



Dianne M. Triplett
Deputy General Counsel

March 18, 2019

VIA ELECTRONIC FILING

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

Re: *Duke Energy Florida, LLC's Petition a Limited Proceeding to Approve First Solar Base Rate Adjustment; Docket 20190149-EI*

Dear Mr. Teitzman:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's Request for Confidential Classification filed in connection with DEF's response to Staff's Second Set of Interrogatories (Nos. 41-50), filed on February 25, 2018.

The filing includes the following:

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

DEF's confidential Exhibit A that accompanies the above-referenced filing was filed with DEF's Notice of Intent to Request Confidential Classification (document no. 01246-2019) and remains on file with the Clerk.

Thank you for your assistance in this matter. Please feel free to call me at (727) 820-4692 should you have any questions concerning this filing.

Sincerely,

/s/ Dianne M. Triplett

DMT/mw
Enclosures

Dianne M. Triplett

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 20180149-EI

Dated: March 18, 2019

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

Duke Energy Florida, LLC (“DEF” or “Company”), pursuant to Section 366.093, Florida Statutes (“F.S.”), and Rule 25-22.006, Florida Administrative Code (“F.A.C.”), submits this Request for Confidential Classification for the confidential information provided in DEF’s Response to Staff’s Second Set of Interrogatories (Nos. 41-50), submitted on February 25, 2019, concurrently with DEF’s Notice of Intent to Request Confidential Classification. DEF subsequently amended its response on March 5, 2019. The Request is timely. See Ruel 25-22.006(3)(a)1., F.A.C. In support of this Request, DEF states:

1. Information contained in DEF’s Response to Staff’s Second Set of Interrogatories (Nos. 41-50), specifically questions 47 and 50, contain information that is “proprietary confidential business information” under Section 366.093(3), Florida Statutes.

2. The following exhibits are included with this request:

(a) Sealed Composite Exhibit A is a package containing unredacted copies of all the documents for which DEF seeks confidential treatment. Composite Exhibit A was submitted separately in a sealed envelope labeled “CONFIDENTIAL” on February 25, 2019 and amended on March 5, 2019. In the unredacted versions, the information asserted to be confidential is highlighted yellow.

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

(c) Exhibit C is a table which identifies by page and line the information for which DEF seeks confidential classification and the specific statutory bases for seeking confidential treatment.

(d) Exhibit D is an affidavit attesting to the confidential nature of the information identified.

3. As indicated in Exhibit C, the information for which DEF requests confidential classification is “proprietary confidential business information” within the meaning of Section 366.093(3), F.S. Specifically, the confidential business information at issue relates to specific contractual costs. If DEF cannot assure contracting parties that it can maintain the confidentiality of contractual terms, those parties and other similarly situated parties may forego entering contracts with DEF, which would adversely impact DEF’s competitive business interests. *See* § 366.093(3)(d), F.S.; Affidavit Matthew G. Stout at ¶¶ 4 and 5.

4. Additionally, certain information provided to Staff includes land purchase contracts. The terms of these contracts, including pricing terms, are negotiated terms between DEF and the sellers of the properties. Public disclosure of this information would provide other sellers of property valuable insight into prices that DEF may be willing to pay in certain circumstances, thereby materially harming DEF’s ability to negotiate competitive contracts in the future. *See* § 366.093(3)(d) & (e), F.S.; Affidavit of Matthew G. Stout at ¶¶ 4-5.

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

confidential by the Company. *See* Affidavit of Matthew G. Stout at ¶¶5- 6. The information has not been disclosed to the public, and the Company has treated and continues to treat the information at issue as confidential. *See id.* Accordingly, such information constitutes “proprietary confidential business information” which is exempt from disclosure under the Public Records Act pursuant to Section 366.093(1), F.S.

6. DEF requests that the information identified in Exhibit A be classified as “proprietary confidential business information” within the meaning of section 366.093(3), F.S., that the information remain confidential for a period of at least 18 months as provided in section 366.093(4) F.S., and that the information be returned as soon as it is no longer necessary for the Commission to conduct its business.

