



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

August 4, 2015

VIA ELECTRONIC FILING

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

Re: *Fuel and purchased power cost recovery clause with generating performance incentive factor; Docket No. 150001-EI*

Dear Ms. Stauffer:

Please find enclosed for electronic filing on behalf of ("DEF") DEF's Request for Confidential Classification for certain information provided in DEF's 2016 Risk Management Plan. This filing includes:

- DEF's Request for Confidential Classification
- Slipsheet for confidential Exhibit A
- Redacted Exhibit B (two copies)
- Exhibit C (justification matrix), and
- Exhibit D (affidavit of Joseph McCallister)

DEF's confidential Exhibit A that accompanies the above-referenced filing, has been 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,

s/Matthew R. Bernier

MRB/mw
Enclosures

Matthew R. Bernier
Senior Counsel
Matthew.Bernier@duke-energy.com

cc: Certificate of Service

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 4th day of August, 2015 to all parties of record as indicated below.

s/Matthew R. Bernier
Attorney

<p>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</p> <p>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</p> <p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steven R. Griffin, Esq. Beggs & Lane P.O. Box 12950 Pensacola, FL 32591 jas@beggslane.com rab@beggslane.com srg@beggslane.com</p> <p>Jon C. Moyle, Jr., Esq. Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p> <p>Kenneth Hoffman Florida Power & Light Company 215 S. Monroe Street, Suite 810 Tallahassee, FL 32301-1858 ken.hoffman@fpl.com</p>	<p>Mike Cassel Aleida Socarras Florida Public Utilities Company/Florida Division of Chesapeake Utilities Corporation 1750 SW 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com asocarras@chpk.com</p> <p>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</p> <p>Robert L. McGee, Jr. Gulf Power Company One Energy Place Pensacola, FL 32520-0780 rlmcgee@southernco.com</p> <p>Beth Keating, Esq. Gunster, Yoakley & Stewart, P.A. 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 bkeating@gunster.com</p> <p>Charles J. Rehwinkel Erik Sayler / John Truitt Patty Christensen / J.R. Kelly 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 sayler.erik@leg.state.fl.us kelly.jr@leg.state.fl.us Christensen.patty@leg.state.fl.us Truitt.john@leg.state.fl.us</p>	<p>Ms. Paula K. Brown Manager, Regulatory Coordination Tampa Electric Company P.O. Box 111 Tampa, FL 33601 regdept@tecoenergy.com</p> <p>Raoul G. Cantero, III, Esq. White & Case, LLP Southeast Financial Center, Suite 4900 200 South Biscayne Boulevard Miami, FL 33131-2352 rcantero@whitecase.com</p> <p>James W. Brew, Esq. Owen J. Kopon, Esq. Laura A. Wynn, Esq. Stone Matheis Xenopoulos & Brew, PC 1025 Thomas Jefferson Street NW 8th Floor, West Tower Washington, DC 20007 jbrew@smxblaw.com ojk@smxblaw.com laura.wynn@smxblaw.com</p> <p>John T. Butler, Esq. Maria Moncada, Esq. Florida Power & Light Company 700 Universe Boulevard (LAW/JB) Juno Beach, FL 33408-0420 john.butler@fpl.com maria.moncada@fpl.com</p>
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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: August 4, 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 contained in DEF’s 2016 Risk Management Plan including attachments A, B, C, D, E, F, G, and H. In support of this Request, DEF states:

1. Certain information contained in DEF’s 2016 Risk Management Plan, including certain information contained in Attachments A, B, C, D, E, F, G, and H, contain information that is “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 unredacted copies 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 unredacted versions, 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, certain information contained in DEF's 2016 Risk Management Plan, specifically information contained on pages 1 through 4 and Attachments A, B, C, D, E, F, G, and H, consists of "proprietary confidential business information" within the meaning of Section 366.093(3), F.S. The highlighted information in DEF's Risk Management Plan and enumerated Attachments provides fuel consumption and economy transaction projections for 2016, forecasted costs, hedging volumes, hedging percentages, internal policies and guidelines regarding hedging transactions, collateral summaries, and unrealized forecasted hedge values. Affidavit of Joseph McCallister at ¶¶ 5 and 6. Disclosure of this information would enable fuel suppliers to have insight into DEF's internal risk management guidelines and to obtain competitive information, which would result in greater price convergence in future negotiations. Affidavit of Joseph McCallister at ¶ 5. As such, disclosure of the information would impair the Company's efforts to contract for goods or services on favorable terms. *See* § 366.093(3)(d), F.S.; Affidavit of Joseph McCallister ¶¶ 5 and 6. Additionally, if the information at issue was publicly disclosed, DEF's efforts to obtain competitive energy supply that provides 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. § 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 ¶ 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 Joseph McCallister ¶ 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 4th day of August, 2015.

s/Matthew R. Bernier _____

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Attorneys for

Duke Energy Florida, Inc.

Duke Energy Florida, Inc.
CERTIFICATE OF SERVICE
Docket No. 150001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via email this 4th day of August, 2015 to all parties of record as indicated below.

s/Matthew R. Bernier
Attorney

<p>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</p> <p>James D. Beasley, Esq. J. Jeffrey 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</p> <p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steven R. Griffin, Esq. Beggs & Lane P.O. Box 12950 Pensacola, FL 32591 jas@beggslane.com rab@beggslane.com srg@beggslane.com</p> <p>Jon C. Moyle, Jr., Esq. Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p> <p>Kenneth Hoffman Florida Power & Light Company 215 S. Monroe Street, Suite 810 Tallahassee, FL 32301-1858 ken.hoffman@fpl.com</p>	<p>Mike Cassel Aleida Socarras Florida Public Utilities Company/Florida Division of Chesapeake Utilities Corporation 1750 SW 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com asocarras@chpk.com</p> <p>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</p> <p>Robert L. McGee, Jr. Gulf Power Company One Energy Place Pensacola, FL 32520-0780 rlmcgee@southernco.com</p> <p>Beth Keating, Esq. Gunster, Yoakley & Stewart, P.A. 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 bkeating@gunster.com</p> <p>Charles J. Rehwinkel Erik Saylor / John Truitt Patty Christensen / J.R. Kelly 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 saylor.erik@leg.state.fl.us kelly.jr@leg.state.fl.us Christensen.patty@leg.state.fl.us Truitt.john@leg.state.fl.us</p>	<p>Ms. Paula K. Brown Manager, Regulatory Coordination Tampa Electric Company P.O. Box 111 Tampa, FL 33601 regdept@tecoenergy.com</p> <p>Raoul G. Cantero, III, Esq. White & Case, LLP Southeast Financial Center, Suite 4900 200 South Biscayne Boulevard Miami, FL 33131-2352 rcantero@whitecase.com</p> <p>James W. Brew, Esq. Owen J. Kopon, Esq. Laura A. Wynn, Esq. Stone Matheis Xenopoulos & Brew, PC 1025 Thomas Jefferson Street NW 8th Floor, West Tower Washington, DC 20007 jbrew@smxblaw.com ojk@smxblaw.com laura.wynn@smxblaw.com</p> <p>John T. Butler, Esq. Maria Moncada, Esq. Florida Power & Light Company 700 Universe Boulevard (LAW/JB) Juno Beach, FL 33408-0420 john.butler@fpl.com maria.moncada@fpl.com</p>
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Exhibit A

“CONFIDENTIAL”

(filed under separate cover)

Exhibit B

REDACTED

Duke Energy Florida, Inc.
Risk Management Plan for
Fuel Procurement and Wholesale Power Purchases
For 2016

Duke Energy Florida, Inc. (DEF) is submitting its 2016 Risk Management Plan for review by the Florida Public Service Commission. The Risk Management Plan includes the required items as outlined in Attachment A of Order No. PSC-02-1484-FOF-EI and specifically items 1 through 9, and items 13 through 15 as set forth in Exhibit TFB-4 to the prefiled testimony of Todd F. Bohrmann in Docket No. 011605-EI and further clarified in Order No. PSC-08-0667-PAA-EI of Docket No. 080001-EI.

