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August 4, 2015

VIA HAND DELIVERY

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

**REDACTED**

RECEIVED FPSC  
15 AUG - 4 PM 3:19  
COMMISSION  
CLERK

Re: Docket No. 150001-EI

Dear Ms. Stauffer:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") are an original and seven (7) copies of FPL's Request for Confidential Classification of Certain Information on FPL's 2016 Risk Management Plan, which is Appendix III (Exhibit GJY-3) to FPL's 2015 actual/estimated true-up petition in Docket 150001-EI. The original includes Exhibits A through D. The seven copies do not include copies of the exhibits.

Exhibit A contains the confidential information that is the subject of FPL's Request for Confidential Classification. Exhibit A is submitted for filing separately and marked "EXHIBIT A" - CONFIDENTIAL. Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. Exhibit C is a justification table in support of the Request for Confidential Classification. Exhibit D is the Affidavit of Gerard Yupp in support of FPL's Request for Confidential Classification. In accordance with Rule 25-22.006(3)(d), FPL requests confidential treatment of the information in Exhibit A pending disposition of FPL's Request for Confidential Classification.

Also included herewith is a disc containing FPL's Request for Confidential Classification and Exhibit C.

Please contact me should you or your Staff have any questions regarding this filing.

- COM
- AFD 2+ redacted + CD
- APA \_\_\_\_\_
- ECO 1
- ENG 1
- GCL 2
- IDM 1
- TEL \_\_\_\_\_ Enclosures
- CLK \_\_\_\_\_ cc: parties of record, (Request for Confidential Classification w/o exhibits)

Sincerely,

Maria J. Moncada

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Fuel and Purchase Power Cost Recovery  
Clause with Generating Performance Incentive  
Factor

Docket No: 150001-EI  
Filed: August 4, 2015

**FLORIDA POWER AND LIGHT COMPANY'S  
REQUEST FOR CONFIDENTIAL CLASSIFICATION OF  
CERTAIN INFORMATION ON FPL'S 2016 RISK MANAGEMENT PLAN**

Pursuant to Section 366.093, Florida Statutes and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of certain information (the "Confidential Information") contained in FPL's 2016 Risk Management Plan ("Hedging Plan"), which is Appendix III (Exhibit GJY-3) to the 2015 actual/estimated true-up petition that is being filed in this docket on August 4, 2015. In support of its Request, FPL states as follows:

1. FPL is filing its 2016 Hedging Plan, Appendix III (Exhibit GJY-3) to the 2015 actual/estimated true-up petition contemporaneously with this request. Portions of the Hedging Plan contain confidential information.

2. The following exhibits are included with and made a part of this request:

a. Exhibit A is a copy of the Hedging Plan in which all of the Confidential Information has been highlighted.

b. Exhibit B consists of two copies of the Hedging Plan in which all the Confidential Information has been redacted. Where entire pages are confidential, FPL includes only identifying cover pages in Exhibit B.

c. Exhibit C is a table that identifies the specific line and page references to the Confidential Information for which FPL seeks confidential treatment, and provides a brief description of the Confidential Information. The table also references the specific statutory basis for confidentiality and the affiant who supports the requested classification.

d. Exhibit D is the affidavit of Gerard J. Yupp.

3. FPL submits that the highlighted information in Exhibit A is proprietary confidential business information within the meaning of Section 366.093(3). This information is intended to be and is treated by FPL as private, and its confidentiality has been maintained. Pursuant to Section 366.093, such information is entitled to confidential treatment and is exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.

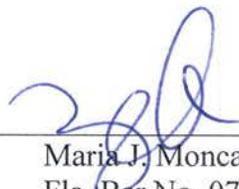
4. As explained in more detail in the affidavit of Gerard Yupp (Exhibit D) and described in Exhibit C, the Hedging Plan includes details of FPL's strategy and plans for hedging fuel purchases in 2016 and beyond. Certain Confidential Information contained in the Hedging Plan relates to hedging-related bids or other contractual data, the disclosure of which would impair the efforts of FPL to hedge on favorable terms, to the detriment of FPL and its customers. This information is protected by Section 366.093(3)(d), Fla. Stat.

5. Additionally, the Confidential Information contained in the Hedging Plan also relates to competitive interests, and its disclosure would impair the competitive business of FPL. This information is protected by Section 366.093(3)(e), Fla. Stat.

6. Upon a finding by the Commission that the Confidential Information highlighted in Exhibit A and referenced in Exhibit C is proprietary confidential business information, the Confidential Information should not be declassified for at least eighteen (18) months and should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business. *See* § 366.093(4), Fla. Stat.

**WHEREFORE**, for the above and foregoing reasons, as more fully set forth in the supporting materials and affidavits included herewith, Florida Power & Light Company respectfully requests that its Request for Confidential Classification be granted.