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

Respectfully submitted this 18th day of March, 2019.

s/Dianne M. Triplett

DIANNE M. TRIPLETT

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F: 727.820.5041

E: Matth.Bernier@Duke-Energy.com

CERTIFICATE OF SERVICE
(Docket No. 20180149-EI)

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to the following by electronic mail this 18th day of March, 2019, to all parties of record as indicated below.

s/ Dianne M. Triplett

Attorney

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

J. R. Kelly / C. Rehwinkel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399
kelly.jr@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us

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Washington, DC 20007
jbrew@smxblaw.com
law@smxblaw.com

Exhibit A

“CONFIDENTIAL”

(Submitted on February 25, 2019 with DEF’s Notice of Intent)

Exhibit B

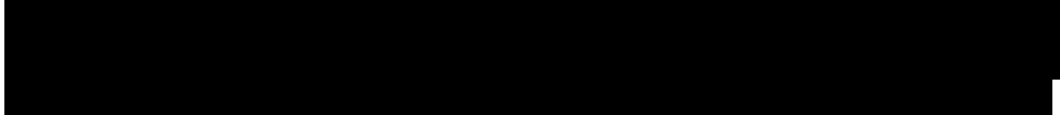
REDACTED

- f. Please provide the cost of title insurance.
- g. Please provide the cost of legal fees during construction.

Answer:

- a. The facility is to be constructed on portions of parcels 11-7S-16-04182-000, 11-7S-16-04182-003, 10-7S-16-04169-001, 15-7S-16-04224-000, 14-7S-16-04217-000, 14-7S-16-04212-000 in Columbia County.
- b. Permitting costs are incorporated into the Duke Development Cost and Development Fee items in the first table below.
- c. The land lease costs during development and construction are included in the Lease Payments During Construction item in the first table below. The estimated on-going, annual land lease fees during commercial operation of the project are provided in second table below.

REDACTED

- d. 

- e. Please refer to the table below. Duke Development Costs represent Duke’s internal cost for development of the project. The Development Fee represents the payments made to Core Solar/First Solar.

- f. Please refer to the table below.

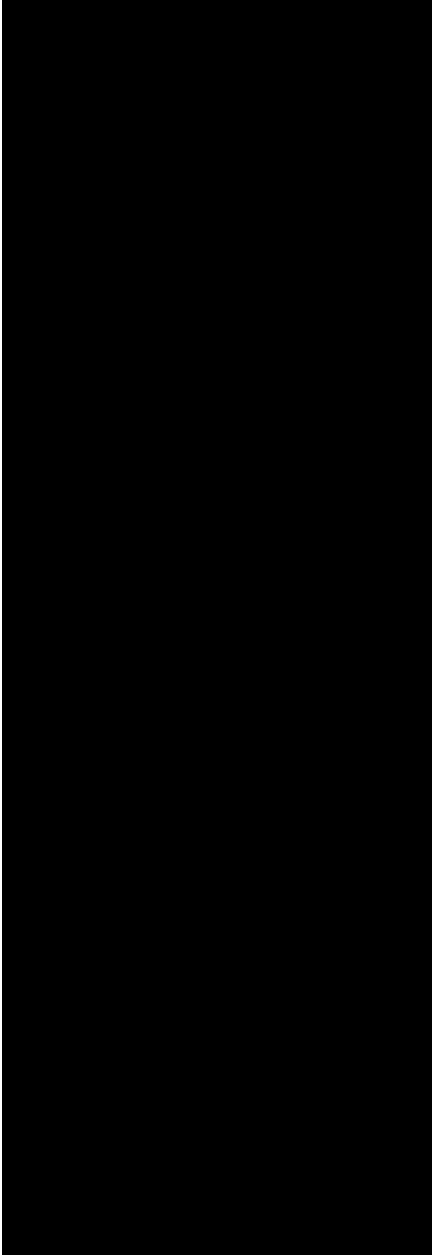
- g. Please refer to the table below.

