

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

April 7, 2015

#### VIA OVERNIGHT MAIL

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

Re:

CLK \_\_\_\_

Fuel and Purchased Power Cost recovery clause and Generating Performance Incentive

Factor; Docket No. 150001-EI

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 the direct testimony of Joseph McCallister for the Fuel and Capacity Cost Recovery Final Hedging True-Up for the Period August through December 2014. 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.			
AFD 2 APA ECO	Matthew R. Bernier Senior Counsel	TO WW0.0	15 APR -	RECEIV
ENG MRB/mw GCL Enclosures		IISSION ERK	AMII:	ED-FP
IDM cc: Certificate of Service			28	SS
TEL				

### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 150001-EI

Dated: April 7, 2015

### 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 the direct testimony of Joseph McCallister and Exhibit No. \_\_\_\_ (JM-1T) dated April 7, 2015. In support of this Request, DEF states:

- 1. The direct testimony of Joseph McCallister, specifically Pages 3 and 4, and Exhibit No. \_\_\_(JM-1T) contain "proprietary confidential 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 unreducted copy 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 unreducted version, 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.
- 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 information at issue relates to hedging percentages, hedging savings/costs and volumes, 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 Joseph McCallister at ¶ 5. Furthermore, the information at issue relates to the competitive interests of DEF and its fuel suppliers, the disclosure of which would impair their competitive businesses. See § 366.093(3)(e), F.S.; Affidavit of Joseph McCallister 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 Joseph McCallister at ¶ 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 of Joseph McCallister 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 7th day of April, 2015.

DIANNE M. TRIPLETT

Associate General Counsel

MATTHEW R. BERNIER

Senior Counsel

Duke Energy Florida, Inc.

299 First Avenue North

St. Petersburg, FL 33701

Email: Dianne.Triplett@duke-energy.com

Email: Matthew.Bernier@duke-energy.com

Attorneys for

Duke Energy Florida, Inc.

### Duke Energy Florida, Inc.

Docket No.: 150001

### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 7<sup>th</sup> day of April, 2015 to all parties of record as indicated below.

Suzanne Brownless, Esq.
Danijela Janjic, Esq.
John Villafrate, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
sbrownle@psc.state.fl.us
djanjic@psc.state.fl.us
jvillafr@psc.state.fl.us
mbarrera@psc.state.fl.us

James D. Beasley, Esq.
J. Jeffry Wahlen, Esq.
Ashley M. Daniels, Esq.
Ausley McMullen Law Firm
P.O. Box 391
Tallahassee, FL 32302
jbeasley@ausley.com
jwahlen@ausley.com
adaniels@ausley.com

Jeffrey A. Stone/Russell A. Badders/ Steven R. Griffin Beggs & Lane P.O. Box 12950 Pensacola, FL 32591 jas@beggslane.com rab@beggslane.com srg@beggslane.com

Jon C. Moyle, Jr., Esq. Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com Ms. Cheryl Martin
Florida Public Utilities Company
911 South 8<sup>th</sup> Street
Fernandina Beach, FL 32034
Cheryl Martin@fpuc.com

Robert Scheffel Wright, Esq.
John T. LaVia, III, Esq.
c/o Gardner Law Firm
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

Robert L. McGee, Jr.
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780
rlmcgee@southernco.com

Beth Keating Gunster, Yoakley & Stewart, P.A. 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 bkeating@gunster.com

John T. Butler, Esq. Florida Power & Light Company 700 Universe Boulevard (LAW/JB) Juno Beach, FL 33408-0420 john.butler@fpl.com James W. Brew/Owen J. Kopon/Laura A. Wynn
Brickfield Law Firm
1025 Thomas Jefferson Street NW
8<sup>th</sup> Floor, West Tower
Washington, DC 20007
jbrew@bbrslaw.com
owen.kopon@bbrslaw.com
laura.wynn@bbrslaw.com

Charles J. Rehwinkel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
rehwinkel.charles@leg.state.fl.us

Ms. Paula K. Brown
Manager, Regulatory Coordination
Tampa Electric Company
P.O. Box 111
Tampa, FL 33601
regdept@tecoenergy.com

Kenneth Hoffman Florida Power & Light Company 215 S. Monroe Street, Suite 810 Tallahassee, FL 32301-1858 ken.hoffman@fpl.com

Raoul G. Cantero White Law Firm Southeast Financial Center, Suite 4900 200 South Biscayne Boulevard Miami, FL 33131-2352 reantero@whitecase.com

## **Exhibit A**

## "CONFIDENTIAL"

# Exhibit B REDACTED

### DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
Direct Testimony of Joseph	Page 4 (Lines 5, 7, 9, 11 &	§366.093(3)(d), F.S.
McCallister	12): hedging target	The document in question
	percentages; and Line 16:	contains confidential
	estimated and actual	information, the disclosure of
	hedging percentages for	which would impair DEF's
	2014.	efforts to contract for goods or
		services on favorable terms.
	Page 4 (Line 23) & Page 5	
	(Line 1): estimated and	§366.093(3)(e), F.S.
	actual hedging percentages	The document in question
	for 2014	contains confidential
		information relating to
		competitive business interests,
		the disclosure of which would
		impair the competitive
		business of the provider/owner of the information.
		of the information.
Exhibit No. (JM-1T) to	Page 1: Monthly	§366.093(3)(d), F.S.
the direct testimony of Joseph	breakdown of hedging	The document in question
McCallister	savings/costs & volumes by	contains confidential
	commodity for 2014.	information, the disclosure of
		which would impair DEF's
	Pages 2-17: Hedging details	efforts to contract for goods or
	by month for January -	services on favorable terms.
	December 2014,	
	specifically volumes, fixed	§366.093(3)(e), F.S.
	prices (\$/MMBtu), and	The document in question
	hedging savings/costs.	contains confidential
		information relating to
		competitive business interests,
		the disclosure of which would
		impair the competitive
		business of the provider/owner
		of the information.

