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Matthew R. Bernier
ASSOCIATE GENERAL COUNSEL II
Duke Energy Florida, Inc.

November 14, 2013

REDACTED

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: *Fuel and purchased power cost recovery clause and Generating Performance Incentive Factor;
Docket No. 130001-EI*

Dear Ms. Cole:

Please find enclosed for filing on behalf of Duke Energy Florida, Inc. ("DEF") the original and seven (7) copies of DEF's First Request for Extension of Confidential Classification concerning information provided in Joseph McCallister's April 2, 2012, Testimony and Exhibit JM-1T (DN 01970-12) in Docket No. 120001-EI. The First Request includes Revised Exhibits A through D.

There are no changes to the confidentiality of Exhibit JM-1T as identified in Exhibits A and C to the original request for confidential classification (DN 01970-12). Therefore, the original Request's Exhibit A (the confidential unredacted documents), Exhibit B (two (2) redacted copies of the confidential documents), and Exhibit C (a justification table in support of DEF's original Request) remain on file with the Clerk. The Revised Exhibit A is provided to show changes to the confidentiality of certain information contained in Mr. McCallister's April 2, 2012 direct testimony, and includes confidential unredacted documents provided in a separate envelope labeled "Confidential" with the confidential information highlighted in yellow. Revised Exhibit B contains two (2) redacted copies of the revised confidential documents. Revised Exhibit C is a justification table in support of DEF's First Request for Extension of Confidential Classification. Revised Exhibit D is a supporting affidavit justifying the continued confidential nature of the documents.

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

Respectfully,

Matthew R. Bernier
Associate General Counsel II
Matthew.Bernier@duke-energy.com

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost
recovery clause with generating performance
incentive factor.

Docket No. 130001-EI

Filed: November 14, 2013

**DUKE ENERGY FLORIDA, INC.'S
FIRST REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION**

Duke Energy Florida, Inc., (“DEF” or “Company”), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code (F.A.C.), hereby submits its First Request for Extension of Confidential Classification of certain information included in the testimony and exhibits of Joseph McCallister submitted in Docket No. 120001-EI on April 2, 2012. In support of this Request, DEF¹ states as follows:

1. On April 2, 2012, DEF filed a request for confidential classification of information contained in the direct testimony of Joseph McCallister and Exhibit JM-1T (Document No. 01970-12) including sensitive business information such as internal hedging practices and procedures, hedging volumes and transactions, hedging forecasts, percentages, and pricing information.

2. DEF’s April 2, 2012 Request was granted by Order No. PSC-12-0270-CFO-EI on May 31, 2012. The period for confidential treatment granted by that order will expire on December 2, 2013. Portions of the information granted confidential treatment by Order No. PSC-12-0270-CFO-EI continues to warrant treatment as proprietary and confidential business

¹ The confidential information at issue was provided to the Commission by DEF’s predecessor, Progress Energy Florida, Inc. (“PEF”).

information within the meaning of Section 366.093(3), Florida Statutes. Accordingly, DEF is filing its First Request for Extension of Confidential Classification.

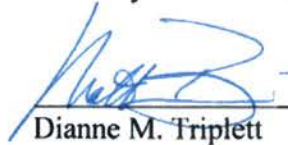
3. DEF submits that the portions of Exhibit JM-1T to Joseph McCallister's Testimony identified in Exhibit "C" and Exhibit "A" to the April 2, 2012 Request² continues to be proprietary confidential business information within the meaning of Section 366.093(3), F.S. However, due to the passage of time, certain information contained in Mr. McCallister's direct testimony no longer requires confidential treatment (i.e., actual hedging results) whereas certain information continues to require confidential classification (i.e., hedging targets). DEF further submits that the information referenced above and identified in Revised Exhibit "C" and in Composite Revised Exhibit "A" to this Extension Request continues to be proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes. This information is intended to be and is treated as confidential by the Company. The information has not been disclosed to the public. Pursuant to Section 366.093, such materials are entitled to confidential treatment and are exempt from the disclosure provisions of the public records law. *See* Affidavit of Joseph McCallister, ¶¶ 5-7, attached as Revised Exhibit "D."

4. Nothing has changed since the issuance of Order No. PSC-12-0270-CFO-EI to render the information stale or public, such that continued confidential treatment would not be appropriate. Upon a finding by the Commission that this information continues to be "proprietary confidential business information," it should continue to be treated as such for an additional period of at least 18 months, and should be returned to DEF as soon as the information is no longer necessary for the Commission to conduct its business. *See* § 366.093(4), Fla. Stat.

² DEF hereby incorporates Exhibits A, B, and C to the original Request, Document No. 01970-12, submitted in docket no. 120001-EI on April 2, 2012, as if attached hereto.

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

RESPECTFULLY SUBMITTED this 14th day of November, 2013.



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Associate General Counsel
Matthew R. Bernier
Associate General Counsel
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matthew.bernier@duke-energy.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 14th day of November, 2013


Attorney

<p>Martha Barrera, Esq. Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 mbarrera@psc.state.fl.us</p> <p>James D. Beasley, Esq. Jeffry Wahlen, Esq. Ausley & McMullen Law Firm P.O. Box 391 Tallahassee, FL 32302 jbeasley@ausley.com</p> <p>John T. Butler, Esq. Florida Power & Light Co. 700 Universe Boulevard Juno Beach, FL 33408 John.butler@fpl.com</p> <p>Ken Hoffman Florida Power & Light 215 S. Monroe Street, Ste. 810 Tallahassee, FL 32301-1859 Ken.hoffman@fpl.com</p> <p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steven R. Griffin Beggs & Lane Law Firm P.O. Box 12950 Pensacola, FL 32591 jas@beggslane.com rab@beggslane.com srg@beggslane.com</p> <p>Ms. Paula K. Brown Tampa Electric Company P.O. Box 111 Tampa, FL 33601 regdept@tecoenergy.com</p> <p>Mr. Robert L. McGee Gulf Power Company One Energy Place Pensacola, FL 32520-0780 rilmcgee@southernco.com</p>	<p>Beth Keating Gunster, Yoakley & Stewart, P.A. 215 S. Monroe St., Ste 618 Tallahassee, FL 32301 bkeating@gunster.com</p> <p>J.R.Kelly/Charles Rehwinkel Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, #812 Tallahassee, FL 32399 Kelly.jr@leg.state.fl.us Rehwinkel.charles@leg.state.fl.us</p> <p>Curtis Young Florida Public Utilities Company P.O. Box 3395 West Palm Beach, FL 33402-3395 cyoung@fpuc.com</p> <p>James W. Brew, Esq. c/o Brickfield Law Firm 1025 Thomas Jefferson St., NW 8th Floor, West Tower Washington, DC 20007 jbrew@bbrslaw.com</p> <p>Moyle Law Firm Vicki Gordon Kaufman/Jon C. Moyle, Jr. 118 North Gadsden Street Tallahassee, FL 32301 ykaufman@moylelaw.com jmoyle@moylelaw.com</p> <p>Florida Retail Federation Robert Scheffel Wright/John T. LaVia, c/o Gardner, Bist, Wiener Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com</p> <p>Capt. Samuel Miller c/o AFLSA/JACL-ULT 139 Barnes Drive, Suite 1 Tyndall AFB, FL 32403-5319 samuel.miller@tyndall.af.mil</p>
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Revised Exhibit B

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1
2 **Q. Did PEF execute its hedging activities consistent with its approved Risk**
3 **Management Plan?**