Respectfully submitted,  
R. Wade Litchfield, Esq.  
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John T. Butler, Esq.  
Assistant General Counsel – Regulatory  
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By:   
\_\_\_\_\_  
Maria J. Moncada  
Fla. Bar No. 0773301

**CERTIFICATE OF SERVICE**  
**Docket No. 150001-EI**

I HEREBY CERTIFY that a true and correct copy of the foregoing (\*) has been furnished by electronic service on this 4th day of August 2015 to the following:

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By:



Maria J. Moncada  
Fla. Bar No. 0773301

\* The exhibits to this Request are not included with the service copies. A redacted copy of the Hedging Plan is included as Exhibit GJY-3 to FPL's 2015 actual/estimated true-up Petition. Copies of Exhibits B, C and D are available upon request.

# **EXHIBIT A**

**CONFIDENTIAL DOCUMENTS  
FILED UNDER SEPARATE COVER**

**REDACTED**

**EXHIBIT B**

**REDACTED COPIES**

October-2017	1,867,878	30,152	1.6%
November-2017	1,395,480	30,153	2.2%
December-2017	1,377,371	27,971	2.0%

Absent special circumstances (e.g. a hurricane that FPL concludes will substantially impair market functions); FPL will implement its hedging program within the following parameters:

- 1) FPL will hedge approximately [REDACTED]<sup>A</sup> of its projected 2017 natural gas requirements within the Hedging Window during 2016 using financial swaps, physical fixed price transactions, and/or the output of gas reserves projects. This hedge percentage is consistent with the 2016 hedge level and is within FPL's system base load requirements. FPL will hedge approximately [REDACTED]<sup>A</sup> of each individual month's projected natural gas requirements.
- 2) FPL will execute its natural gas hedges for 2017 from [REDACTED]<sup>A</sup> through [REDACTED]<sup>A</sup> ("the Hedging Window"). This Hedging Window represents an expansion from previous Risk Management Plans. FPL is expanding its hedging window to allow more time to make any necessary hedging adjustments related to the hedge target that may be required to accommodate potential gas reserves transactions.
- 3) Guideline I.C  
The aggregate output of all gas reserves projects will be netted against the [REDACTED]<sup>A</sup> target and the resulting net balance will be hedged utilizing financial swaps. For the 2017 period, the current projections for the percentage of financial swaps and gas reserves hedges are shown in the table below:

Month-Year	Target Hedge Percentage	Gas Reserves Percentage	Financial Swaps Net Percentage
January-2017	[REDACTED] <sup>A</sup>	2.9%	[REDACTED] <sup>B</sup>
February-2017	[REDACTED] <sup>A</sup>	2.9%	[REDACTED] <sup>B</sup>
March-2017	[REDACTED] <sup>A</sup>	2.3%	[REDACTED] <sup>B</sup>
April-2017	[REDACTED] <sup>A</sup>	2.2%	[REDACTED] <sup>B</sup>
May-2017	[REDACTED] <sup>A</sup>	1.9%	[REDACTED] <sup>B</sup>
June-2017	[REDACTED] <sup>A</sup>	1.7%	[REDACTED] <sup>B</sup>
July-2017	[REDACTED] <sup>A</sup>	1.6%	[REDACTED] <sup>B</sup>
August-2017	[REDACTED] <sup>A</sup>	1.5%	[REDACTED] <sup>B</sup>
September-2017	[REDACTED] <sup>A</sup>	1.6%	[REDACTED] <sup>B</sup>
October-2017	[REDACTED] <sup>A</sup>	1.6%	[REDACTED] <sup>B</sup>
November-2017	[REDACTED] <sup>A</sup>	2.2%	[REDACTED] <sup>B</sup>
December-2017	[REDACTED] <sup>A</sup>	2.0%	[REDACTED] <sup>B</sup>

- 4) During each month of the Hedging Window, FPL will financially hedge between [REDACTED]<sup>A</sup> and [REDACTED]<sup>B</sup> of the target monthly volumes minus the projected aggregate output of gas reserves ("the Net Remaining Monthly Volume"). This percentage range has been expanded from previous Risk Management Plans. FPL is expanding this range to provide more flexibility to make any necessary hedging adjustments related to the hedge target that may be required to accommodate potential gas reserves transactions. FPL will have

flexibility within any given month to determine the appropriate timing for executing hedges.

5) To the extent that FPL's projected natural gas requirements change or the level of gas reserves output changes, the Net Remaining Monthly Volume will be updated.

1 6) FPL will maintain an overall hedge percentage that falls within a [REDACTED]<sup>A</sup>  
2 tolerance band. Therefore, the minimum and maximum monthly hedge percentages are [REDACTED]<sup>A</sup> and [REDACTED]<sup>B</sup> respectively.

3 7) If FPL enters into additional gas reserves projects during 2016 for the 2017 period, the projected volumes of the additional gas reserves for 2017 will be aggregated with the existing gas reserves volumes for 2017 and netted against the hedge target of [REDACTED]<sup>A</sup>. The net remaining monthly volumes will be adjusted accordingly.