Several groups play key roles in the management, monitoring, and execution of the activities outlined in DEF's Risk Management Plan. These groups include Fuels and System Optimization (FSO), Global Risk Management (GRM), which includes Enterprise and Regulated Risk Management, Regulated Accounting, Internal Audit, Legal, and Information Technology. The activities supported by these groups include the following: procuring competitively priced fuel, performing active asset optimization and portfolio management, executing DEF's approved hedging strategy, monitoring and reporting against established oversight limits for credit and margin limits, performing credit evaluations and monitoring credit and default exposure, performing deal validation, volume actualization, preparing and reviewing transactions and contracts, preparing journal entries to account for fuel and power related activities, performing billing and payments under the various fuel and purchased power contracts, performing audits, and maintaining and supporting needed systems to capture, track, and account for these activities.

Based on the July 2015 Fuels and Operations Forecast (FOF), DEF's estimated fuel consumption and economy transaction projections for 2016 are as follows:

Coal

Based on current projections, DEF forecasts to burn approximately [REDACTED] tons of coal in 2016. DEF's forecasted coal requirements for 2016 will primarily be purchased under term coal supply agreements. The coal supply will be delivered to DEF's plants via railroad and barge transportation agreements. Spot purchases will be made as needed to supplement the term purchases.

Light Oil

Based on current projections, DEF forecasts to burn approximately [REDACTED] [REDACTED] barrels of light oil in 2016. DEF's forecasted light fuel oil requirements for 2016 are expected to be purchased primarily under term supply

agreements with volume flexibility at indexed market prices. Spot market purchases will be made as needed to supplement term purchases.

Natural Gas

Based on current projections, DEF forecasts to burn approximately [REDACTED] of natural gas in 2016, comprised of approximately [REDACTED] at DEF's generating plants and [REDACTED] at gas-tolling purchased power facilities where DEF has the responsibility to provide the natural gas. DEF's forecasted natural gas requirements for 2016 are expected to be purchased primarily under term supply agreements based on market index pricing, with supplemental seasonal, monthly and daily purchases of natural gas being made as needed.

Economy Power Purchases and Sales

Based on current projections, DEF forecasts to purchase approximately [REDACTED] of economy power and sell approximately [REDACTED] of economy power in 2016. DEF actively seeks to purchase and sell economy power as opportunities arise based on market prices, dispatch costs, and available transmission capacity.

Item 1. Identify the company's overall quantitative and qualitative Risk Management Plan Objectives.

DEF's identified 2016 Risk Management Plan Objectives are to effectively manage its overall fuel and purchased power costs for its customers by engaging in competitive fuel procurement practices and activities, performing active asset optimization and portfolio management activities, and continuing to execute the Company's hedging program to reduce price risk and volatility, and provide greater fuel cost certainty for DEF's customers. These items are discussed further in Item 8.

Item 2. Identify the minimum quantity of fuel to be hedged and the activities to be executed for the balance of 2015 and 2016.

DEF utilizes a phased hedging program where financial hedge transactions are executed over time with the objectives of reducing price risk and volatility and providing greater fuel cost certainty for DEF's customers. The financial hedging program outlined in this 2016 Risk Management Plan includes executing approved financial agreements over time for natural gas and light fuel oil river barge exposures. Natural gas hedging activity represents the largest component of DEF's hedging program as natural gas represents the largest fuel cost component of DEF's overall generation fuel costs.

The volumes hedged over time for natural gas represent a portion of DEF's forecasted burns with higher hedging target ranges in the near term and lower hedging target ranges in the outer period. The hedge percentage target ranges outlined provide a framework for consistently executing the layered hedging strategy over time. DEF currently uses two types of financial transactions to hedge which are swaps and costless collars. DEF cannot predict future prices and DEF's hedging program does not involve speculation or trying to "out-guess" the market. All hedges are executed at the prevailing market price for any given period that exists at the time the hedging transactions are executed. The results of hedging activities may or may not result in net fuel cost savings due to differences between the monthly settlement prices and the actual hedge price of the transactions that were executed over time. The volumes hedged for each fuel type over time are based on periodic updated fuel forecasts and the actual hedge percentages for any month, rolling period, or calendar annual period may come in higher or lower than the target minimum hedge percentages and hedging ranges because of actual fuel burns versus forecasted fuel burns. Actual burns can deviate from forecasted burns because of dynamic variables such as weather, unforeseen unit outages, actual load, and changing fuel prices. DEF's multi-year approach to executing fixed price transactions over time is a reasonable and prudent approach to reduce price risk and volatility and provide greater fuel cost certainty for DEF's customers.

Outlined below for each fuel type and exposure are the targeted minimum hedge percentages to be hedged during the remainder of 2015 and during 2016:

Natural Gas

Natural gas represents DEF's largest fuel cost component and represents the largest component of DEF's hedging activities. DEF plans to continue to execute its existing phased financial hedging program over a rolling 36-month time period through time for natural gas through the remainder of 2015 and during 2016. The currently approved rolling hedge percentage that are outlined in DEF's Regulated Utilities Risk Limits as follows:

- [REDACTED]
- [REDACTED]
- [REDACTED]

DEF will target to hedge a minimum of [REDACTED], [REDACTED] and [REDACTED] of forecasted natural gas burns for the rolling 36-month time period through time, respectively, during the remainder of 2015 and 2016. Given DEF's hedging strategy, DEF will continue to participate in the spot natural gas market for a portion of its estimated natural gas needs.

Fuel Oil and Transportation Fuel Surcharges

Given the reduction in overall fuel oil usage in its generation fleet, DEF will no longer execute financial hedge transactions for periods after 2015.

During the balance of 2015 and during 2016, with respect to 2016 coal river transportation estimated fuel surcharge exposure, DEF will target to hedge between [REDACTED] to [REDACTED] of the estimated fuel surcharge exposure.

With respect to coal rail transportation estimated fuel surcharge exposures for 2016, given the reduction in expected rail shipments DEF will no longer execute financial hedge transactions for periods after 2015.

Summary

Through the remainder of 2015 and during 2016, DEF will continue to monitor its fuel forecast and will continue to execute hedges over time to attempt to manage to the hedge percentage targets outlined for a portion of its projected burns for natural gas, light oil, and estimated coal rail and river transportation fuel surcharge exposure, with the exceptions discussed above. This hedging approach is consistent with DEF's existing strategy and allows DEF to continue to monitor the market and fuel forecast updates. The hedging targets for each of the respective periods are included in DEF's Regulated Utilities Risk Limits in **Attachment A**.

Item 3. Identify and quantify each risk, general and specific, that the utility may encounter with its fuel procurement.

DEF has identified specific and general risks associated with the procurement of fuels and power optimization activities. The specific risks include fuel price risk, supplier performance and default risk, liquidity risk, credit risk, product availability risk, and changes in forecasted volumes. The general risks include weather related events such as hurricanes, extreme weather variations from forecast, business continuity, and changes in environmental rules and regulations. Described below is further information on the specific and general risks, and DEF's activities to manage overall exposure to these risks including the processes that DEF has in place to monitor and quantify risks.

Fuel Price Risk

Commodity prices are constantly changing and as a result by definition contain volatility. DEF's customers are exposed to the risk of fuel price movements over time which could result in significant variability in projected and actual fuel costs. As noted in Item 2 above, natural gas makes up the largest component of DEF's overall fuel costs and hedging activities. For

REDACTED

DEF's Regulated Utilities Risk Limits
(10 PAGES)

REDACTED

DEF ISDA COLLATERAL SUMMARY

(1 PAGE)

REDACTED

DEF AUTHORITY LIMIT MATRIX
(2 PAGES)

REDACTED

DEF COMMODITY RISK POLICY

(6 PAGES)

REDACTED

DEF CREDIT POLICY
(5 PAGES)

REDACTED

**DEF REGULATED UTILITIES CREDIT LIMITS
(5 PAGES)**

REDACTED

DEF ENERGY SUPPLY BULK POWER MARKETING & TRADING
DELEGATION OF AUTHORITY
(2 PAGES)

Duke Energy Corporation
Regulated Utilities
Risk Management Control Manual



April 30, 2015

Risk Management Controls and Procedures for Fuels & Systems Optimization and Distributed Energy Resources

Confidential Information

The information contained within this manual is confidential and proprietary to Duke Energy Corporation's Regulated Utilities & Gas group, particularly Fuels & Systems Optimization (FSO) and the Distributed Energy Resources (DER) group and the various groups supporting these operations as further defined within this manual. Confidential and proprietary information is a valuable resource. Release of this information to the general public could lead to a competitive disadvantage for Duke Energy Corporation and its subsidiaries ("Duke Energy").

Also, release of this information to the Non-Regulated portions of Duke Energy could result in violation of regulatory rules (FERC Affiliate Restrictions/Standards of Conduct). Confidential and proprietary information must be protected from unauthorized use, modification, disclosure, or destruction whether intentional or unintentional. Duke Energy employees must also comply and acknowledge review of the Code of Business Ethics policy.

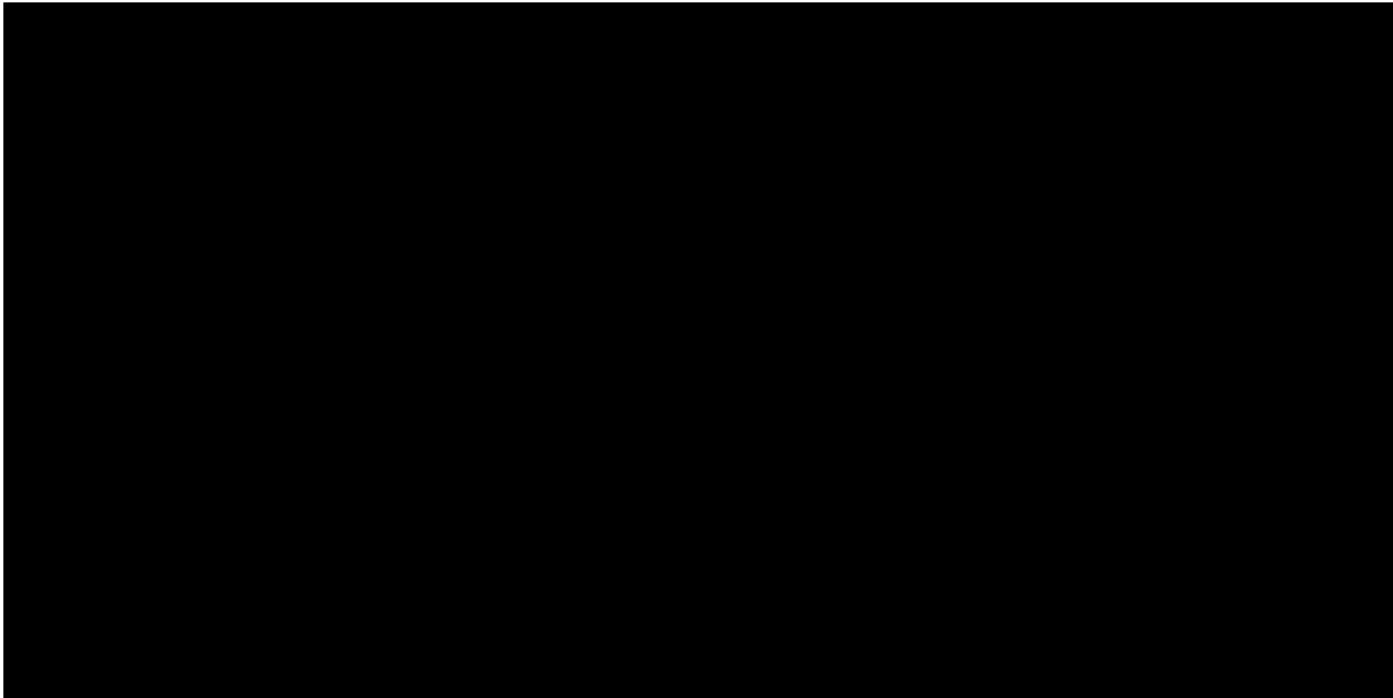
Table of Contents:

I. Introduction and Purpose	5
Risk Management Policies and Procedures	5
Control Manual Amendments and Approvals.....	6
Legal and Regulatory Compliance	6
Exception Process	7
New Employees	8
Inter-Affiliate Transactions.....	8
II. Concept of Operations	9
Duke Energy Carolinas & Duke Energy Progress	9
Duke Energy Florida	10
Duke Energy Indiana & Duke Energy Kentucky	10
Duke Energy Ohio	11
III. Roles and Responsibilities.....	12
Role of Corporate Officers	12
Segregation of Function and Ownership.....	12
Role of Chief Risk Officer	12
Role of Global Risk Management	13
Role of Fuels & Systems Optimization	13
Role of Traders	14
Role Regulated Fuels.....	14
Role of Distributed Energy Resources	15
Role of Energy Supply Analytics.....	15
Role of Contract Management	15
Role of Internal Audit	16
Role of Ethics and Compliance	16
Role of Duke Energy General Counsel	16
Role of Accounting	16
Role of Treasury	17
IV. Control Requirements and Activities	18
Risk Management	18
Risk Management - Credit Risk	19
Violations of Risk Control Manual	20
Fuels & Systems Optimization.....	21
Contract Management.....	24
V. Dodd-Frank	25
Appendices:	
Appendix A – Key Risks.....	27

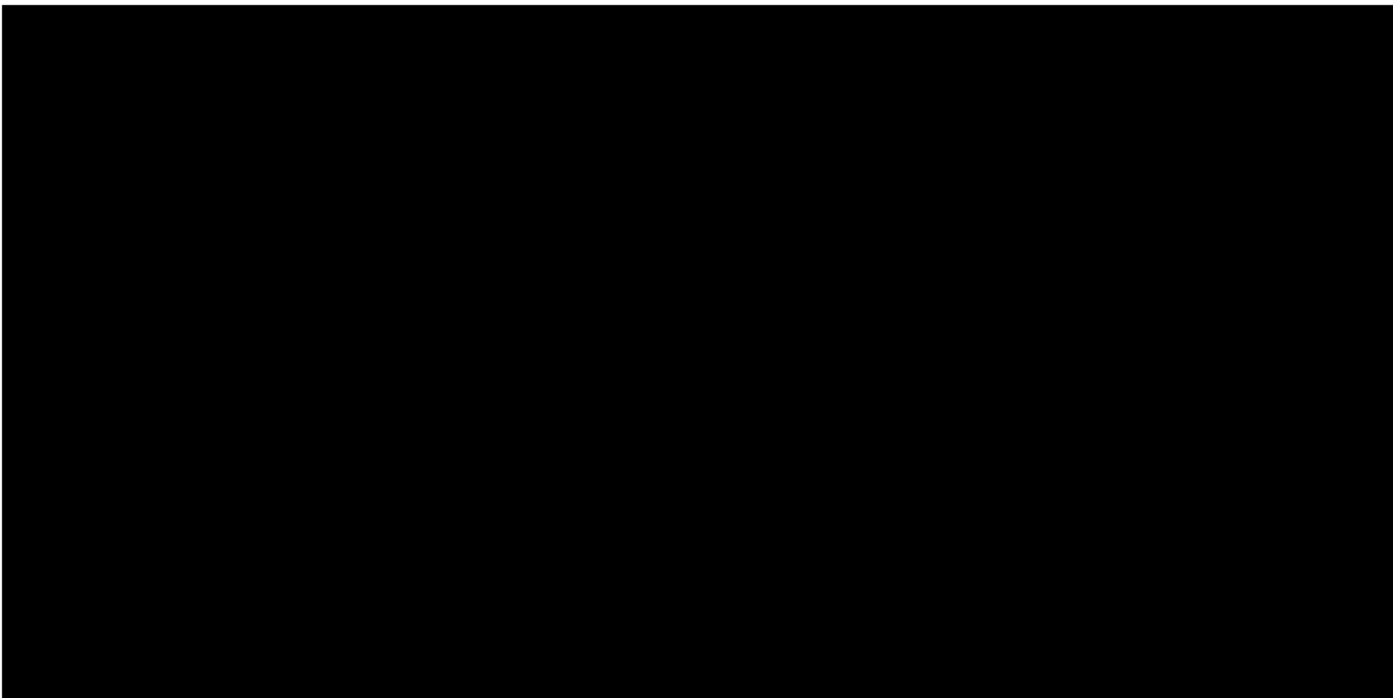
Appendix B – Unauthorized Transactions.....	29
Appendix C – Confirmations & Settlement Activities	30
Appendix D – New Products/Business Activities Approval Process	33
Appendix E – New Product Checklist.....	34
Appendix F – Potential Trade Exceptions.....	35
Appendix G – Potential Deliver Term Violations	36
Appendix H – Employee Acknowledgment	37
Appendix I – FERC 741 Officer Certification Process	39

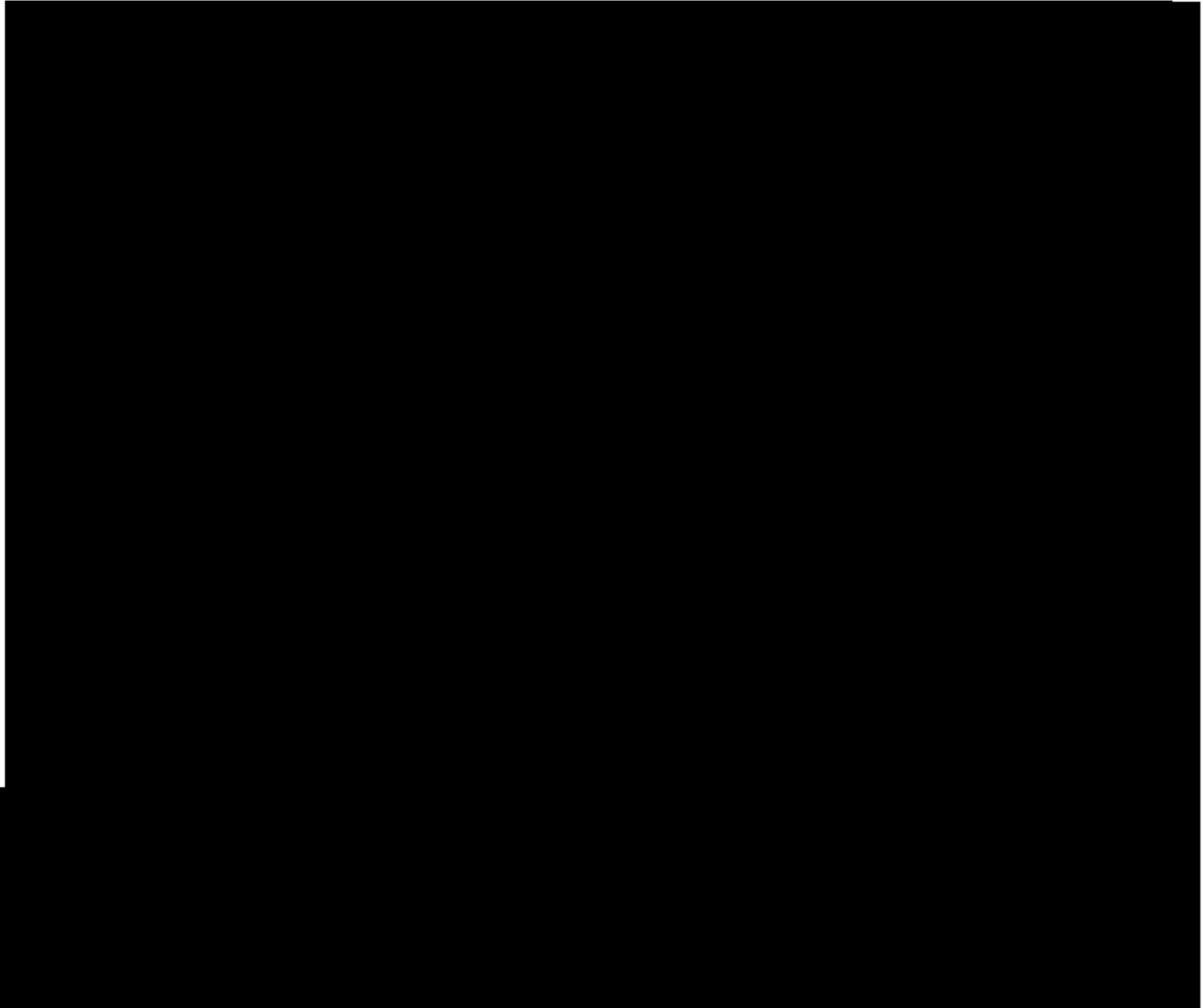


I. Introduction and Purpose



Risk Management Policies and Procedures



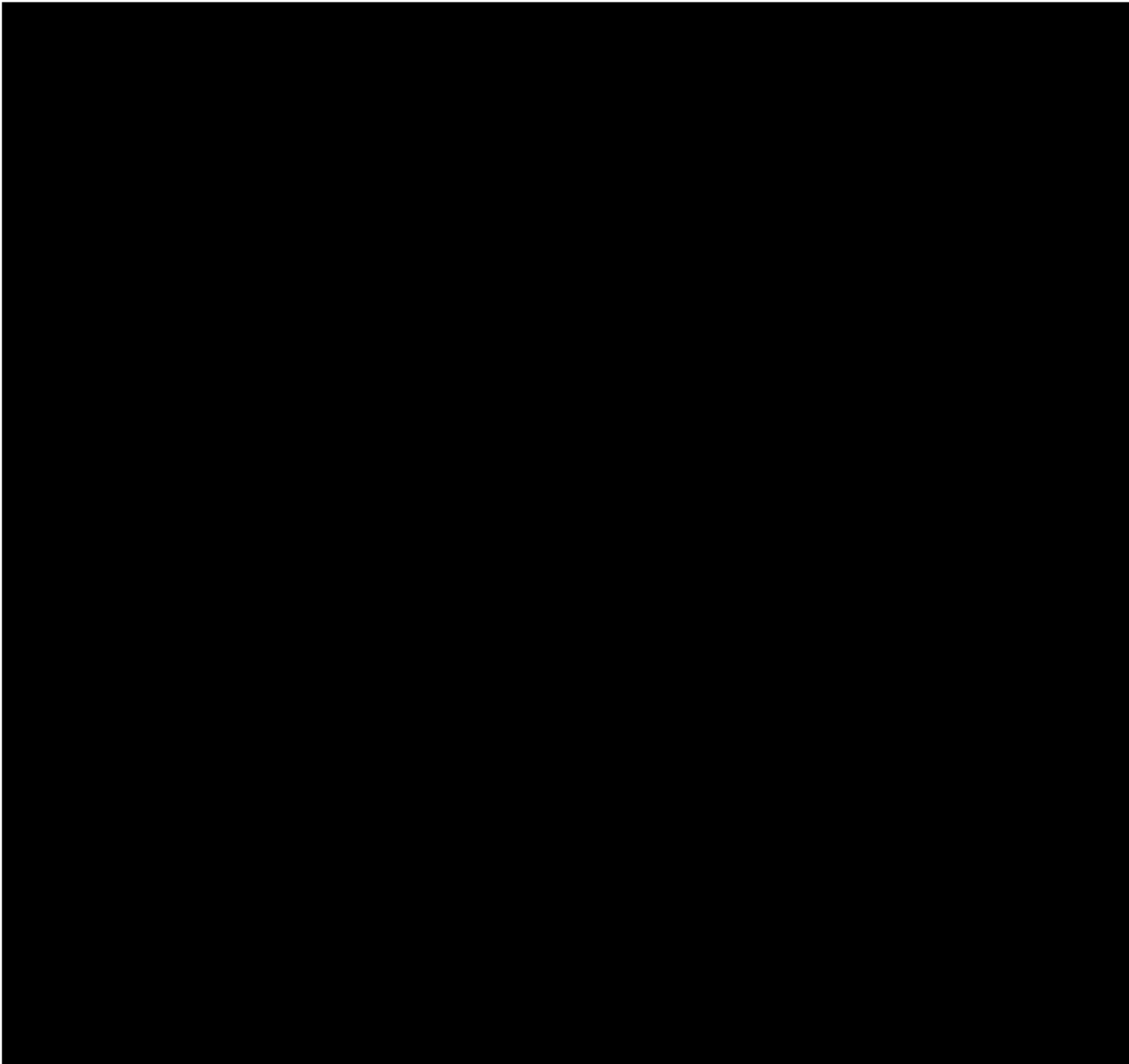


Control Manual Amendments and Approvals