REDACTED

Columbia Estimated Development and Permitting Costs				
Lease and Land Costs During Construction			\$	
Legal Fees			\$	
Duke Development Costs			\$	
Development Fees			\$	
Title Insurance			\$	
Total			\$	

REDACTED

**Columbia - Estimated Annual Land Lease Cost
(Values in \$000s)**


<u>Year</u>	<u>Land Lease</u>
	

48. Please provide the cost breakdown for Development and Permitting for the Hamilton County project as stated for witness Stout's Exhibit MGS-4, specifically:


- a. Please provide the parcel(s) information for the land being leased for the project.
- b. Please provide the cost of permitting for the site.

- c. Please provide the yearly cost of land lease per year.
- d. Please provide the construction cost, labor and materials, for the project.
- e. Please provide the cost of development fees.
- f. Please provide the cost of title insurance.
- g. Please provide the cost of legal fees during construction.

Answer:

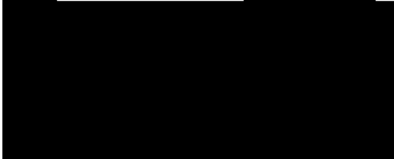
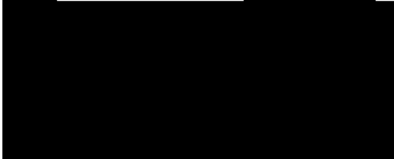
- a. The facility is constructed on portions of Hamilton County Parcel IDs 4736-015 and 4760-000.
- b. Permitting costs are incorporated into the Duke Development Cost and Development Fee items in the first table below.
- c. The land lease costs during development and construction are included in the Lease Payments During Construction item in the first table below. The estimated ongoing, annual land lease fees during commercial operation of the project are provided in second table below. **REDACTED**
- d. 
- e. Please refer to the table below. Duke Development Costs represent Duke's internal cost for development of the project. The Development Fee represents the payments made to Tradewind Energy.
- f. Please refer to the table below.
- g. Please refer to the table below.

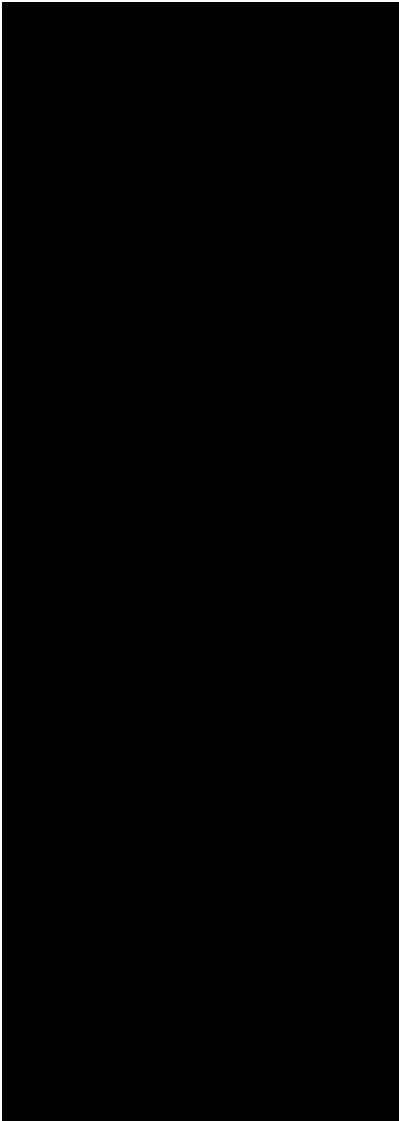
REDACTED

Hamilton Estimated Development and Permitting Costs				
Lease Payments During Construction			\$	
Legal Fees			\$	
Duke Development Costs			\$	
Development Fees			\$	
Title Insurance			\$	
Total			\$	

REDACTED

Hamilton - Estimated Annual Land Lease Cost
(Values in \$000s)

Year	Land Lease
	



49. Please refer to DEF's response to Staff's Second Request for Production of Documents, No. 5, Excel file FA17_SALES_C_COM.xlsx, tab "Coef". In this tab, a model specification is detailed which shows commercial sales described as a function of mStruct_COM.XHeat_C, mStruct_COM.XCool_C, mStruct_COM.XOther_C, AR(1), AR(2). Please substitute these inputs to model commercial sales in the following fashion: Constant, mStruct_COM.XHeat_C, mStruct_COM.XCool_C, mStruct_COM.XOther_C, AR(1).

- a. Please provide all econometric output produced from this estimation in the same fashion as DEF's response to Staff's Second Request for Production of Documents No. 5.
- b. Discuss the merits of modeling commercial sales following the specification proposed in No. 1, relative to DEF's model, based on the econometric output in both cases.
- c. Discuss specifically how the inclusion or exclusion of a constant term affects model forecasts and statistical output.

- f. Please provide the cost of title insurance.
- g. Please provide the cost of legal fees during construction.

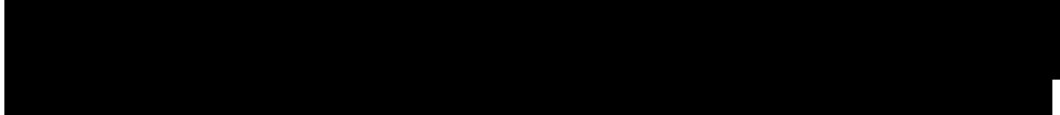
Answer:

a. The facility is to be constructed on portions of parcels 11-7S-16-04182-000, 11-7S-16-04182-003, 10-7S-16-04169-001, 15-7S-16-04224-000, 14-7S-16-04217-000, 14-7S-16-04212-000 in Columbia County.

b. Permitting costs are incorporated into the Duke Development Cost and Development Fee items in the first table below.

c. The land lease costs during development and construction are included in the Lease Payments During Construction item in the first table below. The estimated on-going, annual land lease fees during commercial operation of the project are provided in second table below.

REDACTED

d. 

e. Please refer to the table below. Duke Development Costs represent Duke’s internal cost for development of the project. The Development Fee represents the payments made to Core Solar/First Solar.

f. Please refer to the table below.

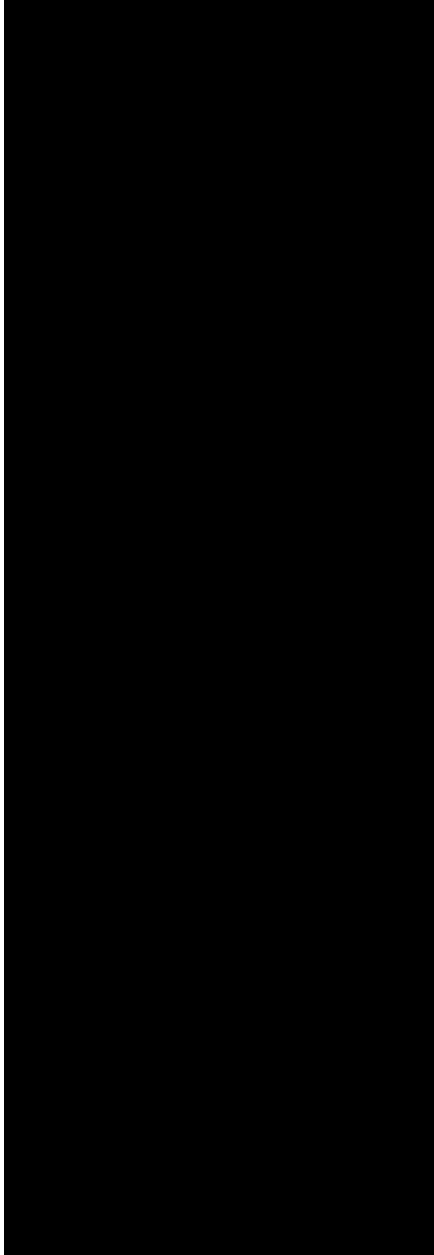
g. Please refer to the table below.

