



September 18, 2014

VIA OVERNIGHT MAIL

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Matthew R. Bernier
Senior Counsel
Duke Energy Florida, Inc.

COMMISSION
CLERK

14 SEP 18 AM 9:50

RECEIVED-FPSC

Re: *Fuel and Purchased Power Cost recovery clause and Generating Performance Incentive Factor; Docket No. 140001-EI*

REDACTED

Dear Ms. Stauffer:

Please find enclosed for filing on behalf of Duke Energy Florida, Inc. ("DEF"), an original and (7) copies of DEF's Request for Confidential Classification filed in connection with Audit Control 14-083-2-1. The filing includes:

- DEF's Request for Confidential Classification
- Slipsheet for confidential Exhibit A
- Slipsheet for redacted Exhibit B
- Exhibit C (justification matrix), and
- Exhibit D (affidavit)

At your direction, Exhibits A and B are submitted under separate cover.

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
Senior Counsel

MRB/mw
Enclosures

cc: Certificate of Service

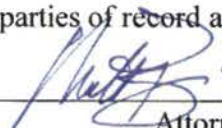
COM	_____
AFD	2
APA	1
ECO	1
ENG	1
GCL	1
IDM	1
TEL	_____
CLK	_____

Duke Energy Florida, Inc.

Docket No.: 140001

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 18th day of September, 2014 to all parties of record as indicated below.



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. Jeffrey Wahlen, Esq. Ausley & McMullen Law Firm P.O. Box 391 Tallahassee, FL 32302 jbeasley@ausley.com jwahlen@ausley.com adaniels@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>Kenneth 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>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>Cheryl Martin Florida Public Utilities Company 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409 Cheryl_Martin@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 ataylor@bbrslaw.com</p> <p>Jon C. Moyle, Jr. Moyle Law Firm, PA 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p> <p>Robert Scheffel Wright John T. LaVia, III c/o Gardner, Bist, Wiener Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com jlavia@gbwlegal.com</p> <p>Mr. Robert L. McGee Gulf Power Company One Energy Place Pensacola, FL 32520-0780 rlmcgee@southernco.com</p>
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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. 140001-EI

Dated: September 18, 2014

**DUKE ENERGY FLORIDA INC.'S
REQUEST FOR 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.), submits this Request for Confidential Classification for certain information contained in Staff’s audit work papers pertaining to DEF’s 2014 Hedging Activities Audit (*Audit Control No. 14-083-2-1*). In support of this Request, DEF states:

1. The Staff audit work papers at issue contain “proprietary 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 an unredacted copy of all the audit work papers for which DEF seeks confidential treatment. Composite Exhibit A is being submitted separately in a sealed envelope labeled “CONFIDENTIAL.” In the unredacted version, the information asserted to be confidential is highlighted by yellow marker.

(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 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 audit work papers contain information that relates to sensitive business information, such as internal hedging practices and procedures, hedging volumes and transactions, hedging forecasts, percentages, and pricing information, the disclosure of which would impair the efforts of the Company to negotiate fuel supply contracts and fuel hedges on favorable terms. *See* § 366.093(3)(d), F.S.; Affidavit of James McClay at ¶ 5. Furthermore, the information at issue relates to the competitive interests of DEF, the disclosure of which would impair DEF's competitive business. § 366.093(3)(e); Affidavit of James McClay 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.

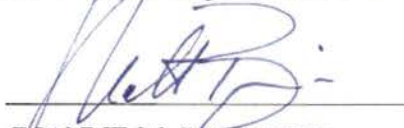
4. The information identified as Exhibit "A" is intended to be and is treated as

confidential by the Company. See Affidavit of James McClay at ¶ 7. The information contained in the audit work papers has not been disclosed to the public, and the Company has treated and continues to treat the information at issue as confidential. See Affidavit of James McClay at ¶ 7.

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 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 September, 2014.



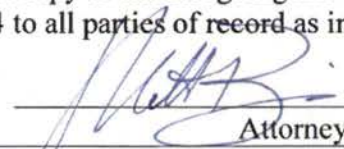
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Attorneys for
DUKE ENERGY FLORIDA, INC.

Duke Energy Florida, Inc.

Docket No.: 140001

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 18th day of September, 2014 to all parties of record as indicated below.



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. Jeffrey Wahlen, Esq. Ausley & McMullen Law Firm P.O. Box 391 Tallahassee, FL 32302 jbeasley@ausley.com jwahlen@ausley.com adaniels@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>Kenneth 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>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>Cheryl Martin Florida Public Utilities Company 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409 Cheryl_Martin@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 ataylor@bbrslaw.com</p> <p>Jon C. Moyle, Jr. Moyle Law Firm, PA 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p> <p>Robert Scheffel Wright John T. LaVia, III c/o Gardner, Bist, Wiener Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com jlavia@gbwlegal.com</p> <p>Mr. Robert L. McGee Gulf Power Company One Energy Place Pensacola, FL 32520-0780 rlmcgee@southernco.com</p>
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Exhibit A

(Staff audit work papers)
(Audit Control No. 14-083-2-1)

“CONFIDENTIAL”

