

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for approval to include in base rates the revenue requirement for the CR3 regulatory asset, by Duke Energy Florida, Inc.

DOCKET NO.: 150148-EI

FILED: August 10, 2015

**NOTICE OF SERVICE OF AFFIDAVIT SUPPORTING DUKE ENERGY FLORIDA, LLC'S FOURTH REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Duke Energy Florida, LLC, ("DEF") hereby gives notice of serving the Affidavit of Bryan Buckler which supports DEF's Fourth Request for Confidential Classification filed August 7, 2015 in Docket 150148-EI. This notice and the attached affidavit have been served via electronic mail to Lee Eng Tan, Senior Attorney, Office of General Counsel, Florida Public Service Commission, ([ltan@psc.state.fl.us](mailto:ltan@psc.state.fl.us)), this 10<sup>th</sup> day of August, 2015.

/s/ Matthew R. Bernier

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**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 10<sup>th</sup> day of August, 2015.

/s/ Matthew R. Bernier

Attorney

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In re: Petition of Duke Energy Florida, Inc.  
For Approval to Include In Base Rates the Revenue  
Requirement for the CR3 Regulatory Asset

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Docket No. 150148-EI

Submitted for Filing  
August 7, 2015

**AFFIDAVIT OF BRYAN BUCKLER 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 Bryan Buckler, who being first duly sworn, on oath deposes and says that:

1. My name is Bryan Buckler. 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 Director of Corporate Finance and Assistant Treasurer for Duke Energy Business Services, LLC, a service company affiliate of DEF.

3. I am responsible for financing the operations of Duke Energy and its subsidiary utilities. This includes the issuance of new debt and equity securities, and

obtaining other sources of external funds. My responsibilities also include financial risk management of interest rate exposure for Duke Energy and its subsidiary utilities. Additionally, I manage Duke Energy's relationships with commercial banks and the debt capital markets.

4. DEF is seeking confidential classification for DEF's Response to Staff's First Set of Interrogatories, question #3, and documents produced in DEF's Response to Staff's First Request for Production of Documents (specifically questions #1 and 3). The confidential information at issue is contained in confidential Exhibit A to this Request 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 and services on favorable terms.

5. Attachments to DEF's Response to Staff's 1<sup>st</sup> Request for Production of Documents, Question #1 (specifically Bates numbers 150148-STAFFPOD1-1-000001 through 150148-STAFFPOD1-1-000006), contains sensitive business information including benchmark rates, swap rates, credit spreads, and interest rate curves that DEF relied on for purposes of preparing pricing for the proposed CR3 securitization as of May 29, 2015. DEF analyzed indicative pricing assuming an 18-year scheduled maturity for \$1.3 billion, four tranche securitization. To obtain this indicative pricing, credit spreads were provided by five banks. In order to obtain such pricing, however, DEF must be able to assure these competing lending institutions that sensitive business information, such as the indicative pricing levels, will be kept confidential. With respect to the information at

issue in this request, DEF has kept confidential and has not publicly disclosed confidential swap rates, interest rates, credit spreads, pricing terms and similar competitive information. Absent such measures, lenders who otherwise would contract with DEF might decide not to do so if DEF did not keep the terms of their proposals confidential. Without DEF's measures to maintain the confidentiality of sensitive terms in proposals between DEF and third parties, the Company's efforts to obtain competitive prices for its financial needs could be compromised by banking competitors changing their position or behavior within the relevant markets.

6. Additionally, attachments to DEF's Response to Staff's 1<sup>st</sup> Request for Production of Documents, Question #3 (specifically Bates numbers 150148-STAFFPOD1-3-000001 through 150148-STAFFPOD1-3-000082), contains sensitive business information which could adversely impact competitive business interests of banks working with DEF on interest rate hedging considerations and structures for the proposed securitization. DEF has an understanding with these third parties to not disclose the proprietary business information contained in their presentations. Absent such confidentiality measures, third party banks would run the risk that sensitive business information that they provided in their discussions with DEF would be made available to the public and, as a result, end up in possession of potential competitors. Faced with that risk, lenders efforts to competitively negotiate financial alternatives with companies such as DEF could be undermined.

7. DEF's Answer to Question #3 on page 4 of DEF's Response to Staff's First Set of Interrogatories (Nos. 1-7) contains sensitive and confidential business information concerning DEF's financial strategies, the disclosure of which would

compromise DEF's competitive business interests. Specifically, if DEF's investors and potential lending institutions were made aware of DEF's financial strategies and hedging practices, they may adjust their behavior in the market place with respect to activity such as pricing, commercial paper markets and debt agreements. Without DEF's measures to maintain the confidentiality of sensitive financial strategies, the Company's efforts to obtain competitive prices for its financial needs could be compromised by banking competitors negotiating on less favorable terms for DEF.

8. Upon receipt of confidential information from lending institutions working with DEF, 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 documents. At no time since receiving the contracts and information in question has the Company publicly disclosed that information or documents. The Company has treated and continues to treat the information and documents at issue as confidential.

9. This concludes my affidavit.

Further affiant sayeth not.

Dated the 10<sup>th</sup> day of August, 2015.

W. Bryan Buckler

(Signature)

W. Bryan Buckler  
Director of Corporate Finance and Assistant

Treasurer

Duke Energy Business Services, LLC  
550 South Tryon Street  
Charlotte, NC

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 10<sup>th</sup> day of August, 2015 by <sup>W.</sup>BRYAN BUCKLER. He is personally known to me, or has produced his 34124113 driver's license, or his \_\_\_\_\_ as identification.

Sharon C. Arrowood

(Signature)

Sharon C. Arrowood

(Printed Name)

NOTARY PUBLIC, STATE OF NC

1/16/2019

(Commission Expiration Date)

N/A

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)

