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November 15, 2019

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.; Docket No. 20190140-EI

Dear Mr. Teitzman:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC (“DEF”), DEF’s Third Request for Confidential Classification filed in connection with the information contained within its responses to interrogatory numbers 19 and 20 of Staff’s Third Set of Interrogatories (Nos. 17-20). This filing includes the following:

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

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

Thank you for your assistance in this matter. Please feel free to call me at (813) 227-8114 should you have any questions concerning this filing.

Respectfully,

Shutts & Bowen LLP

Daniel Hernandez

Enclosures (as noted)

TPADOCS 22830317 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: November 15, 2019

**DUKE ENERGY FLORIDA, LLC'S THIRD
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 Third Request for Confidential Classification (the “Request”) for certain information provided in DEF’s responses to interrogatory numbers 19 and 20 of Staff’s Third Set of Interrogatories (Nos. 17-20) served on October 18, 2019. In support of this Request, DEF states:

1. Portions of the information contained within DEF’s responses to interrogatory numbers 19 and 20 of Staff’s Third Set of Interrogatories (Nos. 17-20) are “confidential proprietary 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 portions of DEF’s responses to Staff’s Third Set of Interrogatories (Nos. 17-20) for which DEF seeks confidential treatment. **Exhibit A** is being submitted separately in a sealed envelope labeled “CONFIDENTIAL.” In the unredacted copy, the information asserted to be confidential is highlighted in yellow.

(b) **Composite Exhibit B** is two copies of the redacted version of the portions of DEF's responses to Staff's Third Set of Interrogatories (Nos. 17-20) 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 specific portions of DEF's responses to Staff's Third Set of Interrogatories (Nos. 17-20), 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.

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 included in DEF's responses to interrogatory numbers 19 and 20 of Staff's Third Set of Interrogatories (Nos. 17-20) relates to commercially sensitive confidential information concerning bids for decommissioning activities related to the accelerated decommissioning of the DEF Crystal River Unit 3 Nuclear Plant (the "CR3 Facility"), the disclosure of which would impair the Company's competitive business advantages. Therefore, the confidential information at issue qualifies for confidential classification. *See* §§ 366.093(3)(d) and (e), F.S.; Affidavit of Terry Hobbs at ¶ 5. DEF must maintain the confidentiality of information concerning bids because the disclosure of such information would impair the systematic and objective nature of DEF's vendor selection process, which would ultimately impair DEF's efforts to enter into 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 Third Request for Confidential Classification be granted.

DATED this 15th day of November, 2019.

Respectfully submitted,



DANIEL HERNANDEZ

Florida Bar No. 176834

NICOLE ZAWORSKA

Florida Bar No. 1003564

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F: 727-820-5519

Email: Matthew.Bernier@duke-energy.com

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 15th day of November, 2019, to all parties of record as indicated below.



Attorney

<p>Suzanne Brownless Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 sbrownle@psc.state.fl.us</p>	<p>J. R. Kelly / Charles J. Rehwinkel Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399 kelly.jr@leg.state.fl.us rehwinkel.charles@leg.state.fl.us</p>
<p>Jon C. Moyle, Jr. Karen A. Putnal Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p>	

Exhibit A

“CONFIDENTIAL”

(submitted under separate cover)

Exhibit B

REDACTED

(two copies)

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: November 15, 2019

**DUKE ENERGY FLORIDA, LLC'S RESPONSE TO
STAFF'S THIRD SET OF INTERROGATORIES (NOS. 17-20)**

Duke Energy Florida, LLC, ("DEF"), by and through undersigned counsel, hereby responds to *Staff's Third Set of Interrogatories to Duke Energy Florida, LLC (Nos. 17-20)* served on October 18, 2019, by the Staff of the Florida Public Service Commission ("FPSC"), as follows:

INTERROGATORIES

17. Please refer to the direct testimony of witness State, page 3, line 23, and page 4, lines 1-4. Provide a cost estimate for Duke Energy Florida, LLC (DEF) to employ a decommissioning operations contractor for the accelerated decommissioning of Crystal River 3.

RESPONSE:

DEF offered the Decommissioning General (operations) Contractor ("DGC") model as a potential transaction structure in the RFP, but did not receive any proposals for this model. Therefore, DEF does not have a competitively bid cost estimate for the accelerated decommissioning of Crystal River 3 under the DGC model.

For illustrative comparison, DEF's last decommissioning cost study, filed September 10, 2018 (Document No. 05915-2018), was based on the DGC model and it assumed the SAFSTOR

REDACTED

decommissioning method ("SAFSTOR Study"). The cost estimate for the SAFSTOR Study was \$895,893 million, which included spent fuel management costs. The cost estimate under the SAFSTOR Study can be used as a reasonable correlation in estimating costs for accelerated decommissioning under the DGC model by subtracting period 2 (dormancy) and spent fuel management costs from the SAFSTOR Study cost estimate, which results in an estimated cost of \$797,312 million. In considering estimated costs, it is important to note that under a DGC model, all risk associated with decommissioning execution and spent fuel management would have been retained by DEF.

18. Please refer to the direct testimony of witness Palasek, page 4, lines 18-19. Please explain why DEF did not opt to issue a broad request for information (RFI)
 - a. Please explain how DEF selected the 14 vendors for the RFI process.

RESPONSE:

DEF wanted to ensure that it only considered bids from companies with proven track records in the decommissioning field, rather than receive bids from inexperienced companies. The vendors DEF selected for the RFI process were representative of the population of vendors who were, and are, active and experienced in the U.S. decommissioning industry.

- a. DEF reviewed industry activity, benchmarked plants that are being decommissioned, and received input from external industry subject matter experts to identify and select the fourteen vendors for the RFI process.

19. Please refer to the direct testimony of witness Palasek, page 6, lines 1-2. Please explain why two of the eight vendors that responded to the RFI were excluded from the request for proposals (RFP) process.

RESPONSE:

Certain information in the following response is confidential and is being redacted for confidentiality subject to DEF's Third Request for Confidential Classification submitted in connection with this Response to Staff's Third Set of Interrogatories.

One vendor [REDACTED] only considered cost plus/target pricing in its RFI response. The other vendor [REDACTED] only considered cost plus/target pricing as a project management contractor in its RFI response. The cost plus/target pricing model is not a fixed scope/fixed price model. It does not transfer risk to the vendor and provides for a change order process. DEF did not select these two vendors to participate in the RFP process because the pricing models identified in the RFI responses did not provide cost certainty and were not considered cost effective or competitive, specifically with respect to risk transfer and accountability for project execution.

REDACTED

20. Please refer to the direct testimony of witness Palasek, page 7, lines 21-22. Please complete the table below listing the four vendors that responded to DEF's RFP, the total estimated project cost provided by each bidder, and the reason for dismissal, if applicable.

RESPONSE:

Certain information in the following response is confidential and is being redacted for confidentiality subject to DEF's Third Request for Confidential Classification submitted in connection with this Response to Staff's Third Set of Interrogatories.

Vendor	Bid	Reason for Dismissal
ADP	\$ 540,000	N/A
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

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: November 15, 2019

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STAFF'S THIRD SET OF INTERROGATORIES (NOS. 17-20)**

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INTERROGATORIES

17. Please refer to the direct testimony of witness State, page 3, line 23, and page 4, lines 1-4. Provide a cost estimate for Duke Energy Florida, LLC (DEF) to employ a decommissioning operations contractor for the accelerated decommissioning of Crystal River 3.

RESPONSE:

DEF offered the Decommissioning General (operations) Contractor ("DGC") model as a potential transaction structure in the RFP, but did not receive any proposals for this model. Therefore, DEF does not have a competitively bid cost estimate for the accelerated decommissioning of Crystal River 3 under the DGC model.

For illustrative comparison, DEF's last decommissioning cost study, filed September 10, 2018 (Document No. 05915-2018), was based on the DGC model and it assumed the SAFSTOR

REDACTED

decommissioning method (“SAFSTOR Study”). The cost estimate for the SAFSTOR Study was \$895,893 million, which included spent fuel management costs. The cost estimate under the SAFSTOR Study can be used as a reasonable correlation in estimating costs for accelerated decommissioning under the DGC model by subtracting period 2 (dormancy) and spent fuel management costs from the SAFSTOR Study cost estimate, which results in an estimated cost of \$797,312 million. In considering estimated costs, it is important to note that under a DGC model, all risk associated with decommissioning execution and spent fuel management would have been retained by DEF.

18. Please refer to the direct testimony of witness Palasek, page 4, lines 18-19. Please explain why DEF did not opt to issue a broad request for information (RFI)
 - a. Please explain how DEF selected the 14 vendors for the RFI process.

RESPONSE:

DEF wanted to ensure that it only considered bids from companies with proven track records in the decommissioning field, rather than receive bids from inexperienced companies. The vendors DEF selected for the RFI process were representative of the population of vendors who were, and are, active and experienced in the U.S. decommissioning industry.

- a. DEF reviewed industry activity, benchmarked plants that are being decommissioned, and received input from external industry subject matter experts to identify and select the fourteen vendors for the RFI process.

19. Please refer to the direct testimony of witness Palasek, page 6, lines 1-2. Please explain why two of the eight vendors that responded to the RFI were excluded from the request for proposals (RFP) process.

RESPONSE:

Certain information in the following response is confidential and is being redacted for confidentiality subject to DEF’s Third Request for Confidential Classification submitted in connection with this Response to Staff’s Third Set of Interrogatories.

One vendor [REDACTED] only considered cost plus/target pricing in its RFI response. The other vendor [REDACTED] only considered cost plus/target pricing as a project management contractor in its RFI response. The cost plus/target pricing model is not a fixed scope/fixed price model. It does not transfer risk to the vendor and provides for a change order process. DEF did not select these two vendors to participate in the RFP process because the pricing models identified in the RFI responses did not provide cost certainty and were not considered cost effective or competitive, specifically with respect to risk transfer and accountability for project execution.

REDACTED

20. Please refer to the direct testimony of witness Palasek, page 7, lines 21-22. Please complete the table below listing the four vendors that responded to DEF's RFP, the total estimated project cost provided by each bidder, and the reason for dismissal, if applicable.

RESPONSE:

Certain information in the following response is confidential and is being redacted for confidentiality subject to DEF's Third Request for Confidential Classification submitted in connection with this Response to Staff's Third Set of Interrogatories.

Vendor	Bid	Reason for Dismissal
ADP	\$ 540,000	N/A
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Exhibit C

Confidentiality Justification Matrix

DUKE ENERGY FLORIDA, LLC
Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF's Response to Staff's Third Set of Interrogatories (Nos. 17-20)	<p>Response to Interrogatory No. 19:</p> <p>All information after "One vendor" and before "only considered cost/plus target pricing" in the first sentence of the last paragraph on page 2.</p> <p>All information after "The other vendor" and before "only considered cost/plus target pricing" in the second sentence of the last paragraph on page 2.</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, the disclosure would impair the competitive business.</p>
DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF's Response to Staff's Third Set of Interrogatories (Nos. 17-20)	<p>Response to Interrogatory No. 20:</p> <p>All information within the last three rows of the table, which are under the row for Vendor ADP, underneath DEF's response to Interrogatory No. 20 on page 3.</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, the disclosure would impair the competitive business.</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: November 15, 2019

**AFFIDAVIT OF TERRY HOBBS IN SUPPORT OF
DUKE ENERGY FLORIDA, LLC'S THIRD
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 Third 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 provided in DEF's responses to interrogatory numbers 19 and 20 of Staff's Third Set of Interrogatories (Nos. 17-20) served on October 18, 2019. The confidential information at issue is contained in confidential 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 bids and third party business information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.

5. The confidential information at issue relates to confidential business information concerning bids for decommissioning activities related to the accelerated decommissioning of the CR3 Facility, including evaluation processes and criteria, as well as information and data regarding certain vendors that bid on the project. The disclosure of such information would impair the Company's competitive business advantages. Therefore, the confidential information at issue qualifies for confidential classification.

6. DEF seeks bids and negotiates with third parties to obtain competitive contracts that provide economic and other benefits to DEF customers. DEF must maintain the confidentiality of information concerning bids because the disclosure of such information would impair the systematic and objective nature of DEF's vendor selection process, which would ultimately impair DEF's efforts to enter into 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 13th day of November, 2019.

Terry Hobbs

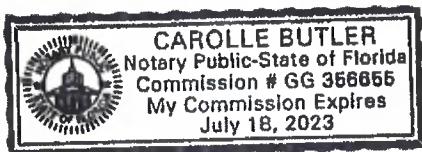
Terry Hobbs
Duke Energy Crystal River, Unit 3
Nuclear Plant
15760 W. Power Line St.
Crystal River, FL 34428

The foregoing instrument was sworn to and subscribed before me this 13 day of November, 2019, by Terry Hobbs. He is personally known to me, or has produced his N/A driver's license, N/A or his N/A as identification.

Carolle Butler
Signature

Carolle Butler
Printed Name

(AFFIX NOTARY SEAL)



NOTARY PUBLIC, STATE OF Florida
July 18, 2023
Commission Expiration Date