



Dianne M. Triplett  
ASSOCIATE GENERAL COUNSEL  
Duke Energy Florida, LLC

December 3, 2015

**Via ELECTRONIC DELIVERY**

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

Re: Docket 150171-EI  
Modification of Eighth Request for Confidential Classification

Dear Ms. Stauffer:

On September 17, 2015, Duke Energy Florida, LLC ("DEF") filed its Eighth Request for Confidential Classification regarding information provided in DEF's Responses to Staff's Second Set of Interrogatories (Nos. 8-39) in the above-referenced matter. To date, neither a recommendation or order has been issued concerning this Request.

DEF submits the attached modified Exhibit A (confidential document, replacing document number 05803-15), modified Exhibit B (2 redacted versions of the confidential document), modified Exhibit C (justification matrix), and Exhibit D (Affidavit of Bryan Buckler) to its Request for Confidential Classification, document number 05806-15, filed in the above-referenced docket on September 17, 2015. It has come to DEF's attention that portions of the confidential documents are available to the public, and therefore the modified exhibits are being submitted to more accurately represent the confidential information contained within the documents.

DEF's modified confidential Exhibit A that accompanies the above-referenced filing, has been submitted under separate cover.

DEF requests that the original confidential documents submitted on September 17, 2015, be returned to the Company to avoid confusion.

Thank you for your assistance in this matter. If you have any questions, please feel free to contact me at (727) 820-4692.

Sincerely,

*/s/ Dianne M. Triplett*

Dianne M. Triplett

DMT:at  
Attachments

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail to the following this 3<sup>rd</sup> day of December, 2015.

*/s/ Dianne M. Triplett*

\_\_\_\_\_  
Attorney

Rosanne Gervasi Keino Young Kelley Corbari Leslie Ames Theresa Tan Office of the General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 <a href="mailto:kyoung@psc.state.fl.us">kyoung@psc.state.fl.us</a> <a href="mailto:kcorbari@psc.state.fl.us">kcorbari@psc.state.fl.us</a> <a href="mailto:lames@psc.state.fl.us">lames@psc.state.fl.us</a> <a href="mailto:ltan@psc.state.fl.us">ltan@psc.state.fl.us</a> <a href="mailto:rgervasi@psc.state.fl.us">rgervasi@psc.state.fl.us</a>	Charles Rehwinkel J. R. Kelly Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, Florida 32399-1400 <a href="mailto:kelly.jr@leg.state.fl.us">kelly.jr@leg.state.fl.us</a> <a href="mailto:rehwinkel.charles@leg.state.fl.us">rehwinkel.charles@leg.state.fl.us</a> <a href="mailto:woods.monica@leg.state.fl.us">woods.monica@leg.state.fl.us</a>
Florida Industrial Power Users Group c/o Moyle Law Firm, P.A. Jon C. Moyle, Jr. Karen A. Putnal 118 North Gadsden Street Tallahassee, Florida 32301 <a href="mailto:jmoyle@moylelaw.com">jmoyle@moylelaw.com</a> <a href="mailto:kputnal@moylelaw.com">kputnal@moylelaw.com</a>	PSC Phosphate – White Springs c/o James W. Brew Owen J. Kopon Stone Mattheis Xenopoulos & Brew, PC 1025 Thomas Jefferson Street, NW Eighth Floor, West Tower Washington, DC 20007-5201 <a href="mailto:jbrew@smxblaw.com">jbrew@smxblaw.com</a> <a href="mailto:ojk@smxblaw.com">ojk@smxblaw.com</a>
Joseph Fichera Saber Partners, LLC 44 Wall Street New York, NY 10005 <a href="mailto:jfichera@saberpartners.com">jfichera@saberpartners.com</a>	Dean E. Criddle Orrick, Herrington & Sutcliffe 405 Howard Street, #11 San Francisco, CA 94105 <a href="mailto:dcriddle@orrick.com">dcriddle@orrick.com</a>
Robert Scheffel Wright John T. LaVia, III Gardner, Bist, Bush, Dee, LaVia & Wright, P.A. 1300 Thomaswood Drive Tallahassee, FL 32308 <a href="mailto:schef@gbwlegal.com">schef@gbwlegal.com</a> <a href="mailto:jlavia@gbwlegal.com">jlavia@gbwlegal.com</a>	

# **Exhibit A**

**CONFIDENTIAL**  
**FILED UNDER SEPARATE COVER**

# **Exhibit B**

**REDACTED**



[REDACTED]

[REDACTED]

**Financial/structuring advisory fees**

[REDACTED]

**Underwriting fees:**

[REDACTED]

# Appendix B. Underwriting Fees

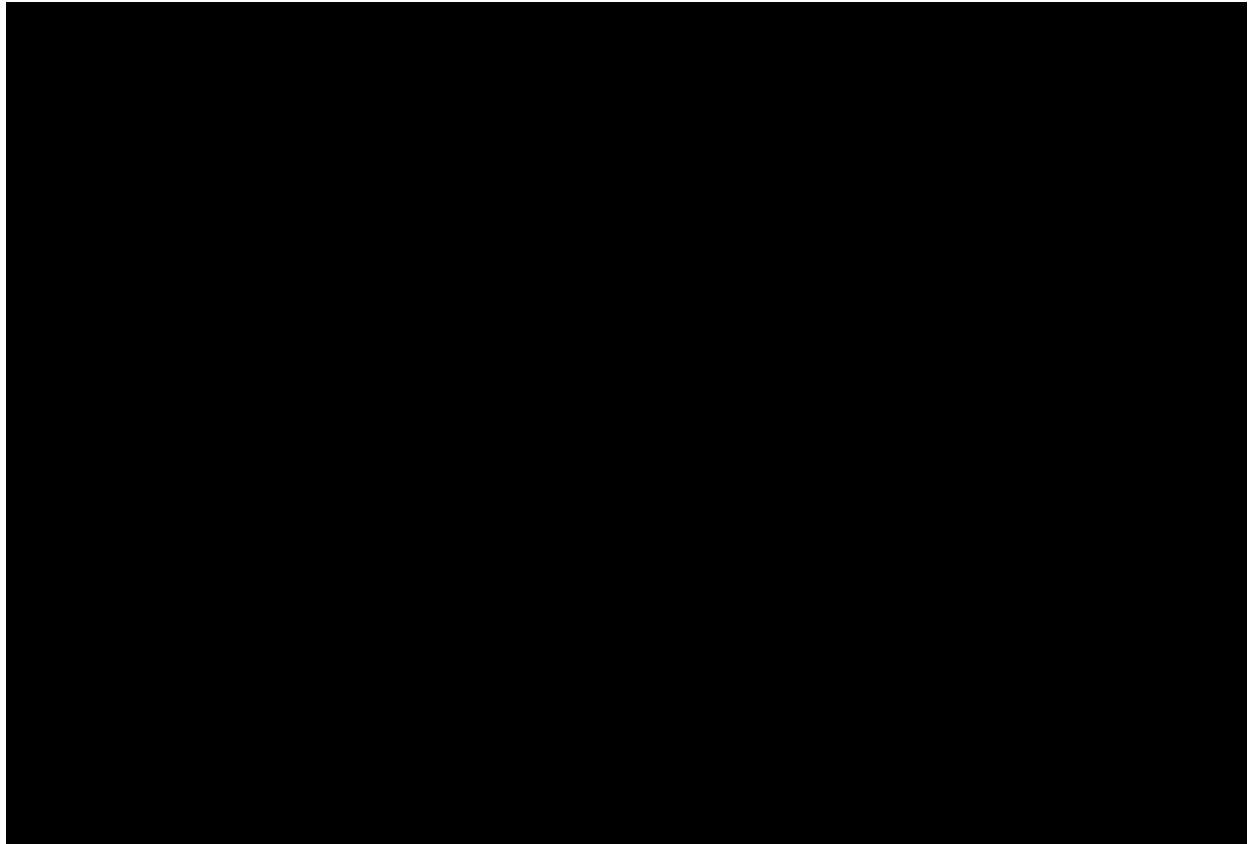
Issuance  
State of Hawaii - GEMS

Principal

%

UW Discounts & Commissions  
\$

(Nov-2014)