## **Exhibit D**

## AFFIDAVIT OF JOSEPH MCCALLISTER

### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 150001-EI

Dated: April 7, 2015

# AFFIDAVIT OF JOSEPH McCALLISTER 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 Joseph McCallister, who being first duly sworn, on oath deposes and says that:

- 1. My name is Joseph McCallister. 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 "Request"). The facts attested to in my affidavit are based upon my personal knowledge.
- 2. I am the Director of Natural Gas, Oil and Emissions in the Fuel
  Procurement Department. This section is responsible for natural gas, fuel oil and
  emission allowance activity for the Duke Energy Indiana (DEI), Duke Energy Kentucky
  (DEK), Duke Energy Carolinas (DEC), Duke Energy Progress (DEP), and DEF Systems.
- 3. As the Director of Natural Gas, Oil and Emissions, I am responsible, along with the other members of the section, for the management of the gas and oil

procurement, transportation, hedging activities and administration of gas and oil contracts with various suppliers for DEI's, DEK's, DEC's, DEF's and DEP's electrical power generation facilities.

- 4. DEF is seeking confidential classification for portions of my direct testimony, specifically Pages 3 and 4, and for portions of Exhibit No. \_\_\_\_ (JM-1T) to my direct testimony filed on April 7, 2015 in this docket. The confidential information at issue is contained in confidential Exhibit A to DEF's Request and is outlined in DEF's Justification Matrix that is attached to DEF's Request 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. The confidential information at issue relates to DEF's hedging targets and actual hedging results, including information from individual hedging transactions, such as the volume of fuel hedged and the savings/costs of each transaction. 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, DEF must be able to assure fuel suppliers that sensitive business information, such as bid evaluations, pricing, and quantities of fuel, 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 pertaining to contracts for natural gas and light oil. Absent such measures, suppliers would run the risk that sensitive business information that they provided in their bids/contracts with DEF 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 specific information confidential. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and fuel suppliers, the Company's efforts to obtain competitive fuel supply contracts could be undermined.

- 6. Additionally, the disclosure of confidential information 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 confidential information from fuel suppliers, 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 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.

Joseph McCallister Director - Natural Gas, Oil and Emissions Fuels Procurement Department Duke Energy 526 South Church Charlotte, NC 28202 THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 26 day of March, 2015 by Joseph McCallister. He is personally known to me, or has produced his \_\_\_\_\_ \_\_\_\_\_ driver's license, or his as identification. (Printed Name) (AFFIX NOTARIAL SEAL) NOTARY PUBLIC, STATE OF NO. June 14, 2016 (Commission Expiration Date) Notary
Mecklenburg
Macklenburg
Macklenburg (Serial Number, If Any) Mecklenburg County

Dated the Hard, 2015.

### Duke Energy Florida, Inc.

Docket No.: 150001

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 7<sup>th</sup> day of April, 2015 to all parties of record as indicated below.

Attorney

laura.wynn@bbrslaw.com

Suzanne Brownless, Esq.
Danijela Janjic, Esq.
John Villafrate, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
sbrownle@psc.state.fl.us
djanjic@psc.state.fl.us
jvillafr@psc.state.fl.us

James D. Beasley, Esq.
J. Jeffry Wahlen, Esq.
Ashley M. Daniels, Esq.
Ausley McMullen Law Firm
P.O. Box 391
Tallahassee, FL 32302
jbeasley@ausley.com
jwahlen@ausley.com
adaniels@ausley.com

Jeffrey A. Stone/Russell A. Badders/ Steven R. Griffin Beggs & Lane P.O. Box 12950 Pensacola, FL 32591 jas@beggslane.com rab@beggslane.com srg@beggslane.com

Jon C. Moyle, Jr., Esq. Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com Ms. Cheryl Martin
Florida Public Utilities Company
911 South 8th Street
Fernandina Beach, FL 32034
Cheryl Martin@fpuc.com

Robert Scheffel Wright, Esq. John T. LaVia, III, Esq. c/o Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com jlavia@gbwlegal.com

Robert L. McGee, Jr.
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780
rlmcgee@southernco.com

Beth Keating Gunster, Yoakley & Stewart, P.A. 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 bkeating@gunster.com

John T. Butler, Esq. Florida Power & Light Company 700 Universe Boulevard (LAW/JB) Juno Beach, FL 33408-0420 john.butler@fpl.com James W. Brew/Owen J. Kopon/Laura A. Wynn
Brickfield Law Firm
1025 Thomas Jefferson Street NW
8<sup>th</sup> Floor, West Tower
Washington, DC 20007
jbrew@bbrslaw.com
owen.kopon@bbrslaw.com

Charles J. Rehwinkel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
rehwinkel.charles@leg.state.fl.us

Ms. Paula K. Brown
Manager, Regulatory Coordination
Tampa Electric Company
P.O. Box 111
Tampa, FL 33601
regdept@tecoenergy.com

Kenneth Hoffman Florida Power & Light Company 215 S. Monroe Street, Suite 810 Tallahassee, FL 32301-1858 ken.hoffman@fpl.com