Exhibit B

(Staff audit work papers)
(Audit Control No. 14-083-2-1)

REDACTED

Exhibit C

DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE ¹	JUSTIFICATION
<p>Staff Audit Work Papers related to DEF's 2014 Hedging Activities (Audit Control No. 14-083-2-1)</p>	<p>2: Hedging Summary by Commodity- Page 1: Jan-Dec 2013 (savings/costs, volumes & %'s) Page 2: Jan-Dec 2014 (savings/costs, volumes & %'s)</p> <p>2-1: DEF Gas Hedging Status (activity for January –July 2013) (volume, fixed price, and savings/cost on hedge) (38 pages)</p> <p>2-2: Page 1: DEF Coal Transportation Hedging Status Rail (volume, fixed price, and estimated savings/cost on hedge). Page 2 -DEF Coal Transportation Hedging Status Barge (volume, fixed price, and estimated savings/cost on hedge).</p> <p>2-3: DEF #2 Oil Hedging Status (volume, fixed price, and savings/cost on hedge)(2 pages)</p> <p>2-4: Page 1: DEF Coal Transportation Hedging Status Barge (volume, fixed price, and estimated savings/cost on hedge). Page 2: DEF Coal Transportation Hedging Status Rail (volume, fixed price, and estimated savings/cost on hedge).</p> <p>2-5: Page 1-DEF Gas Hedging Status (activity for Aug –Dec 2013) (volume, fixed price, and savings/cost on hedge) (2 pages).</p> <p>30: Actual Hedging Goals vs Hedging results (entire doc.).</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>

¹ Page numbers provided are the Staff auditor's page numbers hand-written on the documents.

DOCUMENT/RESPONSES	PAGE/LINE ¹	JUSTIFICATION
<p>Staff Audit Work Papers related to DEF's 2014 Hedging Activities (Audit Control No. 14-083-2-1)</p>	<p>30/1: Hedged Exposure (entire document)</p> <p>30-1: (pages 1-4 of 18): 2014 Risk Management Plan (hedging volumes & percentages)</p> <p>30-2: Franchise Electric Risk Limits (entire document-10 pages)</p> <p>30-3: Total Default Exposure by Commodity (2013-2019 commodity costs & total costs)</p> <p>30-4: ISDA Collateral Summary (entire doc)</p> <p>30-5: Authority Limit Matrix (entire page 1 of 2)</p> <p>30-6: Duke Energy Policy Statement - Commodity Risk Policy (entire doc – 6 pages.)</p> <p>30-7: Duke Energy Policy Statement - Credit Policy (entire doc-5 pages.)</p> <p>30-8: Franchised Electric Credit Limits (entire doc-5 pages.)</p> <p>30-9: Energy Supply Bulk Power Marketing & Trading Delegation of Authority (entire doc-2 pages.)</p> <p>30-10: DEF Franchised Electric Risk Management Control Manual (entire doc – 39 pgs.)</p> <p>45: Reconciliation of Tolling Cost- Vandolah Tolling Charges (entire doc – 1 page.)</p> <p>45-1: Documentation Supporting Tolling Cost for October 2013 - Vandolah Invoice (page 1: entire doc; page 2 and 3: MWs, fixed price, and adjustments; page 4: price calculations).</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 ¹	JUSTIFICATION
Staff Audit Work Papers related to DEF's 2014 Hedging Activities (Audit Control No. 14-083-2-1)	45-2: Documentation Supporting Tolling Cost for November 2013 - Vandolah Invoice (page 1: entire doc; page 2 and 3: MWs, fixed price, and adjustments; page 4: price calculations).	§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.
	45-3: Documentation Supporting Tolling Cost for April 2014 - Vandolah Invoice (Page 1: entire doc; page 2 and 3: MWs, fixed price, and adjustments; page 4: price calculations).	§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.
	45-4: Documentation Supporting Tolling Cost for May 2014 - Vandolah Invoice (Page 1: entire doc; page 2 and 3: MWs, fixed price, and adjustments; page 4: price calculations).	
	45-5: VOM Pricing (entire doc).	
	46-1: Regulated Fuels Inventory Mgmt Process – Segregation of Duties (entire doc – 2 pages.)	
	46-2: DEP and DEC 2013 Regulated Trading Cycle- Business and Work Flow Narrative 2014 (entire doc – 16 pages.)	
	47: Hedging Activities Testing August 1, 2013-May 1, 2014) (savings/cost on Hedge)	
	47-1: Aug. 2013 DEF Actual Balance Sheet pages 1-2: (counterparty); Aug. 2013 natural gas actual financials: pages 3-4 (counter party, counterparty name, qty, P & L, settlement); Trade Settlement / Invoices: pages 5-21 (entire doc.) of 21 pages.	
	47-2: Sept. 2013 DEF Actual	