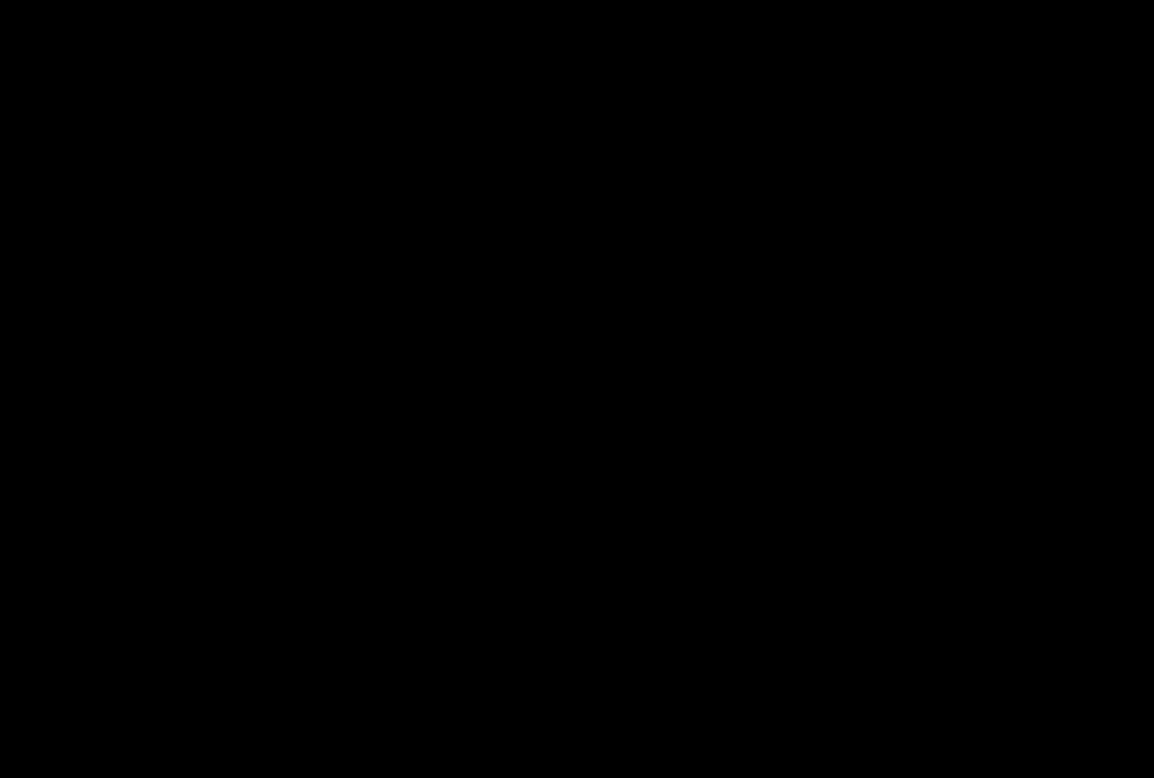
Issuance  
CenterPoint Energy Transition Bond Company, IV

Principal

%

UW Discounts & Commissions  
\$

(Jan-2012)





Morgan Stanley - Line 6  
engagement letter

CONFIDENTIAL

June 26, 2015

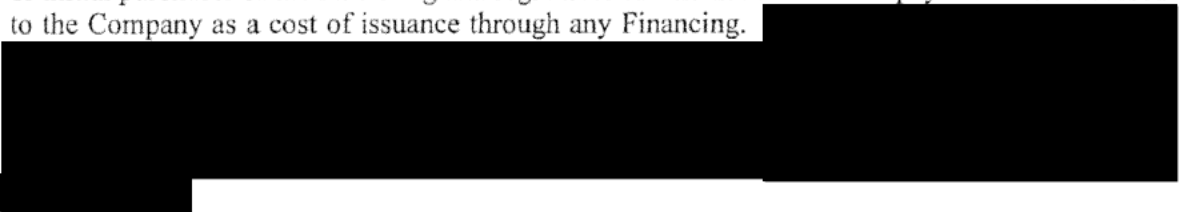
Duke Energy Florida, Inc.  
550 South Tryon Street  
Charlotte, NC 28202

Ladies and Gentlemen:

This letter sets forth the terms and conditions of the engagement of Morgan Stanley & Co. LLC ("Morgan Stanley" or "we") as structuring agent by Duke Energy Florida, Inc. ("DEF," the "Company," or "you") in connection with an anticipated issuance of nuclear asset-recovery bonds up to the amounts approved in a financing order (the "Financing") to be requested from the Florida Public Service Commission ("FPSC").

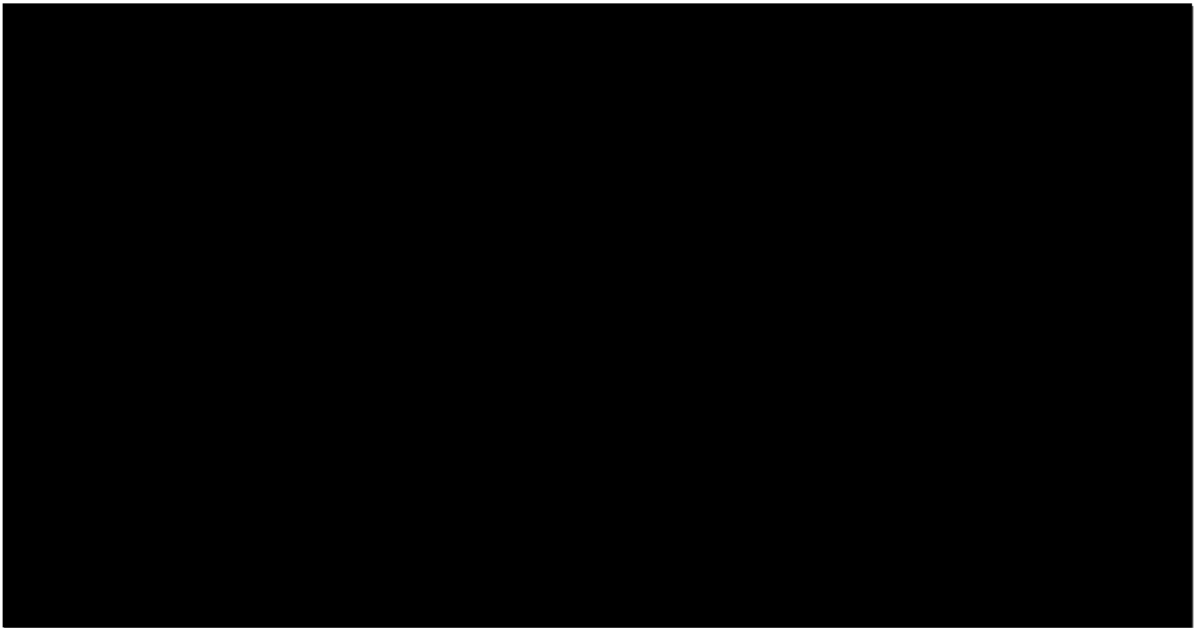
During the term of our engagement, we will provide you with assistance in connection with the formulation and implementation of the Financing. Services with respect to the Financing under our engagement include advisory and structuring services such as reviewing of enacted legislation; reviewing Company financing objectives; reviewing rating agency criteria with the Company; developing preliminary financing structures; developing interest rate risk management structures, if applicable; developing the mechanics of properly effecting the Financing, including assistance with preparing billing and collection systems; assistance with preparing related testimony of various Company witnesses; reviewing draft transaction documents; assistance in developing and applying for a proposed financing order and interest rate hedging and regulatory deferral order (if applicable); and providing expert direct testimony and rebuttal testimony (if any).