REDACTED

Columbia Estimated Development and Permitting Costs				
Lease and Land Costs During Construction	\$			
Legal Fees	\$			
Duke Development Costs	\$			
Development Fees	\$			
Title Insurance	\$			
Total	\$			

REDACTED

**Columbia - Estimated Annual Land Lease Cost
(Values in \$000s)**

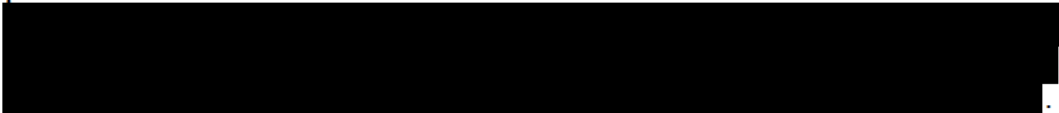
<u>Year</u>	<u>Land Lease</u>
	

48. Please provide the cost breakdown for Development and Permitting for the Hamilton County project as stated for witness Stout's Exhibit MGS-4, specifically:


- a. Please provide the parcel(s) information for the land being leased for the project.
- b. Please provide the cost of permitting for the site.

- c. Please provide the yearly cost of land lease per year.
- d. Please provide the construction cost, labor and materials, for the project.
- e. Please provide the cost of development fees.
- f. Please provide the cost of title insurance.
- g. Please provide the cost of legal fees during construction.

Answer:


- a. The facility is constructed on portions of Hamilton County Parcel IDs 4736-015 and 4760-000.
- b. Permitting costs are incorporated into the Duke Development Cost and Development Fee items in the first table below.
- c. The land lease costs during development and construction are included in the Lease Payments During Construction item in the first table below. The estimated ongoing, annual land lease fees during commercial operation of the project are provided in second table below. **REDACTED**
- d. 
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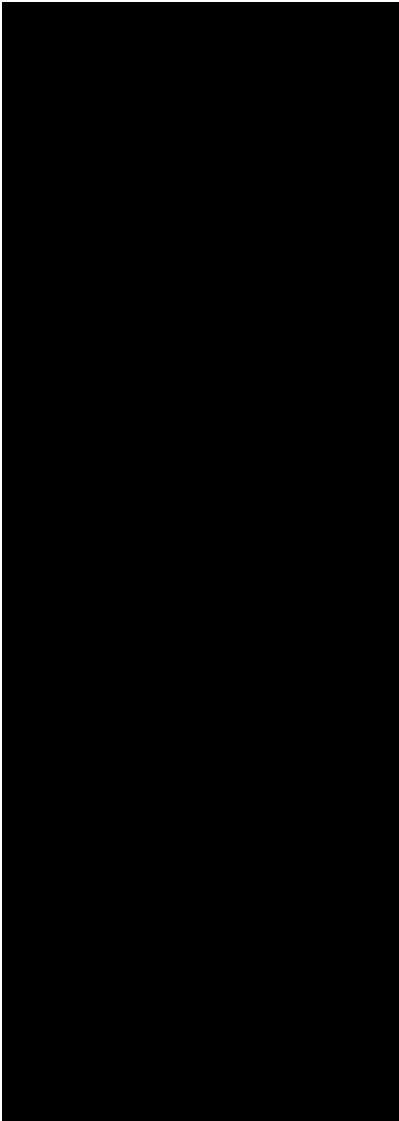
REDACTED

Hamilton Estimated Development and Permitting Costs			
Lease Payments During Construction		\$	
Legal Fees		\$	
Duke Development Costs		\$	
Development Fees		\$	
Title Insurance		\$	
Total		\$	

REDACTED

Hamilton - Estimated Annual Land Lease Cost
(Values in \$000s)

Year	Land Lease
	



49. Please refer to DEF's response to Staff's Second Request for Production of Documents, No. 5, Excel file FA17_SALES_C_COM.xlsx, tab "Coef". In this tab, a model specification is detailed which shows commercial sales described as a function of mStruct_COM.XHeat_C, mStruct_COM.XCool_C, mStruct_COM.XOther_C, AR(1), AR(2). Please substitute these inputs to model commercial sales in the following fashion: Constant, mStruct_COM.XHeat_C, mStruct_COM.XCool_C, mStruct_COM.XOther_C, AR(1).

