

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

May 26, 2015

VIA OVERNIGHT DELIVERY

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



Fuel and purchased power cost recovery clause with 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 for certain information in response to Citizens' First Set of Interrogatories (Nos. 1-13). 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.

MRB/mw Enclosures

cc: Certificate of Service

Matthew R. Bernier

Senior Counsel

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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 26th day of May, 2015 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. 150001-EI

Dated: May 26, 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 response to Citizens' First Request for Interrogatories (Nos. 1-13). In support of this Request, DEF states:

- 1. DEF's response to Citizens' First Set of Interrogatories, specifically question 5, contains "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 estimated hedging savings/costs, 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 26th day of May, 2015.

DIANNE M. TRIPLETT

Associate General Counsel

MATTHEW R. BERNIER

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Attorneys for

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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 26th day of May, 2015 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 Citizens' First Set of Interrogatories (Nos. 1-13) | Question 5a: estimated hedging costs for first quarter of 2015. Question 5b: estimated hedging costs for calendar year 2015. | §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. |

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: May 26, 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 certain responses to Citizens' First Set of Interrogatories (Nos. 1-13), specifically question 5, submitted on May 26, 2015. 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 estimated hedging costs. 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.

Dated the <u>Horazof</u> day of May, 2015. 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 20 day of May, 2015 by Joseph McCallister. He is personally known to me, or has produced his _____ __ driver's license, or his _____ as identification. (Printed Name) NOTARY PUBLIC, STATE OF NO. (AFFIX NOTARIAL SEAL) (Commission Expiration Date)

(Serial Number, If Any)

Mecklenburg County