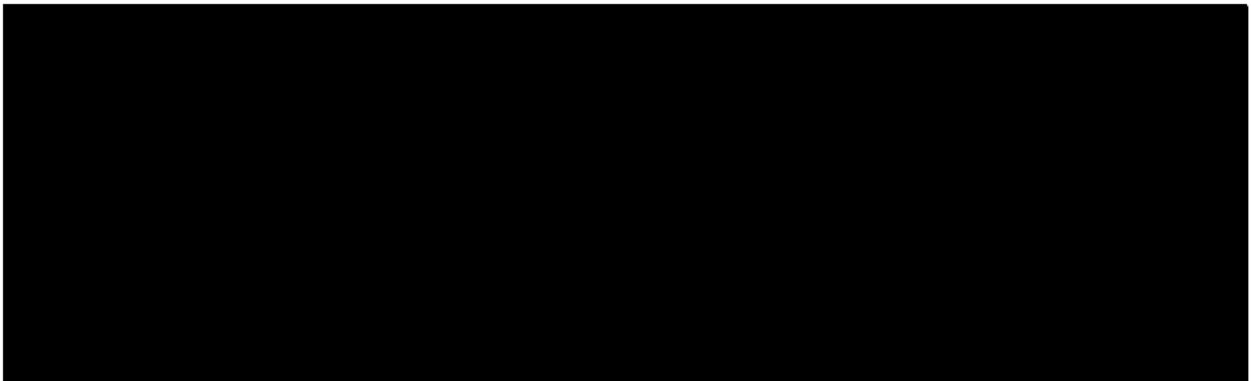
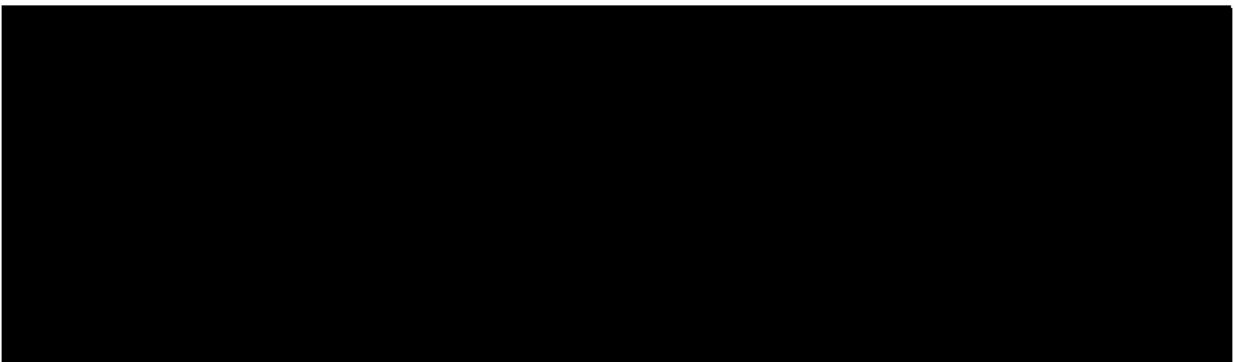
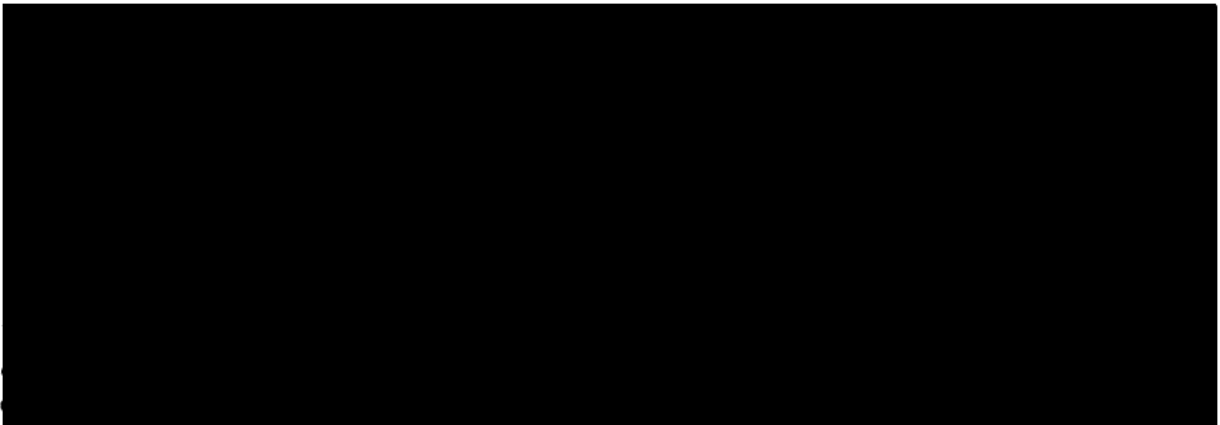
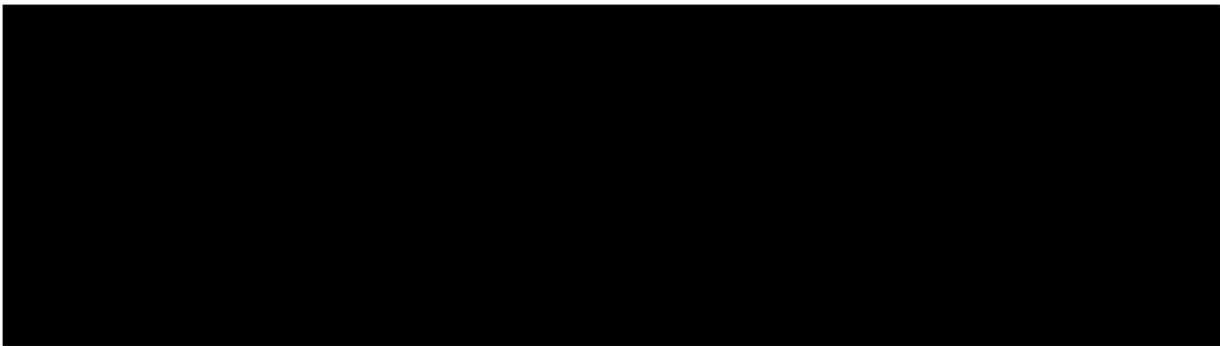
In connection with the Financing, DEF will pay or cause to be paid to Morgan Stanley, a structuring fee equal to \$400,000 (the "Structuring Fee"). Fifty percent (50%) of the Structuring Fee shall be deemed earned and payable upon the filing by the Company of an application for a financing order with the Florida Public Service Commission (the "Commission"). The remaining fifty percent (50%) of the Structuring Fee shall be earned and payable upon DEF's receipt of credit ratings for the nuclear asset-recovery bonds from at least two rating agencies, however, if such credit ratings have not been received by June 1, 2016, the remaining fifty percent (50%) of the Structuring Fee shall be paid by June 15, 2016. The Structuring Fee shall be payable regardless of whether or not Morgan Stanley acts as an underwriter, placement agent, or initial purchaser of the Financing and regardless of whether or not such payment is reimbursed to the Company as a cost of issuance through any Financing.



CONFIDENTIAL

150148-STAFFROG2-8-000004



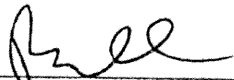




If the terms hereof are acceptable to the Company, please sign and return one of the originals to the undersigned. We very much look forward to working with you on this engagement.


Very truly yours,

MORGAN STANLEY & CO. LLC

By:   
Name: Patrick Collins  
Title: Executive Director

ACCEPTED AND AGREED  
as of the date first written above:

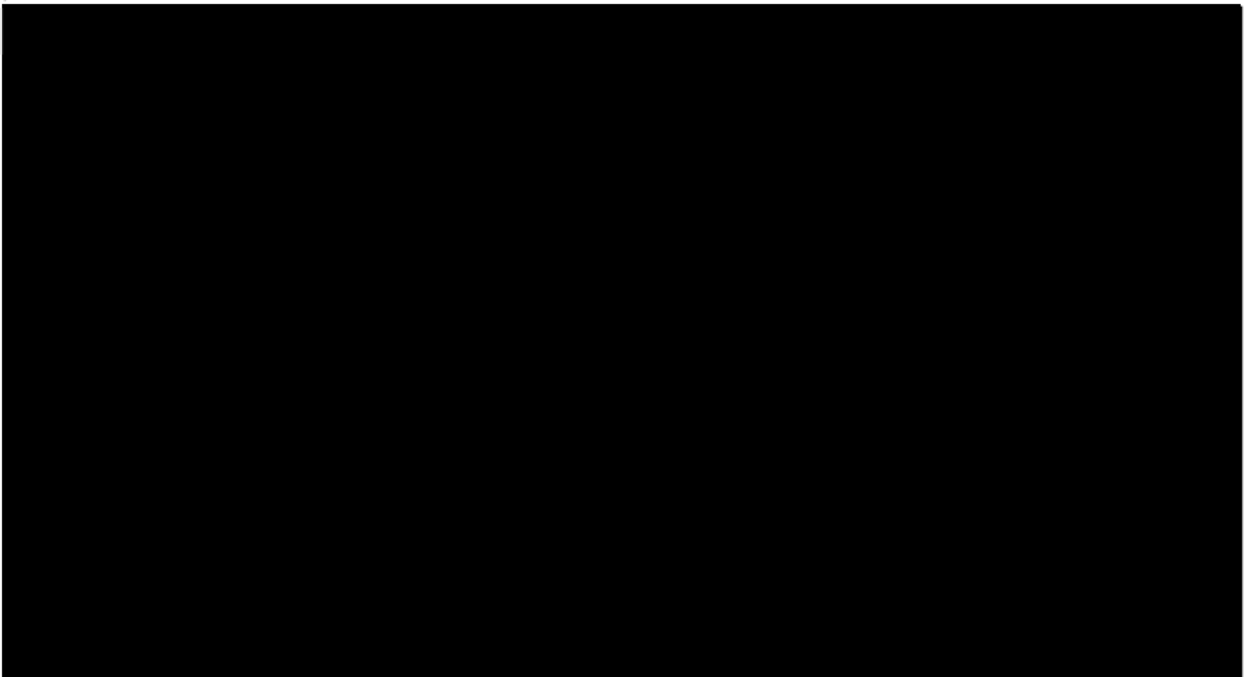
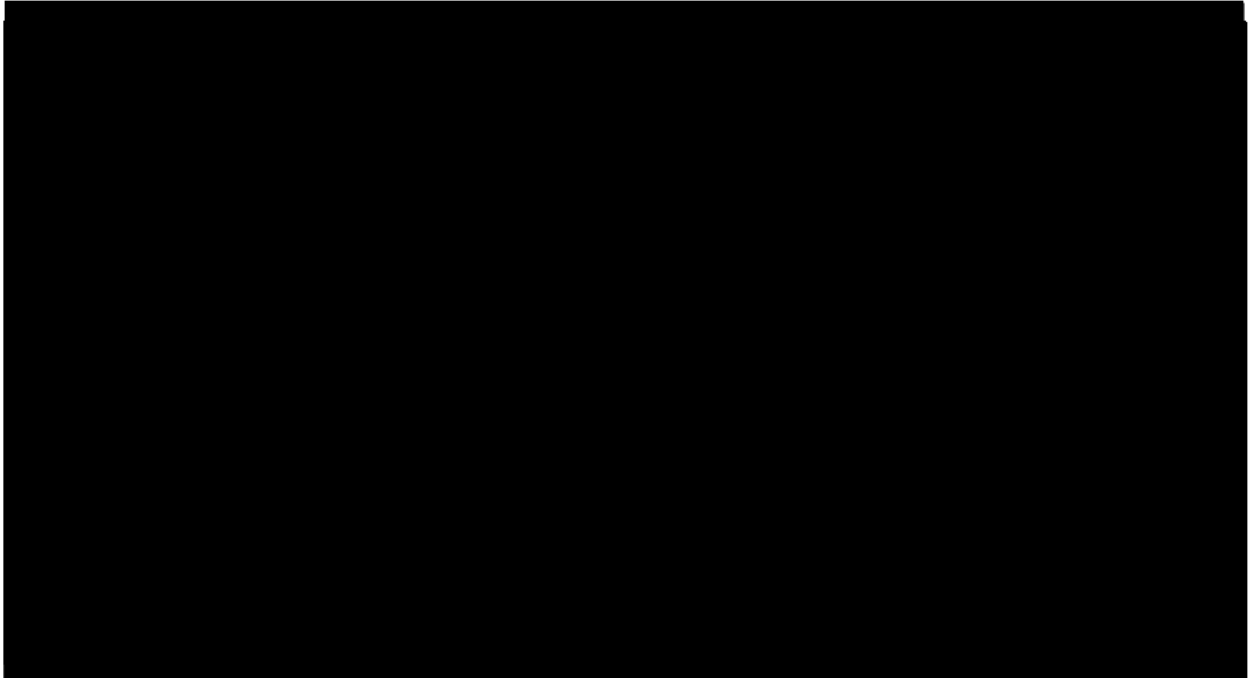
DUKE ENERGY FLORIDA, INC.

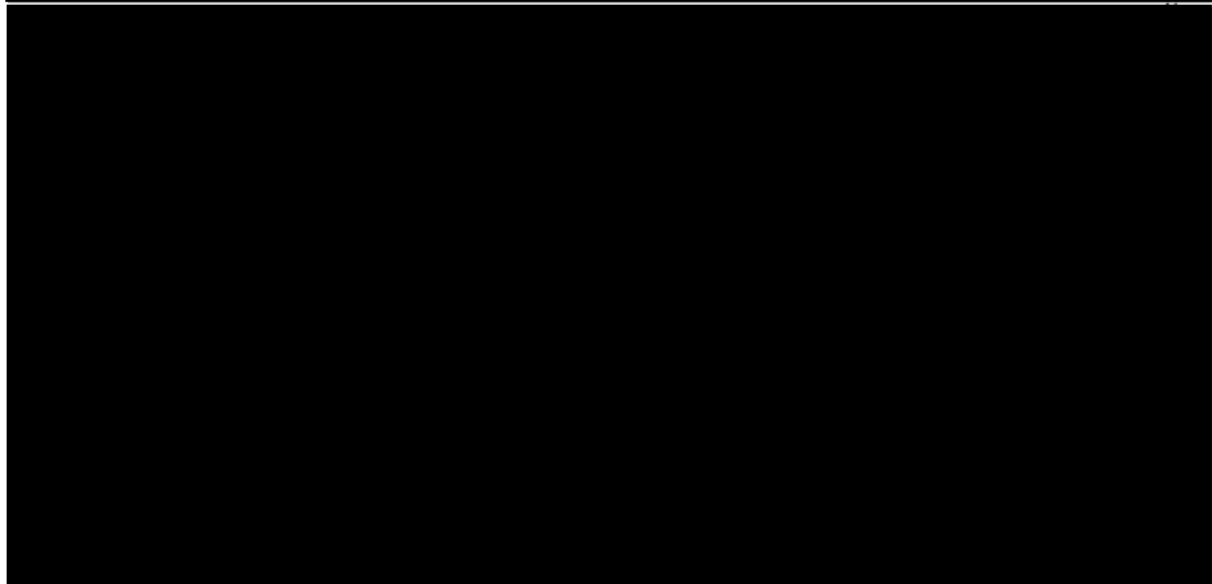
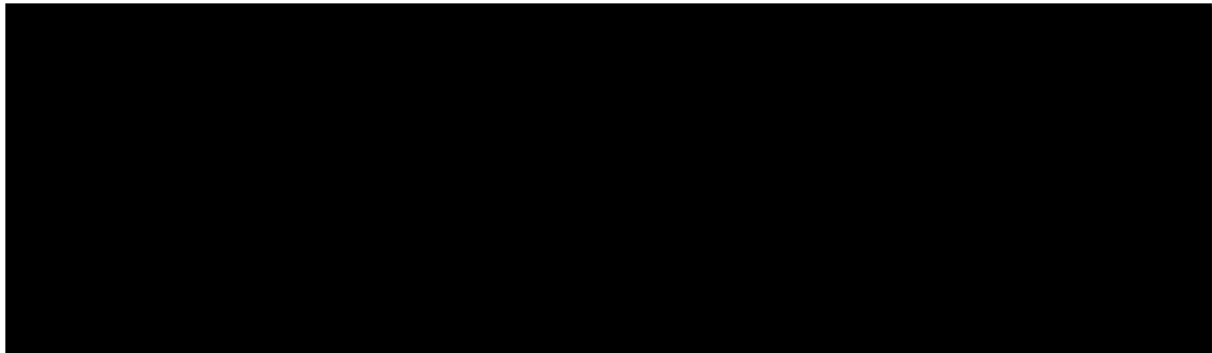
By:   
Name: W. Bryan Buckler  
Title: Assistant Treasurer