4 A. Yes. The hedging activities executed by PEF were consistent with those outlined in its
5 2011 Risk Management Plan ("Plan"). In the Plan filed in August 2010, PEF's hedging
6 target ranges were to hedge [REDACTED] to [REDACTED] of its forecasted natural gas burns for
7 calendar year 2011 with a target to hedge approximately [REDACTED] of the forecasted natural
8 gas burns over time. With respect to heavy oil and light oil forecasted to be burned at
9 PEF's owned generation facilities for calendar year 2011, PEF targeted to hedge a
10 minimum of [REDACTED] and [REDACTED], respectively. With respect to the coal river and rail
11 transportation estimated fuel surcharge exposures for calendar year 2011, PEF
12 targeted to hedge between [REDACTED] to [REDACTED] of the estimated fuel surcharge exposures
13 based on contractual provisions in the coal rail and river barge transportation
14 agreements. In December 2010, based on PEF's forecasted burns and estimated coal
15 rail and river barge transportation agreements, PEF's hedge percentages were
16 approximately 57%, 59%, 20%, 42% and 46% respectively for forecasted natural gas,
17 heavy oil, and light oil burns, and estimated fuel surcharge exposures in the coal river
18 and rail transportation agreements. As such, PEF was within its targeted hedge ranges
19 for calendar year 2011 going into the year.

20
21 For calendar year 2011, PEF's actual hedge percentages based on actual burns for
22 natural gas, heavy oil and light oil, were approximately 61%, 47% and 47%,
23 respectively. PEF hedge percentages for the estimated fuel surcharges embedded in
24 PEF's coal river and rail transportation in 2011 were 45% and 56%, respectively. The
25 actual hedge percentages for natural gas, light oil, and the estimated fuel surcharges
26 for coal river and rail transportation were within the ranges outlined in the Plan. As
27 outlined in the Plan, actual hedge percentages for any monthly period, rolling twelve

REDACTED

1 month time period or calendar annual period can come in higher or lower than the
2 hedge percentage targets as a result of actual versus forecasted fuel burns. As
3 outlined previously, based on forecasted heavy oil burns and hedges in place as of
4 December 2010, PEF was approximately 59% hedged for calendar year 2011. Given
5 the actual to forecasted 2011 burn variances, the resulting actual hedge percentage for
6 heavy oil was lower than the targeted minimum of [REDACTED] based on forecasted calendar
7 basis.

8
9 **Q. What were the results of PEF economic purchase and sales activities for 2011?**

10 A. With respect to economic purchases and sales, during 2011 PEF's economic energy
11 wholesale purchases and power sales resulted in savings of approximately \$16.1
12 million and \$0.4 million, respectively.

13
14 **Q. Did PEF hedging activities meet the stated objective and are the activities
15 consistent with the Commission's Orders for hedging?**

16 A. Yes. PEF's hedging activity met the stated objective of PEF's hedging strategy to
17 reduce the impacts of fuel price volatility over time and provide a greater degree of fuel
18 price certainty to PEF's customers. The hedging activities are consistent with
19 Commission Orders No. PSC-02-1484-FOF-EI and No. PSC-08-0667-PPA-EI. PEF's
20 hedging activities are conducted in an environment of strong internal controls and
21 executed in a structured manner. PEF's hedging activities do not attempt to outguess
22 the market and may or may not result in net fuel cost savings, but have achieved the
23 objectives.

24
25
26 **Q. Does this conclude your testimony?**

27 A. Yes.

Revised Exhibit C

DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
<p>April 2, 2012 Direct Testimony of Joseph McCallister filed in Docket No. 120001-EI, DN 01970-12</p>	<p>Page 3 (Lines 6, 7, 10, & 12): hedging target range percentages.</p> <p>Page 4 (Line 6): estimated and actual hedging percentages for 2011.</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>Exhibit No. JM-1T to the April 2, 2012 Direct Testimony of Joseph McCallister filed in Docket No. 120001-EI³</p> <p>(Aug-Dec 2011 Hedging Data)</p>	<p>Page 1: Financial & Physical hedging savings/costs per year for 2002-2011.</p> <p>Page 2: Monthly breakdown of hedging savings/costs & volumes by commodity for 2011.</p> <p>Pages 3-17: Hedging details by month for August – December 2011, specifically volumes, fixed prices (\$/MMBtu), and hedging savings/costs.</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>

³ There are no changes to the confidentiality of Exhibit No. JM-1T. The original Request's Exhibit A and Exhibit B consisting of the confidential and unredacted documents are on file with the Clerk.