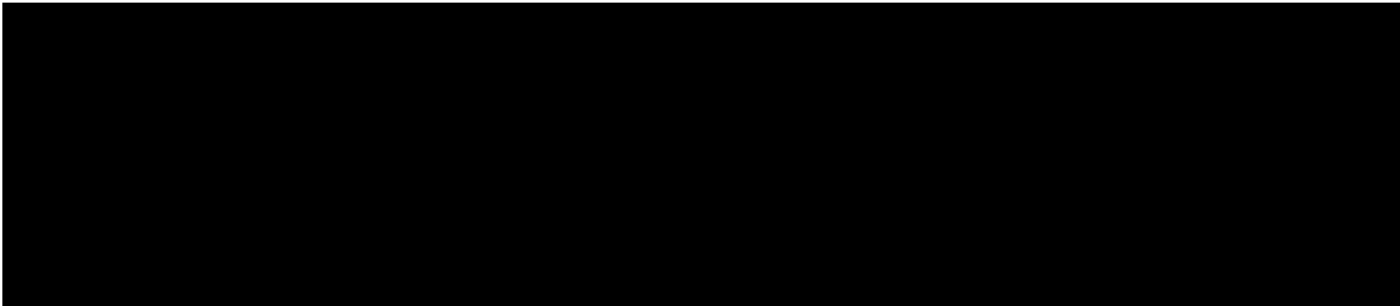


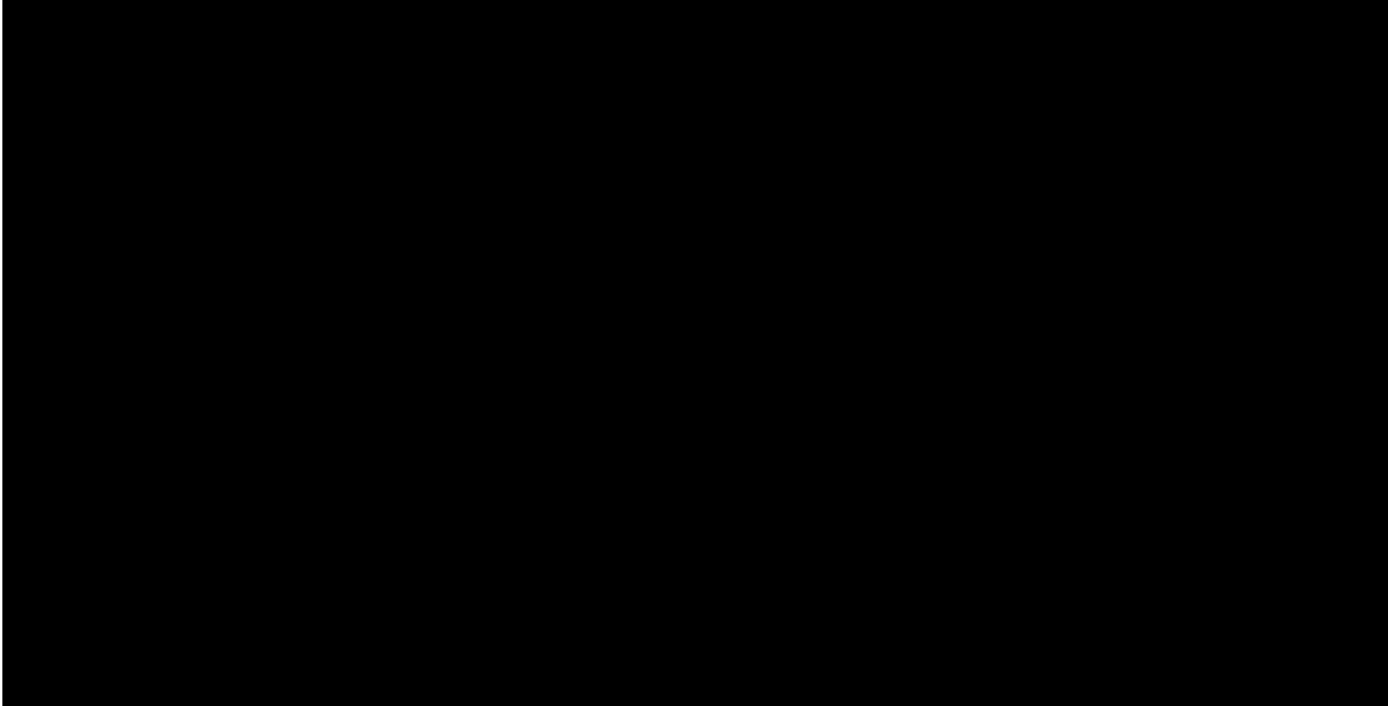
Legal and Regulatory Compliance



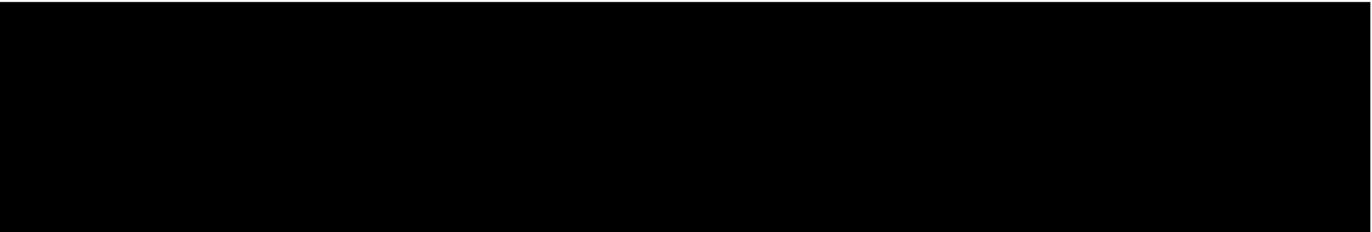


Exception Process

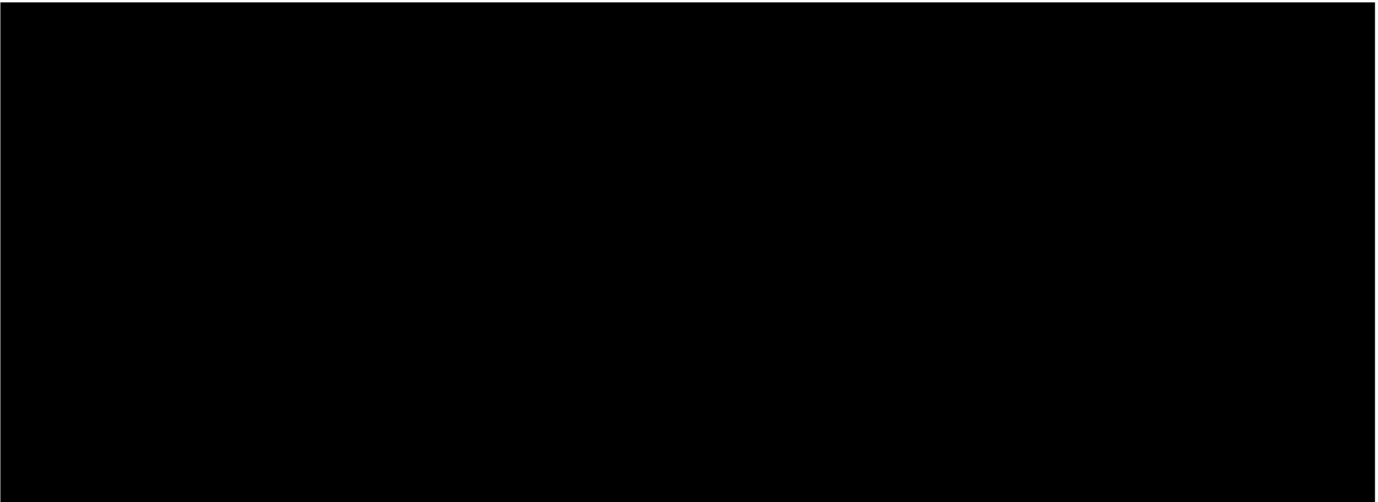




New Employees