*EXHIBIT A*

*Morgan Stanley & Co. LLC  
1585 Broadway  
New York, New York 10036*


*Ladies and Gentlemen:*





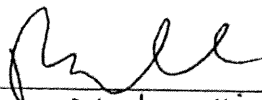
*Very truly yours,*

*DUKE ENERGY FLORIDA, INC.*

By:   
Name: *W. Bryan Buckler*  
Title: *Assistant Treasurer*

*Accepted:*

*MORGAN STANLEY & CO. LLC*

By:   
Name: *Patrick Collins*  
Title: *Executive Director*

*Date: JUNE 26, 2015*



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



**Exhibit B**  
**REDACTED**  
**(2<sup>nd</sup> copy)**



[REDACTED]

[REDACTED]

**Financial/structuring advisory fees**

[REDACTED]

**Underwriting fees:**

[REDACTED]

# Appendix B. Underwriting Fees

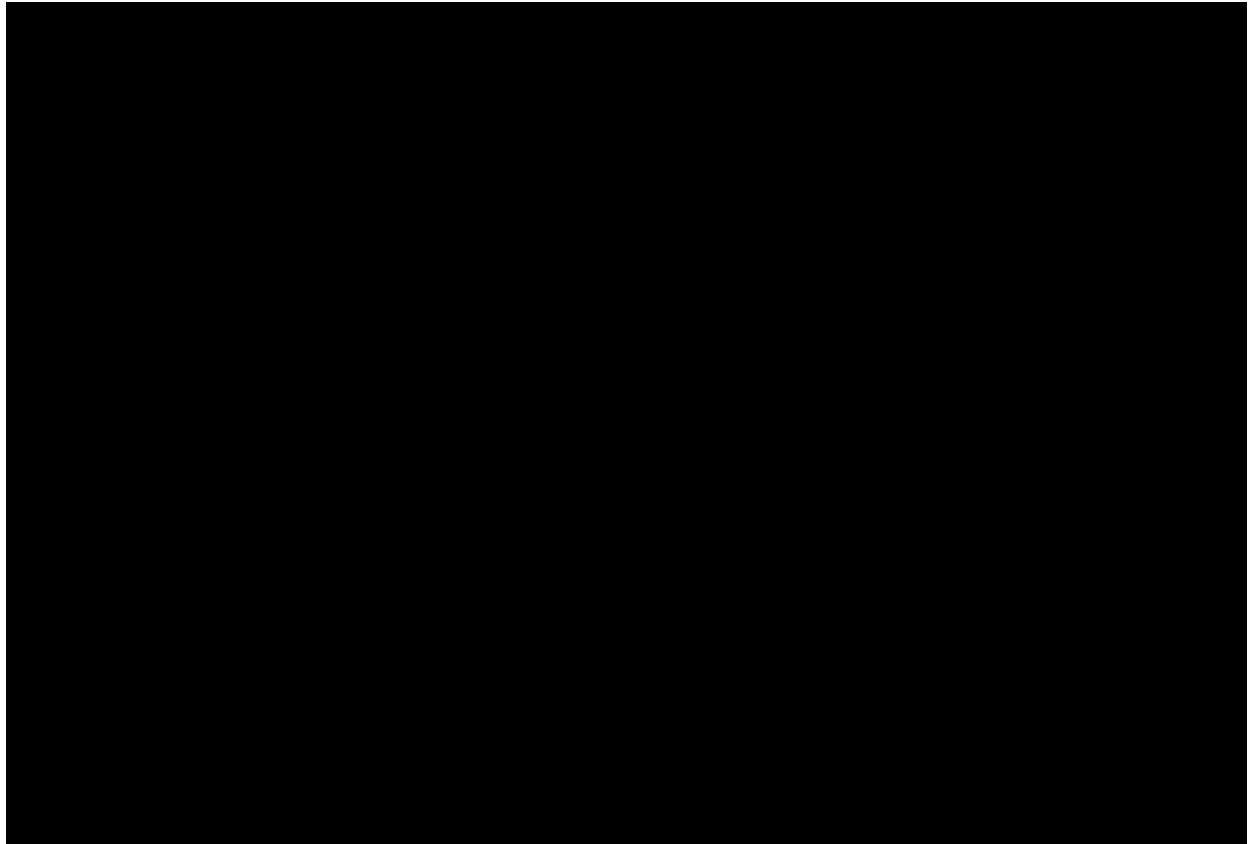
Issuance  
State of Hawaii - GEMS

Principal

%

UW Discounts & Commissions  
\$

(Nov-2014)



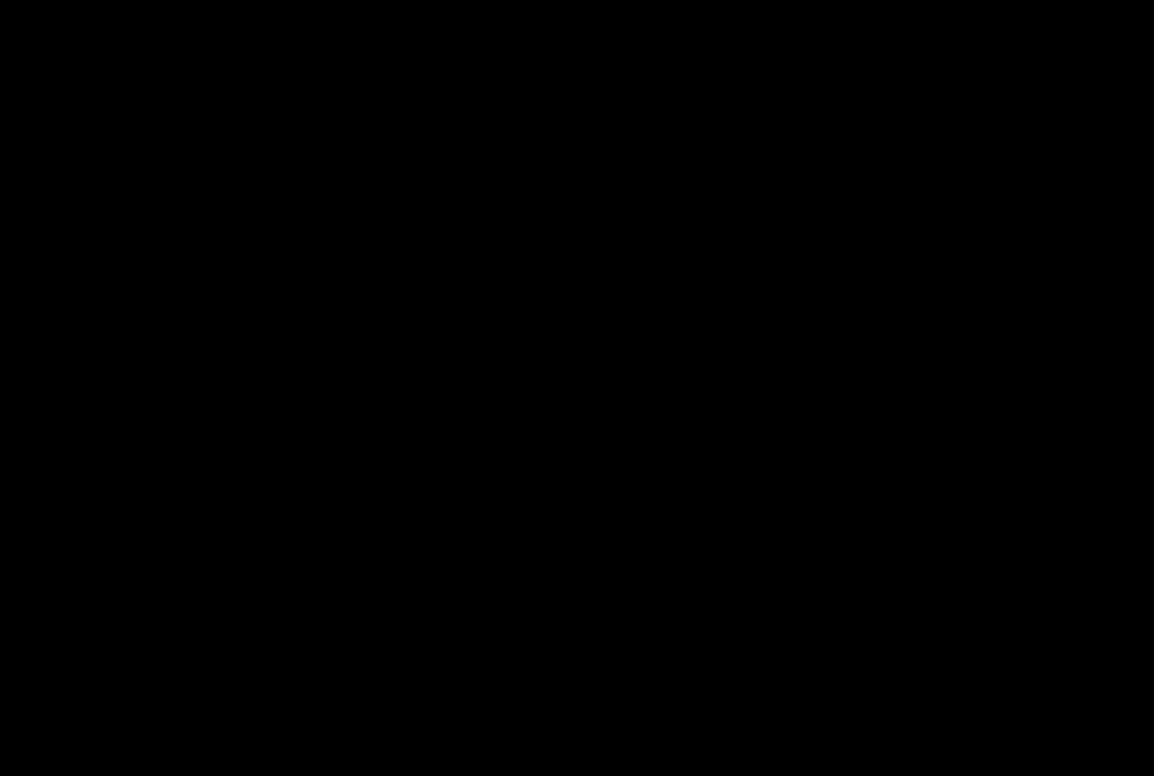
Issuance  
CenterPoint Energy Transition Bond Company, IV

Principal

%

UW Discounts & Commissions  
\$

(Jan-2012)



Morgan Stanley - Line 6  
engagement letter

CONFIDENTIAL

June 26, 2015

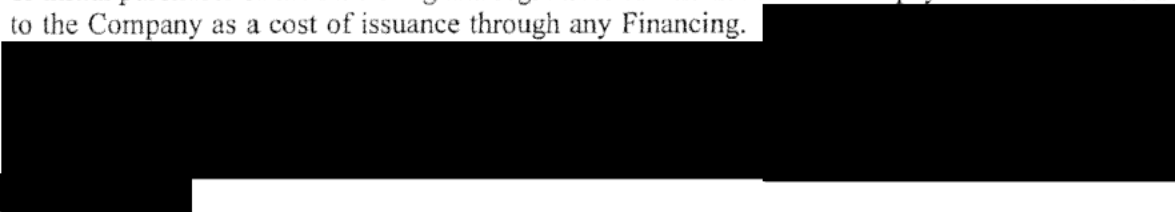
Duke Energy Florida, Inc.  
550 South Tryon Street  
Charlotte, NC 28202

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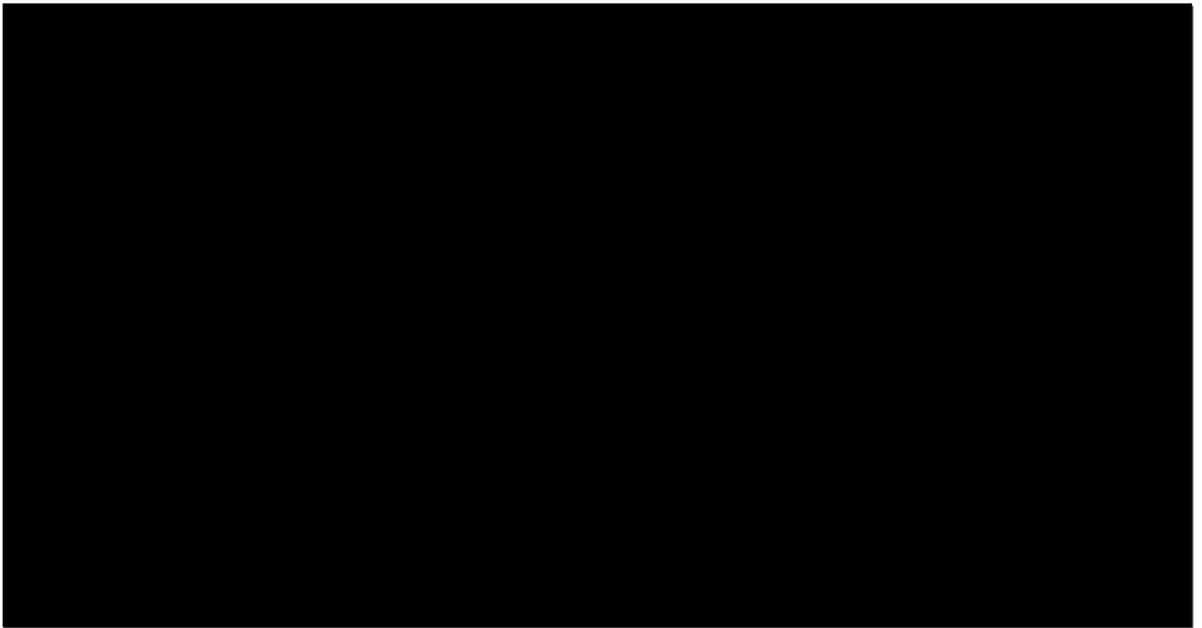
During the term of our engagement, we will provide you with assistance in connection with the formulation and implementation of the Financing. Services with respect to the Financing under our engagement include advisory and structuring services such as reviewing of enacted legislation; reviewing Company financing objectives; reviewing rating agency criteria with the Company; developing preliminary financing structures; developing interest rate risk management structures, if applicable; developing the mechanics of properly effecting the Financing, including assistance with preparing billing and collection systems; assistance with preparing related testimony of various Company witnesses; reviewing draft transaction documents; assistance in developing and applying for a proposed financing order and interest rate hedging and regulatory deferral order (if applicable); and providing expert direct testimony and rebuttal testimony (if any).

In connection with the Financing, DEF will pay or cause to be paid to Morgan Stanley, a structuring fee equal to \$400,000 (the "Structuring Fee"). Fifty percent (50%) of the Structuring Fee shall be deemed earned and payable upon the filing by the Company of an application for a financing order with the Florida Public Service Commission (the "Commission"). The remaining fifty percent (50%) of the Structuring Fee shall be earned and payable upon DEF's receipt of credit ratings for the nuclear asset-recovery bonds from at least two rating agencies, however, if such credit ratings have not been received by June 1, 2016, the remaining fifty percent (50%) of the Structuring Fee shall be paid by June 15, 2016. The Structuring Fee shall be payable regardless of whether or not Morgan Stanley acts as an underwriter, placement agent, or initial purchaser of the Financing and regardless of whether or not such payment is reimbursed to the Company as a cost of issuance through any Financing.

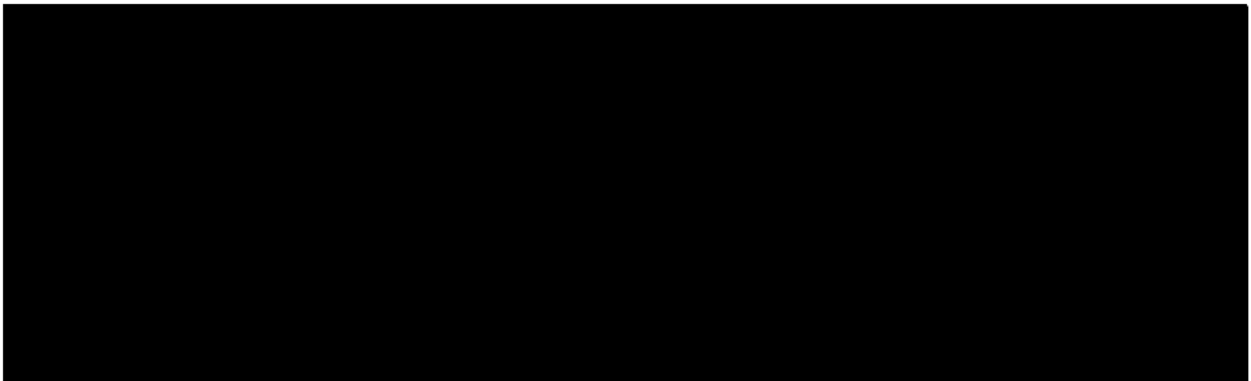
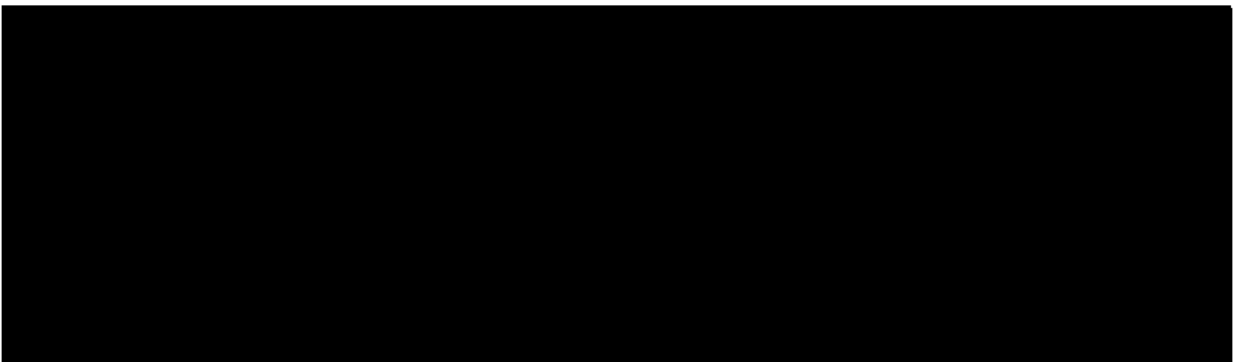
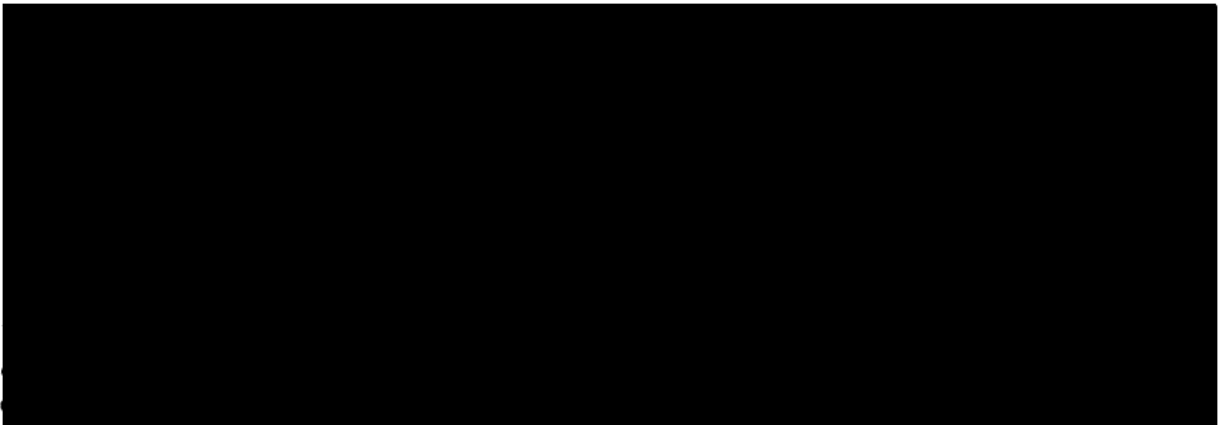


CONFIDENTIAL

150148-STAFFROG2-8-000004





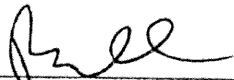




If the terms hereof are acceptable to the Company, please sign and return one of the originals to the undersigned. We very much look forward to working with you on this engagement.


Very truly yours,

MORGAN STANLEY & CO. LLC

By:   
Name: Patrick Collins  
Title: Executive Director

ACCEPTED AND AGREED  
as of the date first written above:

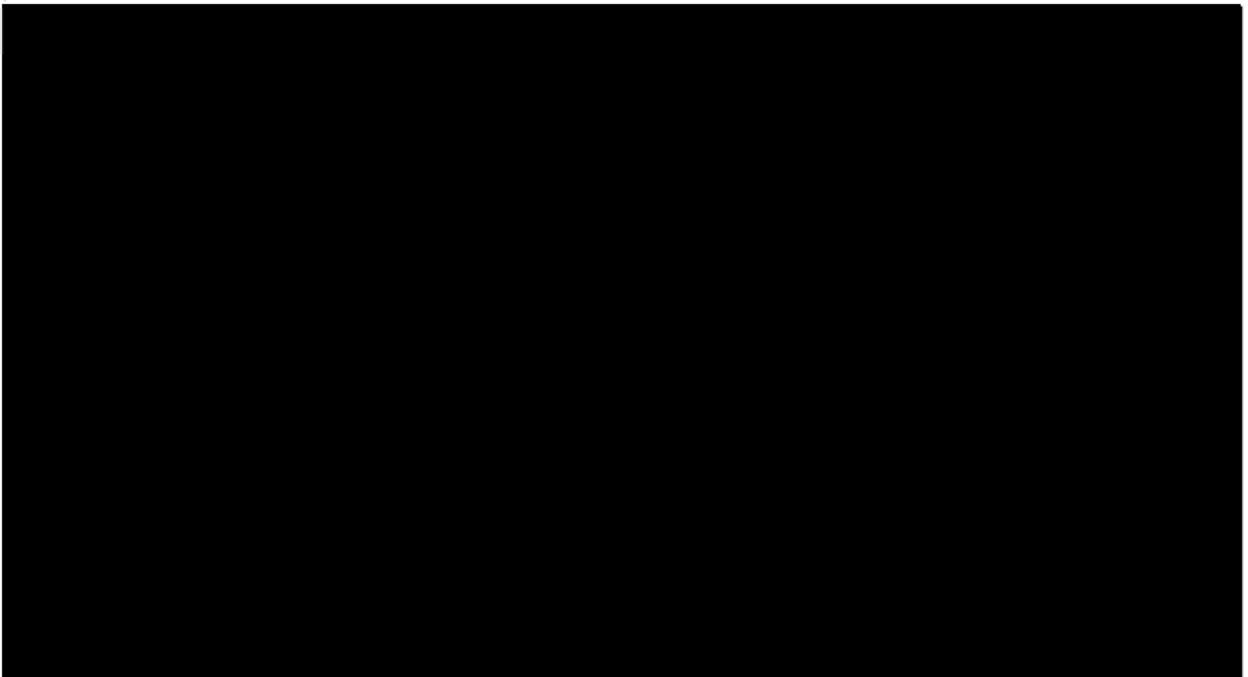
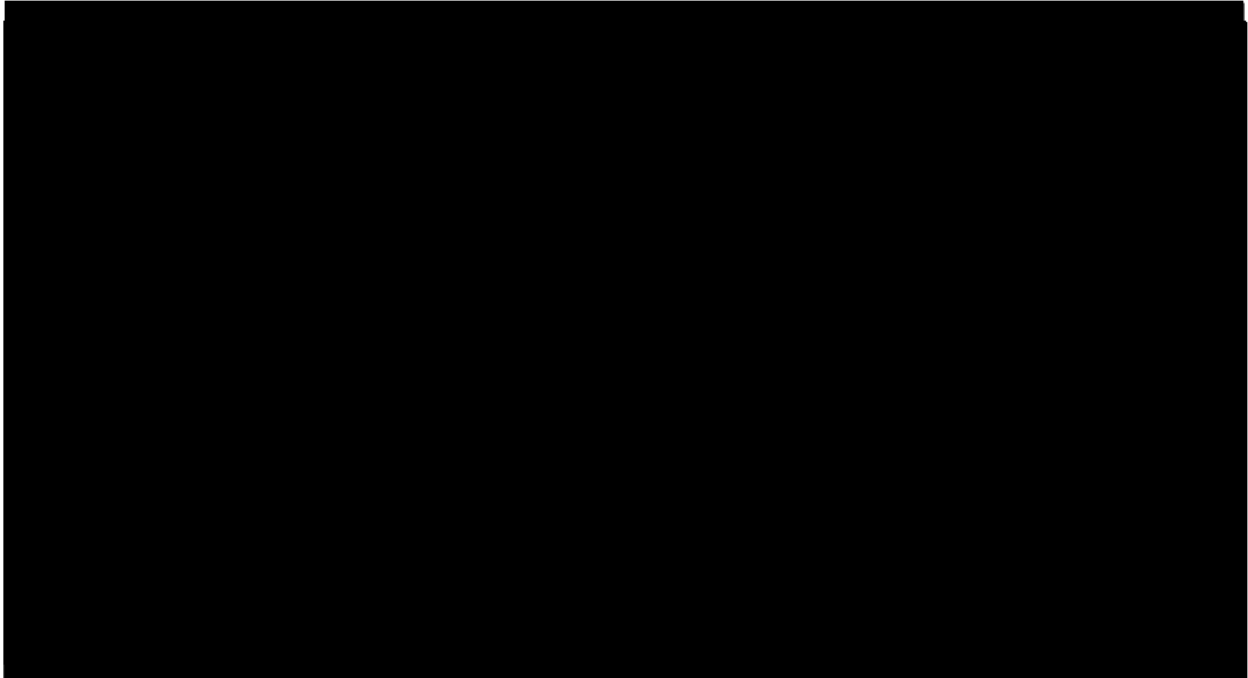
DUKE ENERGY FLORIDA, INC.