8) To the extent that the projected output of any additional gas reserves projects, when aggregated with existing gas reserves output, pushes any month above the upper tolerance band on a forecasted basis, FPL will rebalance its financial hedges as appropriate. Depending on the specific circumstances, rebalancing can be accomplished by selling existing financial hedges or adjusting the monthly hedge percentages for any remaining months in the Hedging Window.

9) FPL will apply the same rebalancing methodology on an intra-year basis (during 2017) based on changes in the projected output of existing gas reserves projects and the addition of gas reserves projects. Additionally, FPL will maintain its long-standing practice of intra-year rebalancing based on changes in forecasted market prices, projected unit outage schedules or changes in FPL's load forecast. The intra-year monthly tolerance bands are the same as described above.

10) FPL does not intend to hedge heavy fuel oil for 2017. FPL discontinued fuel oil hedging in 2013 and the factors that influenced that decision still remain.

#### **Reporting System for Fuel Procurement Activities (TFB-4, Items 13 and 14)**

FPL reporting systems comprehensively identify, measure, and monitor all forms of risk associated with fuel procurement activities.

FPL's philosophy on reporting is that it should be timely, consistent, flexible, and transparent. Timely and consistent reporting of risk information is critical to the effective management of risk. The utility has sufficient systems capability for identifying, measuring, and monitoring all types of risk associated with fuel procurement activities. These systems include: deal capture, current and

**REDACTED VERSION OF CONFIDENTIAL DOCUMENTS**

**[Pages 2 through 56]**

**Trading and Risk Management Procedures Manual**

**REDACTED VERSION OF CONFIDENTIAL DOCUMENTS**

**[Pages 2 through 27]**

**Energy Trading and Risk Management Policy**

**REDACTED VERSION OF CONFIDENTIAL DOCUMENTS**

**[Pages 1 through 12]**

**Planned Position Strategy**

# **EXHIBIT C**

## **JUSTIFICATION TABLE**

**EXHIBIT C**

**COMPANY:** Florida Power & Light Company  
**TITLE:** List of Confidential Exhibits  
**DOCKET TITLE:** Levelized Fuel Cost Recovery and Capacity Cost Recovery  
**DOCKET NO:** 150001-EI  
**DATE:** August 4, 2015

Description	Page No.	Line No./Column No.	Florida Statute 366.093 (3) Subsection	Affiant
FPL's 2016 Risk Management Plan	6 of 9	Lines 1A-5A, 6A-17A, 6B-17B, 18A, 18B	(d), (e)	G. Yupp
	7 of 9	Lines 1A, 2A, 2B, 3A		
Trading and Risk Management Procedures Manual	2 through 56	ALL	(d), (e)	G. Yupp
Energy Trading and Risk Management Policy	2 through 27	ALL	(d), (e)	G. Yupp
Planned Position Strategy	1 through 12	ALL	(d), (e)	G. Yupp

**EXHIBIT D**

**AFFIDAVITS**

**EXHIBIT D**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Fuel and Purchase Power Cost Recovery  
Clause with Generating Performance Incentive  
Factor

Docket No: 150001-EI

STATE OF FLORIDA )  
 )  
COUNTY OF PALM BEACH )

**AFFIDAVIT OF GERARD J. YUPP**

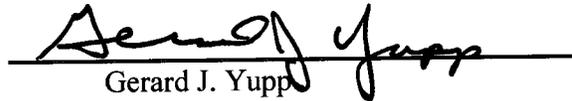
**BEFORE ME**, the undersigned authority, personally appeared Gerard J. Yupp who, being first duly sworn, deposes and says:

1. My name is Gerard J. Yupp. I am currently employed by Florida Power & Light Company ("FPL") as Senior Director, Wholesale Operations in the Energy Marketing and Trading Division Department. I have personal knowledge of the matters stated in this affidavit.

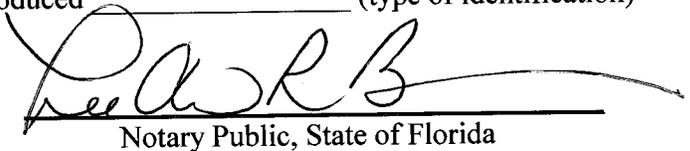
2. I have reviewed the documents and information included in Exhibit A to FPL's Request for Confidential Classification of its 2016 Risk Management (Hedging) Plan. The documents and materials in Exhibit A which are asserted by FPL to be proprietary confidential business information consist of the details of FPL's strategy and plans for hedging fuel purchases in 2016 and beyond. Additionally, the confidential information contained in the 2016 Risk Management Plan relates to competitive interests and hedging-related bids or other contractual data, the disclosure of which would impair the competitive business as well as the efforts of FPL to contract for goods and services on favorable terms, also to the detriment of FPL and its customers. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of eighteen (18) months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents

4. Affiant says nothing further.

  
Gerard J. Yupp

**SWORN TO AND SUBSCRIBED** before me this 3 day of August 2015, by Gerard J. Yupp, who is personally known to me or who has produced \_\_\_\_\_ (type of identification) as identification and who did take an oath.

  
Notary Public, State of Florida

My Commission Expires:

