSA.

17 BY MR. MOYLE:

18 Q So it's not an add on [REDACTED] It's just part of
19 the overall 540 and you've got a locked-in disposal
20 price?

21 A No, it's -- there's a \$540 million fixed
22 price. That is what Duke is going to put into the trust
23 and that's all that's available to support the project.
24 What the [REDACTED] is is simply saying if ADP didn't perform
25 for any reason, that there's [REDACTED] of committed

**REDACTED IN
ENTIRETY**

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
Dated: July 2, 2020

**JEFF ADIX RESPONSE TO
LATE-FILED DEPOSITION EXHIBIT
ON BEHALF OF
DUKE ENERGY FLORIDA, LLC**

REDACTED

Late filed Ex. 3 –

[REDACTED]

[REDACTED]

Exhibit C
DUKE ENERGY FLORIDA, LLC
Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
<p>Deposition transcript for deposition of DEF’s witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 51, Line 11: All information after “the example of the” and before “bucket where” 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 contains confidential information, the disclosure of which would impair DEF’s competitive interests.</p>
<p>Deposition transcript for deposition of DEF’s witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 51, Line 16: All information after “entire” and before “is covered and effectively” 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 contains confidential information, the disclosure of which would impair DEF’s competitive interests.</p>

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 71, Lines 15-25: All information 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 72, Lines 1-6: All information 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 83, Lines 6-25: All information is confidential.</p>	<p>§366.093(3)(d), F.S. The document in question contains confidential</p>

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
		<p>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>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 88, Lines 5-13: All information 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 89, Line 1: All information before "of reported revenue" 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</p>

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
		<p>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>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 89, Line 3: All information after "Now, the" and before "backlog, we asked" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 51, Line 16: All information after "components of the" and before "are?" 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.</p>

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		<p>The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 89, Lines 9-14: All information 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 91, Line 20: All information after "where we have an" and before "scope" 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 contains confidential information, the</p>

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
		disclosure of which would impair DEF's competitive interests.
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 92, Line 10: All information before "What does that reference?" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 92, Line 12: All information after "total hard backlog, the" and before "from" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
<p>Deposition transcript for deposition of DEF’s witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 93, Line 2: All information after “order factor not to the entire” and before “of hard” 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 contains confidential information, the disclosure of which would impair DEF’s competitive interests.</p>
<p>Deposition transcript for deposition of DEF’s witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 93, Line 4: All information before “poll of individually” 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 contains confidential information, the disclosure of which would impair DEF’s competitive interests.</p>
<p>Deposition transcript for deposition of DEF’s witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 96, Line 6: All information after “is that” and before “that Mr. Polich discussed” is confidential.</p>	<p>§366.093(3)(d), F.S. The document in question contains confidential</p>

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
		<p>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>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 96, Line 15: All information after "And so thats" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 103, Line 7: All information before "Do you see that?" 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</p>

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
		<p>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>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 103, Line 14: All information after "knowing that there is" and before "of pre-committed" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 104, Line 2: All information before "site at no" 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.</p>

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		<p>The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 104, Line 14: All information after "know that you've got" and before "Is it like" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 104, Line 15: All information before "of what you're going to take" 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 contains confidential information, the</p>

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		disclosure of which would impair DEF's competitive interests.
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 105, Line 14: All information before "if there was a failure to" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 105, Line 19: All information after "that they'll take" and before "of waste if there was some" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>

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<p>Deposition transcript for deposition of DEF’s witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 105, Line 21: All information after “Has the” and before “of has that become fixed in” 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 contains confidential information, the disclosure of which would impair DEF’s competitive interests.</p>
<p>Deposition transcript for deposition of DEF’s witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 106, Line 2: All information before “Is that in any way fixed?” 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 contains confidential information, the disclosure of which would impair DEF’s competitive interests.</p>
<p>Deposition transcript for deposition of DEF’s witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 106, Line 4: All information after “volume over there for” and before “credit” is confidential.</p>	<p>§366.093(3)(d), F.S. The document in question contains confidential</p>

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		<p>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>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 106, Line 14: All information before "So if" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 106, Line 21: All information after "you have the" 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</p>

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		<p>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>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 106, Line 24: All information after "we're replacing the" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 106, Line 25: All information before "with more general cash collateral" 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.</p>

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		<p>The document in question contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 107, Line 11: All information after "being given for this" and before "up" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 149, Lines 12-13: All information after "were talking about the" 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 contains confidential information, the</p>

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		disclosure of which would impair DEF's competitive interests.
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 149, Line 19: All information before "is executed and will be" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 167, Line 14: All information before "is just a supplemental layer" 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>

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<p>Deposition transcript for deposition of DEF’s witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 167, Line 18: All information after “it’s not an add on” and before “It’s just part of” 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 contains confidential information, the disclosure of which would impair DEF’s competitive interests.</p>
<p>Deposition transcript for deposition of DEF’s witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 167, Line 24: All information after “What the” and before “is is simply saying if ADP” 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 contains confidential information, the disclosure of which would impair DEF’s competitive interests.</p>
<p>Deposition transcript for deposition of DEF’s witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 167, Line 25: All information after “for any reason, that there’s” and before “of committed” is confidential.</p>	<p>§366.093(3)(d), F.S. The document in question contains confidential</p>

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		<p>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>
<p>Deposition transcript for deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Word Index attached to the deposition transcript as pages 1 through 35: All information 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 contains confidential information, the disclosure of which would impair DEF's competitive interests.</p>
<p>Late-Filed Exhibit 3 to the deposition of DEF's witness Jeff Adix, P.E. taken on June 24, 2020</p>	<p>Page 2 of Late-Filed Exhibit 3: All information after "Late filed Ex. 3 –" on this page 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</p>

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		<p>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 21, 2020

**AFFIDAVIT OF TERRY HOBBS IN SUPPORT OF
DUKE ENERGY FLORIDA, LLC'S FIFTEENTH
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 Fifteenth 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 transcript for the deposition of DEF's witness Jeff Adix taken on June 24, 2020, as well as late-filed exhibit 3 to said deposition. The confidential information at issue is contained in 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 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