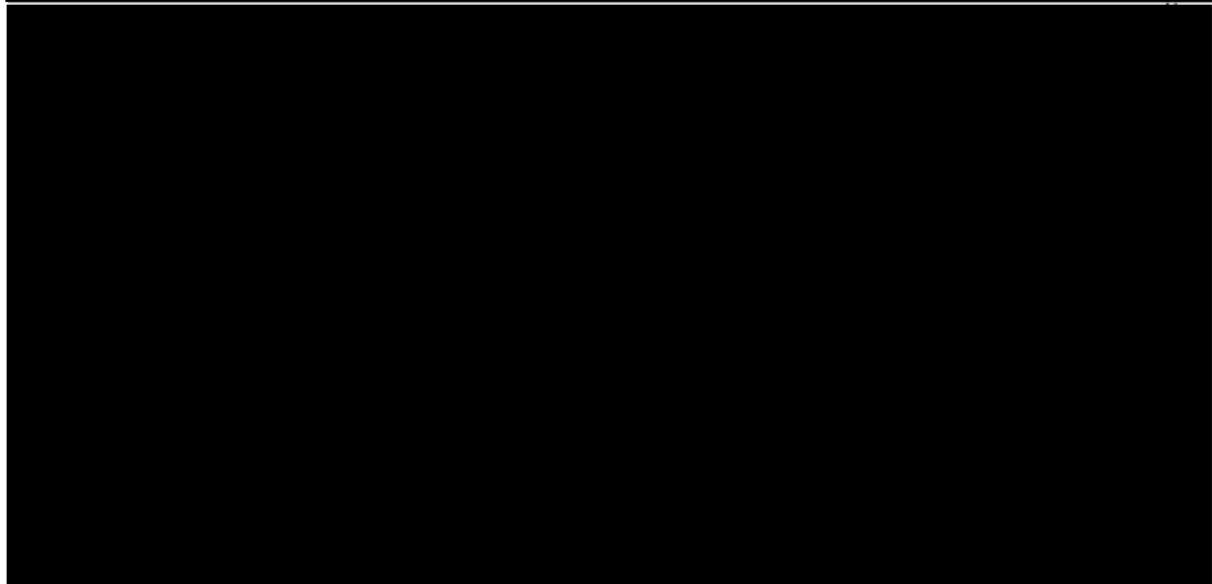
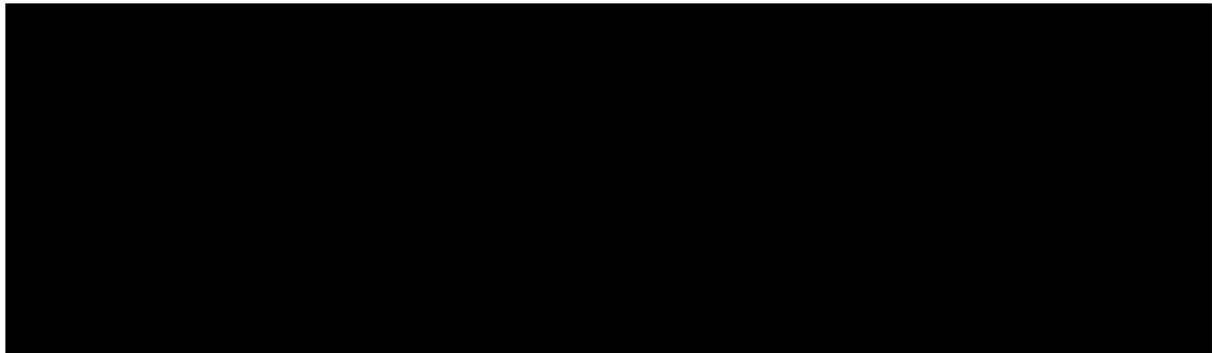
By:   
Name: W. Bryan Buckler  
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*EXHIBIT A*

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New York, New York 10036*


*Ladies and Gentlemen:*





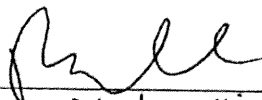
*Very truly yours,*

*DUKE ENERGY FLORIDA, INC.*

By:   
Name: *W. Bryan Buckler*  
Title: *Assistant Treasurer*

*Accepted:*

*MORGAN STANLEY & CO. LLC*

By:   
Name: *Patrick Collins*  
Title: *Executive Director*

*Date: JUNE 26, 2015*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]





**DUKE ENERGY FLORIDA – EXHIBIT C - Docket 150171-EI  
Confidentiality Justification**

<b>DOCUMENT/RESPONSES</b>	<b>PAGE/LINE</b>	<b>JUSTIFICATION</b>
<p>DEF Response to Staff’s 2<sup>nd</sup> Set of Interrogatories, Question #8</p>	<p>Attachment bearing Bates number 150148-STAFFROG2-8-000001, all bulleted lines on the page; all information contained in the table titled “Recent Underwriting Fees.”</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>DEF Response to Staff’s 2<sup>nd</sup> Set of Interrogatories, Question #8</p>	<p>Attachment bearing Bates number 150148-STAFFROG2-8-000002, the entire page is confidential</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	JUSTIFICATION
<p>DEF Response to Staff's 2<sup>nd</sup> Set of Interrogatories, Question #8</p>	<p>Attachment bearing Bates number 150148-STAFFROG2-8-000003, all information contained in the table titled "Appendix B. Underwriting Fees."</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>DEF Response to Staff's 2<sup>nd</sup> Set of Interrogatories, Question #8</p>	<p>Attachment bearing Bates number 150148-STAFFROG2-8-000004, the last sentence on the page.</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	JUSTIFICATION
<p>DEF Response to Staff's 2<sup>nd</sup> Set of Interrogatories, Question #8</p>	<p>Attachment bearing Bates number 150148-STAFFROG2-8-000005 through 150148-STAFFROG2-8-0000007, the entire pages of the Morgan Stanley engagement letter.</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>DEF Response to Staff's 2<sup>nd</sup> Set of Interrogatories, Question #8</p>	<p>Attachment bearing Bates number 150148-STAFFROG2-8-000009 through 150148-STAFFROG2-8-0000010, the entire body of Exhibit A to Morgan Stanley's engagement letter.</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	JUSTIFICATION
<p>DEF Response to Staff's 2<sup>nd</sup> Set of Interrogatories, Question #34</p>	<p>Attachment bearing Bates number 150148-STAFFROG2-34-000001 the entire page.</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>DEF Response to Staff's 2<sup>nd</sup> Set of Interrogatories, Question #34</p>	<p>Attachment bearing Bates number 150148-STAFFROG2-34-000002, the entire body of both tables including the footnote.</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 BRYAN BUCKLER**

**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

In re: Petition for issuance of nuclear asset-recovery financing order, by Duke Energy Florida, Inc. d/b/a Duke Energy.

DOCKET NO. 150171-EI

DATED: September \_\_, 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. Effective August 15, 2015, I became the Director of Regulated Accounting for Duke Energy Corporation ("Duke Energy"). In this role I am responsible

for accounting and financial reporting for all of Duke Energy's regulated subsidiaries, including Duke Energy Florida. However, I will still serve as DEF's Treasury witness in this proceeding, and will continue to report to Stephen De May, Senior Vice President and Treasurer of Duke Energy and DEF, for purposes of the nuclear asset-recovery bond transaction.

3. DEF is seeking confidential classification for portions of DEF's Response to Staff's Second Set of Interrogatories, specifically attachments responsive to questions #8 and 34. 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.

4. Attachments to DEF's Response to Staff's 2<sup>nd</sup> Second Set of Interrogatories, Question #8 (specifically Bates numbers 150148-STAFFROG2-8-000001 through 150148-STAFFROG2-8-000011), and Question #34 (specifically Bates numbers 150148-STAFFROG2-34-000001 through 150148-STAFFROG2-34-000002) contain sensitive business information including Morgan Stanley's engagement letter, underwriting and structuring agent lists provided by Goldman Sachs, and Morgan Stanley's Structuring Advisory Fee Proposal that DEF relied on to analyze historical utility securitization transactions and provide assumptions and justifications for amounts associated with estimated upfront nuclear asset-recovery bond issuance costs and estimated ongoing financing costs. DEF analyzed sensitive business information

provided by Morgan Stanley and Goldman Sachs to support their proposals. In order to obtain such prior utility fee securitization engagement information, however, DEF must be able to assure these competing financial institutions that sensitive business information provided in their proposals, will be kept confidential. With respect to the information at issue in this request, DEF has kept confidential and has not publicly disclosed underwriting fees, advisory fees, and similar competitive information. Absent such measures, financial institutions 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 financial service competitors changing their position or behavior within the relevant markets.

5. Additionally, the above-referenced Bates numbered attachments contain sensitive business information which could adversely impact competitive business interests of financial institutions working with DEF to obtain competitive nuclear asset-recovery bonds for the proposed securitization. DEF has a contractual obligation with these third parties to not disclose the proprietary business information contained in their engagement letters and presentation materials. Absent such confidentiality measures, third party financial advisors 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, the efforts of financial advisors to competitively negotiate financial alternatives with companies such as DEF could be undermined.



6. Upon receipt of confidential information from financial 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.

7. This concludes my affidavit.

Further affiant sayeth not.

Dated the 15<sup>th</sup> day of September, 2015.

Bryan Buckler

(Signature)

Bryan Buckler  
Director of Regulated Accounting  
Duke Energy Business Services, LLC  
550 South Tryon Street  
Charlotte, NC

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 15 day of September, 2015 by BRYAN BUCKLER. He is personally known to me, or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.

Catherine Marshall McCran

(Signature)

Catherine Marshall McCran

(Printed Name)

NOTARY PUBLIC, STATE OF NC

7-6-2020

(Commission Expiration Date)

(AFFIX NOTARIAL SEAL)

\_\_\_\_\_  
(Serial Number, If Any)