Revised Exhibit D

**AFFIDAVIT OF
JOSEPH McCALLISTER**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost
recovery clause with generating
performance incentive factor.

Docket No. 130001-EI

Dated: November 14, 2013

**AFFIDAVIT OF JOSEPH McCALLISTER IN SUPPORT OF
DUKE ENERGY FLORIDA'S
FIRST REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

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

2. I am responsible for Natural Gas, Oil and Emissions in the Fuel
Procurement Section of Fuels and Systems Optimization Department for Duke Energy.
This unit is responsible for any natural gas, oil and emission allowance acquisition for
Duke Energy Indiana (DEI), Duke Energy Kentucky (DEK), Duke Energy Carolinas
(DEC), Duke Energy Progress (DEP), and DEF System.

3. As the Director of Gas, Oil and Power, I am responsible, along with the other members of the section, for the management of the gas and oil procurement, transportation, hedging activities and administration of gas and oil contracts with various suppliers for DEI, DEK, DEC, DEF and DEP's electrical power generation facilities.

4. DEF is seeking an extension of confidential classification for portions of the direct testimony of Joseph McCallister, specifically Pages 3 and 4, and for portions of Exhibit No. JM-1T to the direct testimony of Joseph McCallister dated April 2, 2012, filed in Docket No. 120001, DN 01970-12. A detailed description of the confidential information at issue is contained in confidential Revised Exhibit A to DEF's Extension Request and is outlined in DEF's Justification Matrix that is attached to DEF's Extension Request as Revised Exhibit C. DEF is requesting an extension of 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 or services on favorable terms.

5. DEF negotiates with potential fuel suppliers to obtain competitive contracts for fuel options that provide economic value to DEF and its ratepayers. In order to obtain such contracts, however, DEF must be able to assure fuel suppliers that sensitive business information, such as hedging percentages, volumes and hedging savings/costs, will be kept confidential. With respect to the information at issue in this Request, DEF has kept confidential and has not publicly disclosed confidential information such as the hedging percentages, hedging savings/costs and volumes. Absent such measures, suppliers would run the risk that sensitive business information that they provided in their contracts with DEF would be made available to the public and, as a

result, end up in possession of potential competitors. Faced with that risk, persons or companies who otherwise would contract with DEF might decide not to do so if DEF did not keep specific information confidential. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and fuel suppliers, the Company's efforts to obtain competitive fuel supply contracts could be undermined.

6. Additionally, the disclosure of confidential information in DEF's fuel supply contracts, could adversely impact DEF's competitive business interests. If such information was disclosed to DEF's competitors, DEF's efforts to obtain competitive fuel supply options that provide economic value to both DEF and its ratepayers could be compromised by DEF's competitors changing their consumption or purchasing behavior within the relevant markets.

7. Upon receipt of confidential information from fuel 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. The Company has treated and continues to treat the information and contracts at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated the 12th day of November, 2013.



(Signature)

Joseph McCallister
Fuel Procurement
Natural Gas, Oil and Emissions
Fuels and Systems Optimization
Duke Energy
410 South Wilmington Street
Raleigh, NC. 27602

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 12th day of November, 2013 by Joseph McCallister. He is personally known to me, or has produced his N/A driver's license, or his N/A as identification.



(Signature)

Rita G Kale

(Printed Name)

NOTARY PUBLIC, STATE OF NC

June 17, 2017

(Commission Expiration Date)

(Serial Number, If Any)