Inter-Affiliate Transactions





II. Concept of Operations

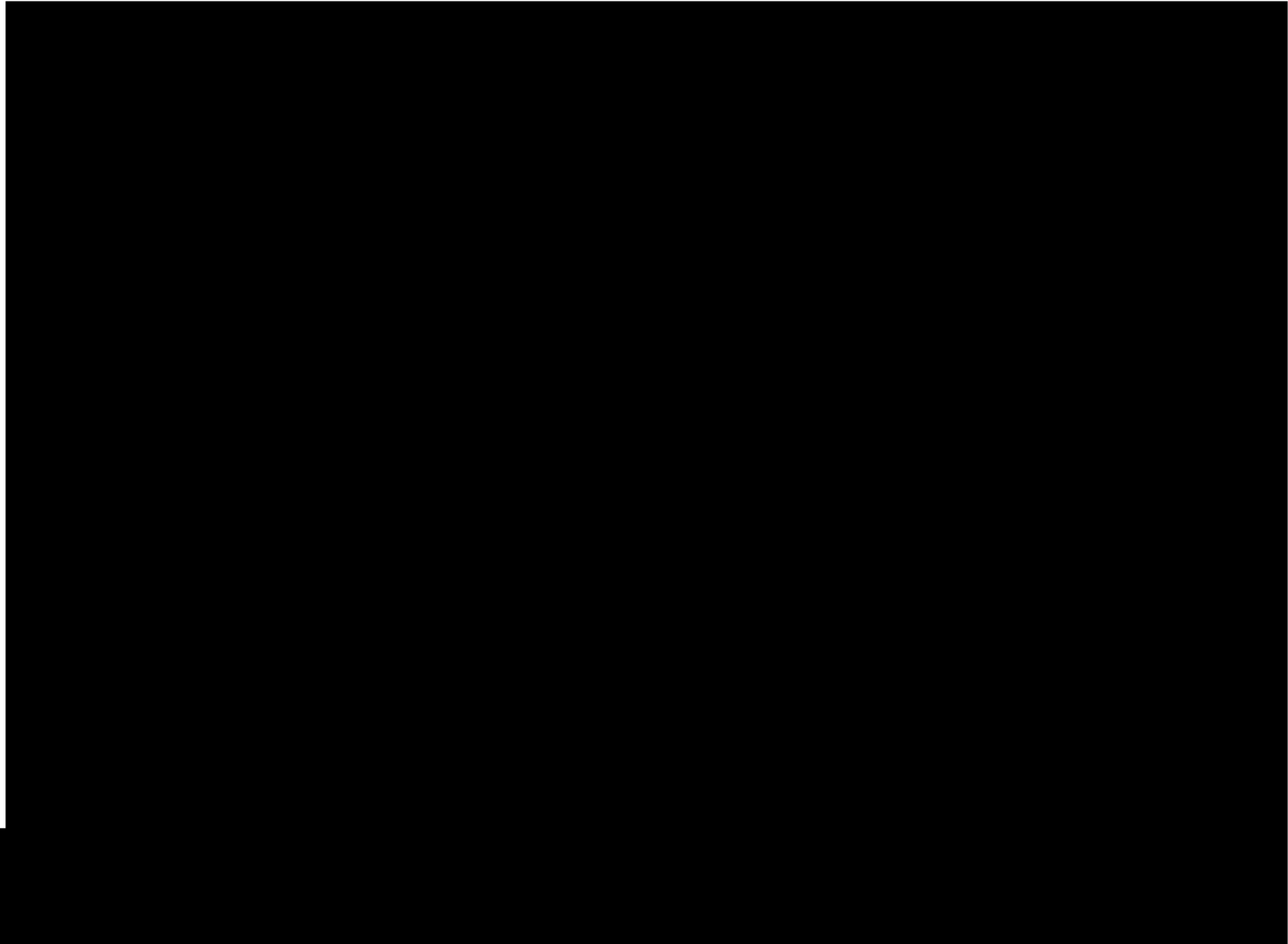
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Carolinas (Duke Energy Carolinas & Duke Energy Progress)

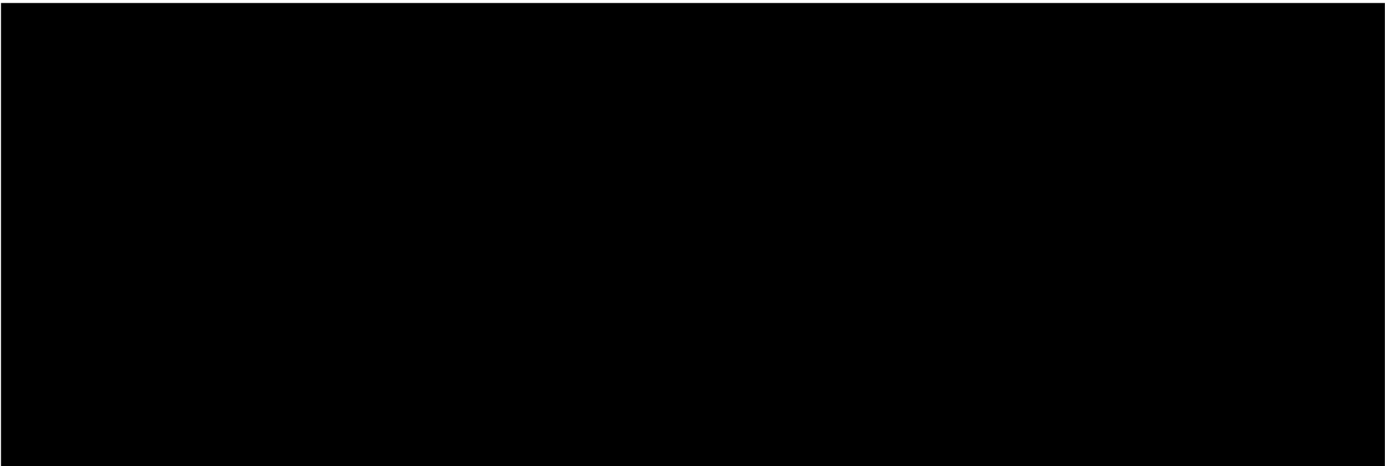
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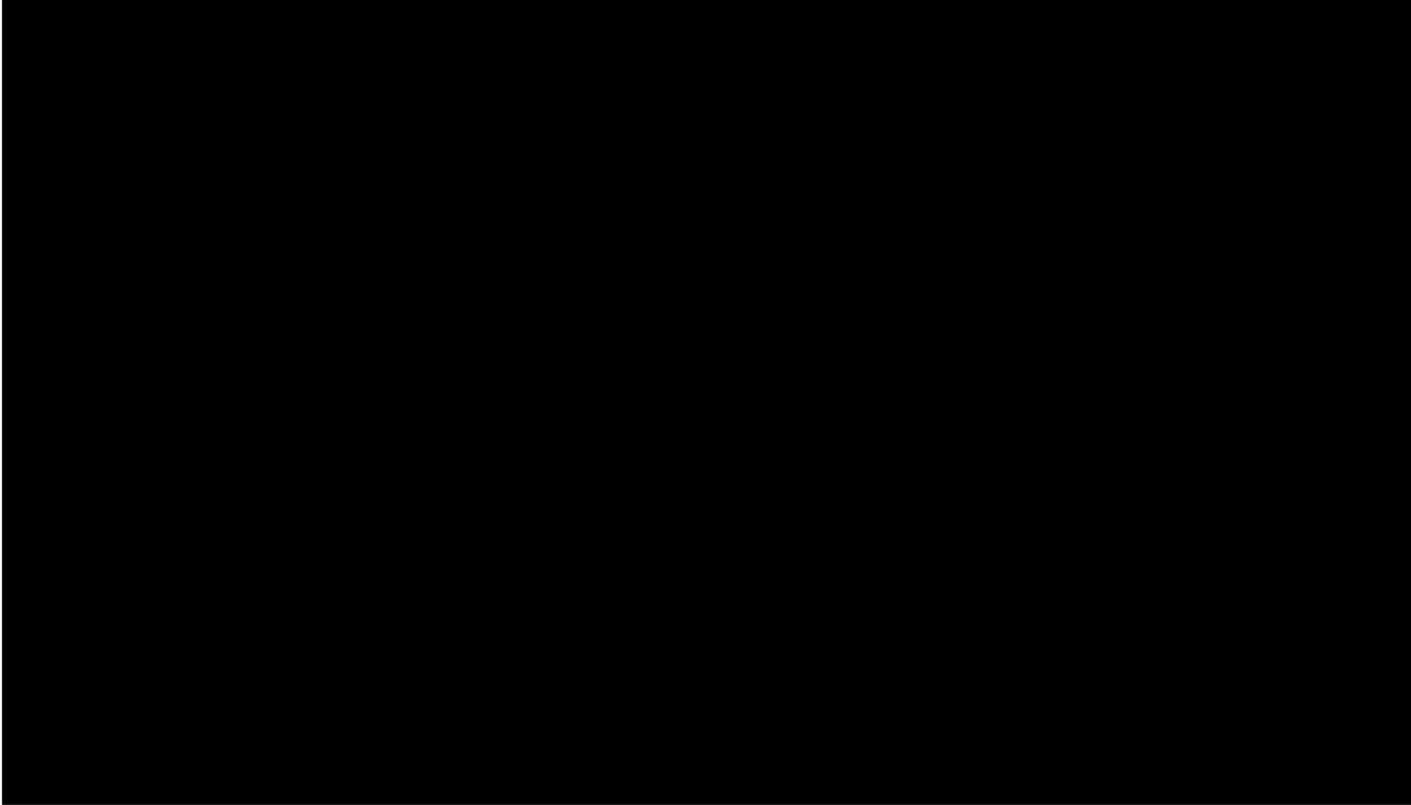


Duke Energy Florida



Duke Energy Indiana & Duke Energy Kentucky





Duke Energy Ohio





III. Roles & Responsibilities

Role of Corporate Officers

[REDACTED]

Segregation of Function and Ownership

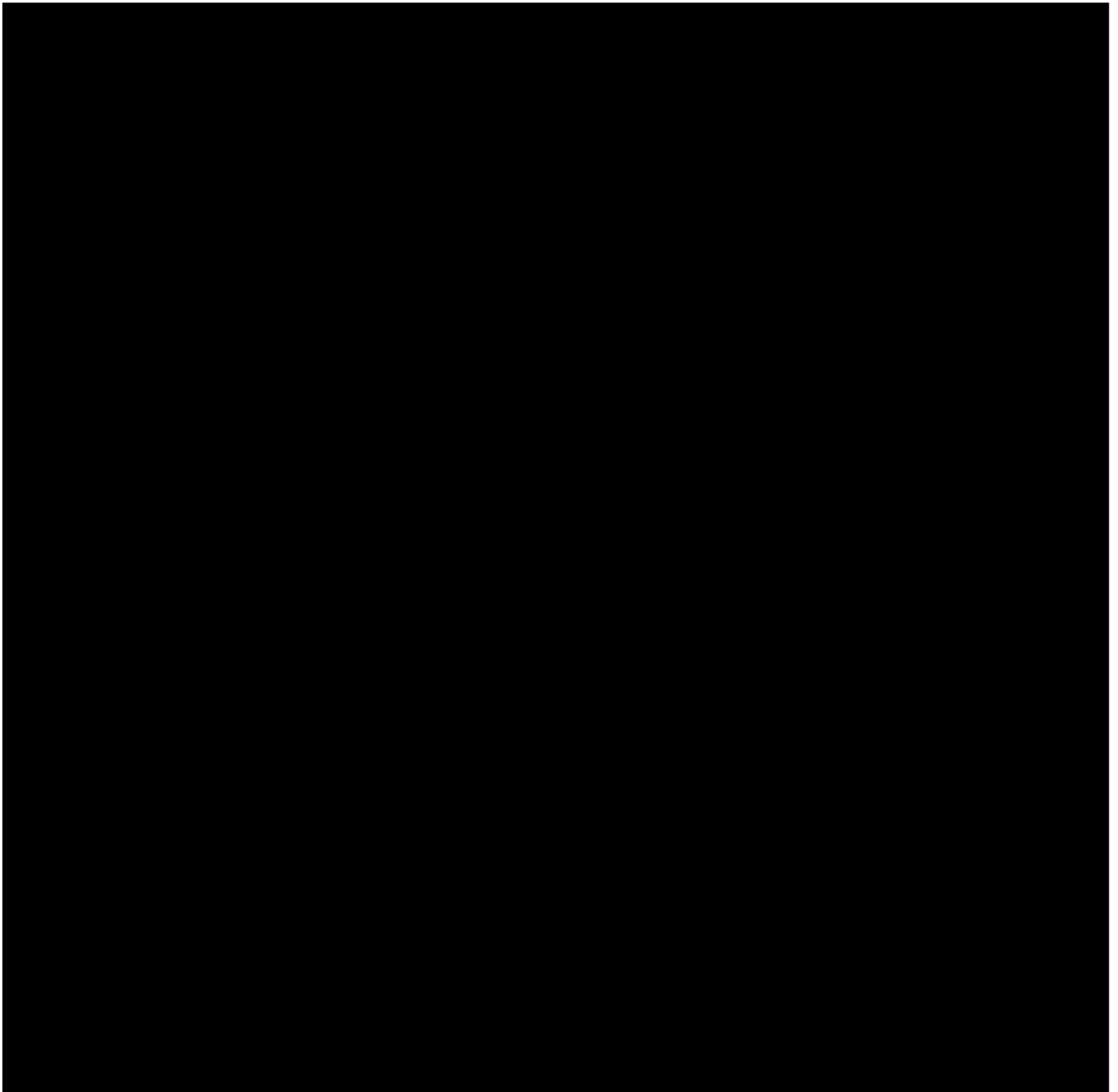
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Role of the Chief Risk Officer