- a. Please provide all econometric output produced from this estimation in the same fashion as DEF's response to Staff's Second Request for Production of Documents No. 5.
- b. Discuss the merits of modeling commercial sales following the specification proposed in No. 1, relative to DEF's model, based on the econometric output in both cases.
- c. Discuss specifically how the inclusion or exclusion of a constant term affects model forecasts and statistical output.

Exhibit C

DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF's Response to Staff's 2 nd Set of Interrogatories (Nos. 41-50)	Question 47(d): all information contained in the entire response 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 relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF's Response to Staff's 2 nd Set of Interrogatories (Nos. 41-50)	<p>Question 47 (g): all information listed in the third column of the first table titled "Columbia Estimated Development and Permitting Costs" is confidential.</p> <p>Question 47 (g): all information listed in the second table titled "Columbia- Estimated Annual Land Lease Cost (Values in \$000s)" under the "year" and "land lease" columns 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 relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION

<p>DEF's Response to Staff's 2nd Set of Interrogatories (Nos. 41-50)</p>	<p>Question 48 (d): all information contained in the entire response 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 relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
<p>DOCUMENT/RESPONSES</p>	<p>PAGE/LINE</p>	<p>JUSTIFICATION</p>
<p>DEF's Response to Staff's 2nd Set of Interrogatories (Nos. 41-50)</p>	<p>Question 48 (g): all information listed in the third column of the first table titled "Hamilton Estimated Development and Permitting Costs" is confidential.</p> <p>Question 48 (g): all information listed in the second table titled "Hamilton- Estimated Annual Land Lease Cost (Values in \$000s)" under the "year" and "land lease" columns 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 relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

Exhibit D
AFFIDAVIT OF
MATTHEW G. STOUT

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 20180149-EI

Dated: March 18, 2019

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

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

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

2. I am the Managing Director of Business Development for Wind and Solar Development within the RGD Business Development Department. This department is responsible for the development of new solar facilities for DEF.

3. As the Managing Director of Business Development for Wind and Solar Development, I am responsible, along with the other members of the department, for conducting solar development activities including project siting, land acquisition, resource assessment,

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

4. DEF is seeking confidential classification for information contained in its Response to Staff's Second Set of Interrogatories (Nos. 41-50), submitted on February 25, 2019 and Amended on March 5, 2019. The confidential information at issue is contained in confidential Exhibit A to DEF's Request and is outlined in DEF's Justification Matrix that is attached to DEF's Request for Confidential Classification as Exhibit C. DEF is requesting confidential classification of this information because it contains sensitive business information, the disclosure of which would impair the Company's efforts to contract for goods and services on favorable terms.

5. Additionally, the disclosure of confidential information contained in DEF's land purchase contracts and other such documents could adversely impact DEF's competitive business interests. The terms of these contracts, including pricing terms, are negotiated terms between DEF and the sellers of the properties. If such information was disclosed to prospective sellers of property in the marketplace, it would provide valuable insight into prices that DEF may be willing to pay in certain circumstances, thereby materially harming DEF's ability to negotiate competitive contracts in the future. DEF's efforts to obtain competitive contracts that provide economic value to both DEF and its customers could be compromised. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and sellers, the Company's efforts to obtain competitive contracts could be undermined.

6. Upon receipt of confidential information from suppliers, and with its own confidential information, strict procedures are established and followed to maintain the

confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information and contracts. At no time since receiving the contracts and information in question has the Company publicly disclosed that information or contracts. The Company has treated and continues to treat the information at issue as confidential.

7. This concludes my affidavit.

Further affiant sayeth not.

Dated the ____ day of March, 2019.

Matthew G. Stout
Managing Director of Business Development for
Wind and Solar Development
RGD Business Development Department Duke
Energy
400 South Tryon
Charlotte, North Carolina 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this ____ day of _____, 2019, by Matthew G. Stout. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

(Signature)

(Printed Name)
**NOTARY PUBLIC,
STATE OF NORTH CAROLINA**

(AFFIX NOTARIAL SEAL)

(Commission Expiration Date)

(Serial Number, If Any)