DOCUMENT/RESPONSES	PAGE/LINE ¹	JUSTIFICATION
<p>Staff Audit Work Papers related to DEF's 2014 Hedging Activities (Audit Control No. 14-083-2-1)</p>	<p>Balance Sheet pages 1-2 (counterparty); Sept. 2013 natural gas actual financials: pages 3-4 (counterparty, counterparty name, qty, P & L, & settlement); Trade Settlement / Invoices: pages 5-54 (entire doc.) of 56 pages.</p> <p>47-3: Oct. 2013 DEF Actual Balance Sheet pages 1-2 (counterparty); Oct. 2013 natural gas actual financials: pages 3-4 (counterparty, counterparty name, qty, P & L); Trade Settlement / Invoices: pages 5-29 (entire doc.) of 30 pages.</p> <p>47-4: Feb. 2014 natural gas actual financials: page 2 and 3 (counterparty, counterparty name, quantity, P & L, & settlement and totals); Trade Settlement / Invoices: pages 4-19 (entire doc.) of 20 pages.</p> <p>47-5: Mar. 2014 natural gas actual financials: page 2 (counterparty, counterparty name, quantity, P & L, & settlement); Trade Settlement / Invoices: pages 3-16 (entire doc.) of 17 pages.</p> <p>47-6: Apr. 2014 natural gas actual financials: pages 2 (counterparty, counterparty name, quantity, P & L, & settlement); Trade Settlement / Invoices: pages 3-41 (entire doc.) of 42 pages.</p> <p>47-7: June 2014 natural gas actual financials: page 2 (counterparty, counterparty name, quantity, P & L, & settlement); Trade Settlement / Invoices: pages 3-13 (entire doc.) of 14 pages.</p> <p>47-8: July 2014 natural gas</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 ¹	JUSTIFICATION
<p>Staff Audit Work Papers related to DEF's 2014 Hedging Activities (Audit Control No. 14-083-2-1)</p>	<p>actual financials: page 2 (counterparty, counterparty name, quantity, P & L, & settlement); Trade Settlement / Invoices: pages 3-11 (entire doc.) of 12 pages.</p> <p>47-9: Balances Report: page 1 (entire doc.) Trade Settlement / Invoices: pages 2-4 (entire doc.) page 7 (settlement price, position, net settlement and sum) Invoices: pages 8-11 (entire doc.) of 11 pages</p> <p>47-10: Balances Report: page 1 (entire doc.) pages 2-8 Trade Settlement / Invoices: (entire doc.) page 9 (counter-party, trade price, settlement price, position and net settlement) Invoices: pages 10 (cents/gallon) page 11 (entire doc.) of 11 pages</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 JAMES
MCCLAY**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 140001-EI

Dated: September 18, 2014

**AFFIDAVIT OF JAMES MCCLAY 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 James McClay, who being first duly sworn, on oath deposes and
says that:

1. My name is James McClay. 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
Request for Confidential Classification. The facts attested to in my affidavit are based
upon my personal knowledge.

2. I am the Manager of Gas Trading in the Gas, Oil, and Emissions
Department. This section is responsible for natural gas procurement and scheduling
needed to support the gas generation needs for Duke Energy Indiana (DEI), Duke Energy
Kentucky (DEK), Duke Energy Carolinas (DEC), Duke Energy Progress (DEP), and
DEF Systems.

3. As the Manager of Gas Trading, I am responsible, along with the other members of the section for natural gas and oil procurement, scheduling, hedging activities in the Fuel Procurement Section of the Systems Optimization Department for the Duke Energy regulation fleet for DEI, DEK, DEC, DEF and DEP.

4. DEF is seeking confidential classification for certain information contained in Staff's audit work papers pertaining to DEF's 2014 Hedging Audit (Audit Control No. 14-083-2-1). A detailed description of the confidential information at issue is contained in confidential Exhibit A to DEF's Request for Confidential Classification 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 negotiate fuel supply contracts on favorable terms and adversely affect DEF's hedging operations.

5. DEF conducts hedging activities and negotiates with potential fuel suppliers to obtain competitive contracts for fuel options that provide economic value to DEF and its ratepayers. DEF must keep company operations confidential, such as internal hedging practices and procedures, hedging volumes and transactions, hedging forecasts, percentages, and pricing information. DEF must also be able to assure fuel suppliers that sensitive information they provide DEF 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 internal hedging practices and procedures, hedging volumes and transactions, hedging forecasts, percentages, and pricing information. Absent such measures, DEF and suppliers would run the risk that

sensitive business information that they provided 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 this sensitive business information confidential. Without DEF's measures to maintain the confidentiality of sensitive business terms, the Company's efforts to obtain competitive fuel supply contracts could be undermined.

6. Additionally, the disclosure of confidential information of DEF's company operations could adversely impact DEF's competitive business interests. If such information was disclosed, 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 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 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. At no time has DEF publicly disclosed the information in question. The Company has treated and continues to treat the information at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated the 17 day of September, 2014.

James McClay

(Signature)

James McClay
Manager – Gas, Oil and Emissions
Department
Duke Energy
526 South Church
Charlotte, NC 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 17 day of September, 2014 by James McClay. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.



(AFFIX NOTARIAL SEAL)

Katie Jamieson

(Signature)

Katie Jamieson

(Printed Name)

NOTARY PUBLIC, STATE OF NC

June 14, 2016

(Commission Expiration Date)

(Serial Number, If Any)