

September 18, 2014

VIA OVERNIGHT MAIL

Ms. Carlotta Stauffer, Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850 14 SEP 18 AM 9: 49
CLERK

Matthew R. Bernier

Re: Fuel

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 its Response to Staff's Second Set of Interrogatories (Nos. 12-27). 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

CLK ____

COM

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.

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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 provided in response to Staff's Second Set of Interrogatories (Nos. 12-27), specifically Questions 12, 13, 14, 15, 18, and 19. In support of this Request, DEF states:

- DEF's responses to Staff's Second Set of Interrogatories, specifically Questions 12,
 13, 14, 15, 18, and 19, contains information that is "proprietary confidential business information" under Section 366.093(3), Florida Statutes.
 - 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 is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unredacted versions, the information asserted to be confidential is highlighted in 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 information identified in this request.
- As indicated in Exhibit C, certain information contained in DEF's responses to Staff's 3. Second Set of Interrogatories, specifically Questions 12, 13, 14, 15, 18, and 19, consists of "proprietary confidential business information" within the meaning of Section 366.093(3), F.S. Specifically, the information at issue relates to competitively negotiated data, hedging volumes and transactions, and pricing information, the disclosure of which would impair the efforts of the Company or its affiliates to negotiate fuel supply contracts 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 interest of DEF and its fuel suppliers, the disclosure of which would impair the Company's efforts to contract for goods or services on favorable terms. See § 366.093(3)(d), F.S.; Affidavit of James McClay ¶¶ 5, 6. Additionally, if the information at issue was publicly disclosed, DEF's efforts to obtain competitive energy supply that provides 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. See § 366.093(3)(e), F.S.; 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 ¶ 7. The information has not been disclosed to the public, and the Company has treated and continues to treat the information and contracts at issue as confidential. See Affidavit James McClay ¶ 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.

DIANNEM. TRIPLETT

Associate General Counsel

MATTHEW R. BERNIER

Senior Counsel

Duke Energy Florida, Inc.

299 First Avenue North

St. Petersburg, FL 33701

Attorneys for

Duke Energy Florida, Inc.

Duke Energy Florida, Inc. CERTIFICATE OF SERVICE

Docket No. 140001-EI

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

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Exhibit A "CONFIDENTIAL"

Exhibit B REDACTED

DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF's Response to Staff's Second Set of Interrogatories (12-27)	Attachments bearing bates numbers DEF-14FL-000121 through DEF-14FL-000123-Question 12: 2013 August – December Swap Hedges, Columns titled "Volume MMBtu", "Trade Price(\$/MMBtu)", and "Percent difference from Trade Price" in their entirety.	§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. §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.
DEF's Response to Staff's Second Set of Interrogatories (12-27)	Attachments bearing bates numbers DEF-14FL-000110 through DEF-14FL-000115-Question 12: 2014 January –July Swap Hedges Columns titled "Volume MMBtu", "Trade Price(\$/MMBtu)", and "Percent difference from Trade Price" in their entirety.	§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. §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.

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF's Response to Staff's Second Set of Interrogatories (12-27)	Attachment bearing bates numbers DEF-14FL-000126 -Question 13: 2013 August -December Swap Hedges, Columns Titled "Volume BBLs", "Trade Price", and "Percent difference from Trade Price" in their entirety.	§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. §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.
DEF's Response to Staff's Second Set of Interrogatories (12-27)	Attachment bearing bates numbers DEF-14FL-000127 Question 13: 2013 August – December Fuel Oil Swap Hedges, Columns Titled "Volume Gal", "Trade Price", and "Percent Difference from Trade Price" in their entirety.	§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. §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.

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF's Response to Staff's Second Set of Interrogatories (12-27)	Attachment bearing bates numbers DEF-14FL-000119 Question 13: 2014 January-July Swap Hedges, Columns Titled "Volume BBLs", "Trade Price", and "Percent difference from Trade Price" in their entirety.	§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. §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.
DEF's Response to Staff's Second Set of Interrogatories (12-27)	Attachment bearing bates numbers DEF-14FL-000120 -Question 13: 2014 January-July Fuel Oil Swap Hedges, Columns Titled "Volume Gal", "Trade Price", and "Percent Difference from Trade Price" in their entirety	§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. §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.

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF's Response to Staff's Second Set of Interrogatories (12-27)	Bottom of Attachment bearing bates numbers DEF-14FL-000123- Question 14: 2013 August -December Swap Hedges, Columns titled "Volume MMBtu", "Trade Price(\$/MMBtu)", and "Percent difference from Trade Price" in their entirety.	§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. §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.
DEF's Response to Staff's Second Set of Interrogatories (12-27)	Attachment bearing bates numbers DEF-14FL-000128 through DEF-14FL-000129-Question 14: Attachment A: Example # 1, Rows titled Trade, "Trade price" and "Trade Price Difference to Strip" in its entirety. Attachment B: differences in swap fixed price in its entirety.	§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. §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.

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF's Response to Staff's Second Set of Interrogatories (12-27)	Attachments bearing bates numbers DEF-14FL-000124 through DEF-14FL-000125-Question 15: 2013 August-December Options, Columns Titled "Strike Price", "Trade Price(\$/MMBtu)", and "Settled Quantity MMBtu" in their entirety	§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. §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/owne of the information.
DEF's Response to Staff's Second Set of Interrogatories (12-27)	Attachments bearing bates numbers DEF-14FL-000116 through DEF-14FL-000118- Question 15: 2014 January- July Options, Columns Titled "Strike Price", "Trade Price(\$/MMBtu)", and "Settled Quantity MMBtu" in their entirety.	§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. §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/owne of the information.

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF's Response to Staff's Second Set of Interrogatories (12-27)	Question 14: Page 4 of the responses, first sentence, after "for" and before "per" and, last sentence, after "was" and before "per" of the response.	§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.
	Question 18: Page 8, Column titled "Total Savings/(Cost) of Hedge" in its entirety of the response.	§366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would
	Question 19: Page 9, Hedging targets and actual percentages associated with the 2014 Risk Management Plan included in the 2 nd , 3 rd ,	impair the competitive business of the provider/owner of the information.
	4 th lines of 1 st paragraph and 4 th line of second paragraph of the response.	

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 Power 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.
- 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 portions of its Responses to Staff's 2nd Set of Interrogatories (12-27), specifically questions 12, 13, 14, 15, 18, and 19. 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 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, sensitive business information, such as forecasted volumes, hedging percentages, internal policies and guidelines, collateral summaries and unrealized forecasted hedge values, must 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 confidential contract terms such as hedging volumes, hedging savings/costs, trade price differences and hedging percentages.

 Without DEF's measures to maintain the confidentiality of sensitive terms, the

 Company's efforts to obtain competitive fuel supply contracts could be undermined, because potential fuel suppliers could simply offer the highest prices that would allow them to maintain marginally competitive position against the disclosed volumes and percentages.

- 6. Additionally, the disclosure of confidential information in DEF's 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 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 12 day of September, 2014.

	MENT was sworn to and subscribed before me this as McClay. He is personally known to me, or has driver's license, or his
as identification.	
(AFFIX NOTARIAL SEAL)	(Signature) Katie Jamieson (Printed Name) NOTARY PUBLIC, STATE OF NO June 14,2016 (Commission Expiration Date)
	(Serial Number, If Any)

James McClay

Duke Energy 526 South Church Charlotte, NC 28202

Manager - Gas, Oil and Power Department