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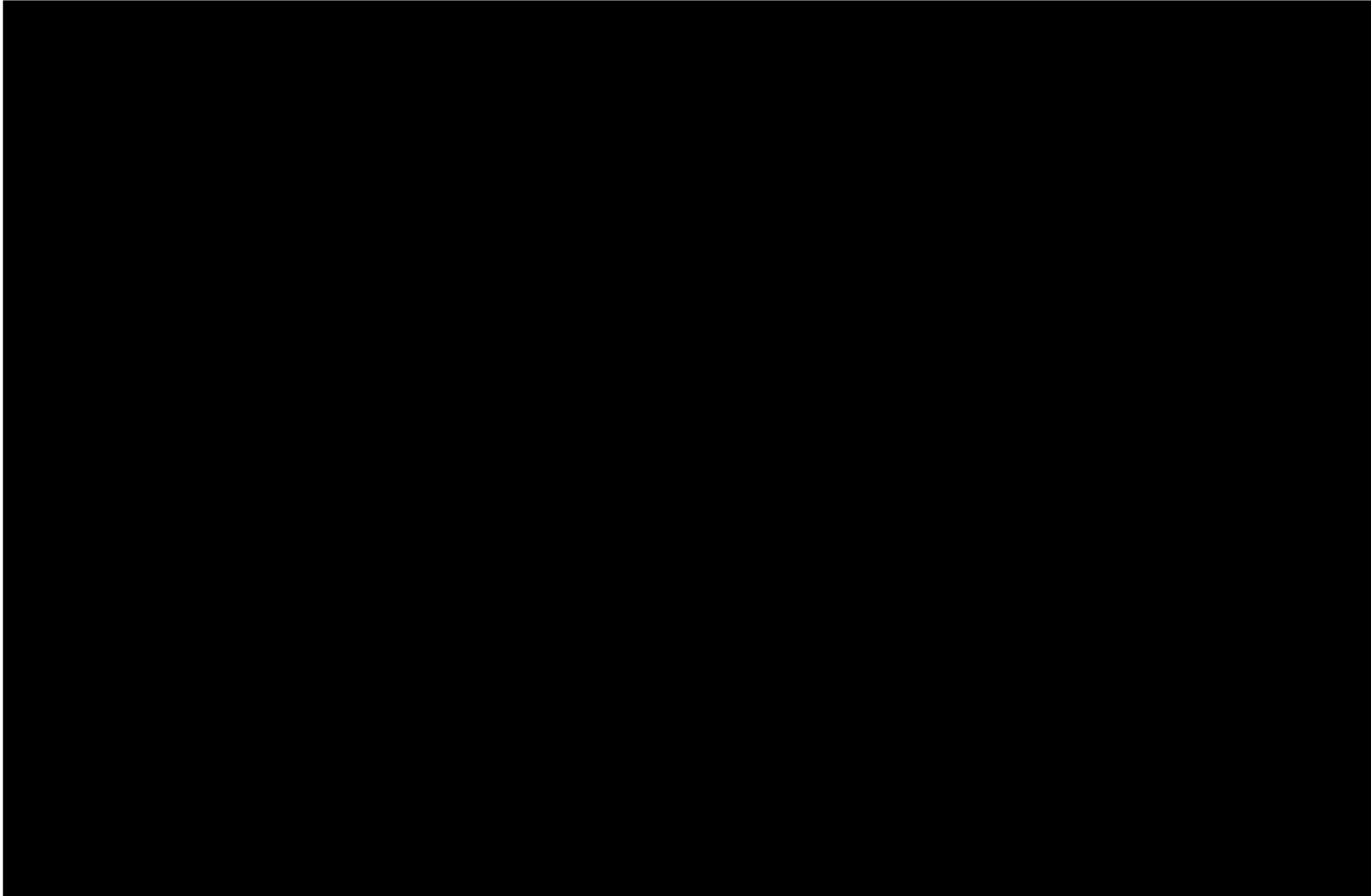


Role of Global Risk Management

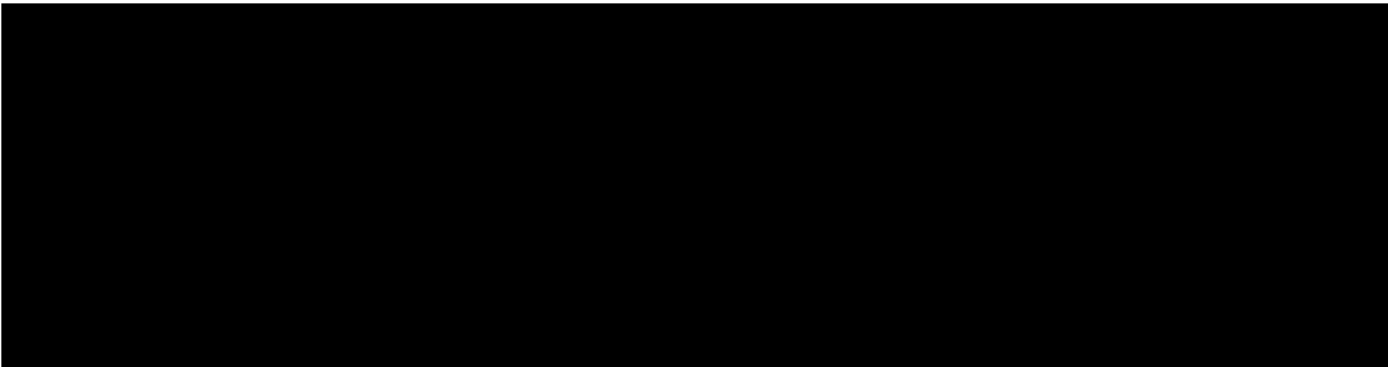


Role of Fuels & Systems Optimization

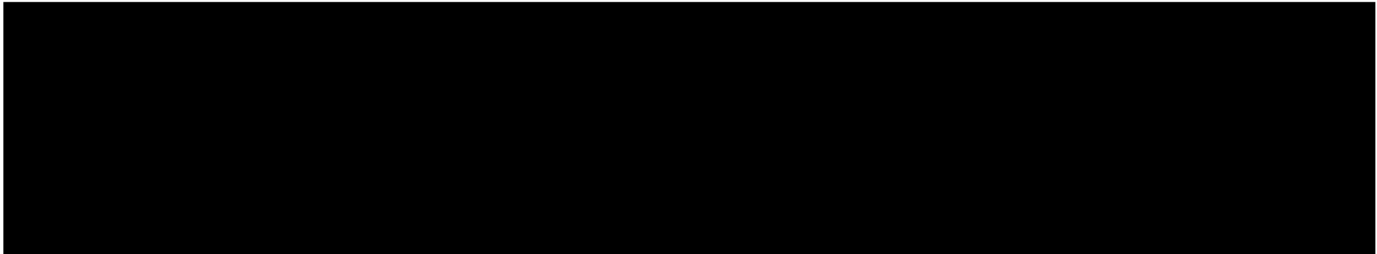




Role of Traders



Role of Regulated Fuels





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Role of Distributed Energy Resources

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Role of Energy Supply Analytics

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Role of Contract Management

[Redacted content]



[REDACTED]

Role of Internal Audit

[REDACTED]

Role of Ethics and Compliance

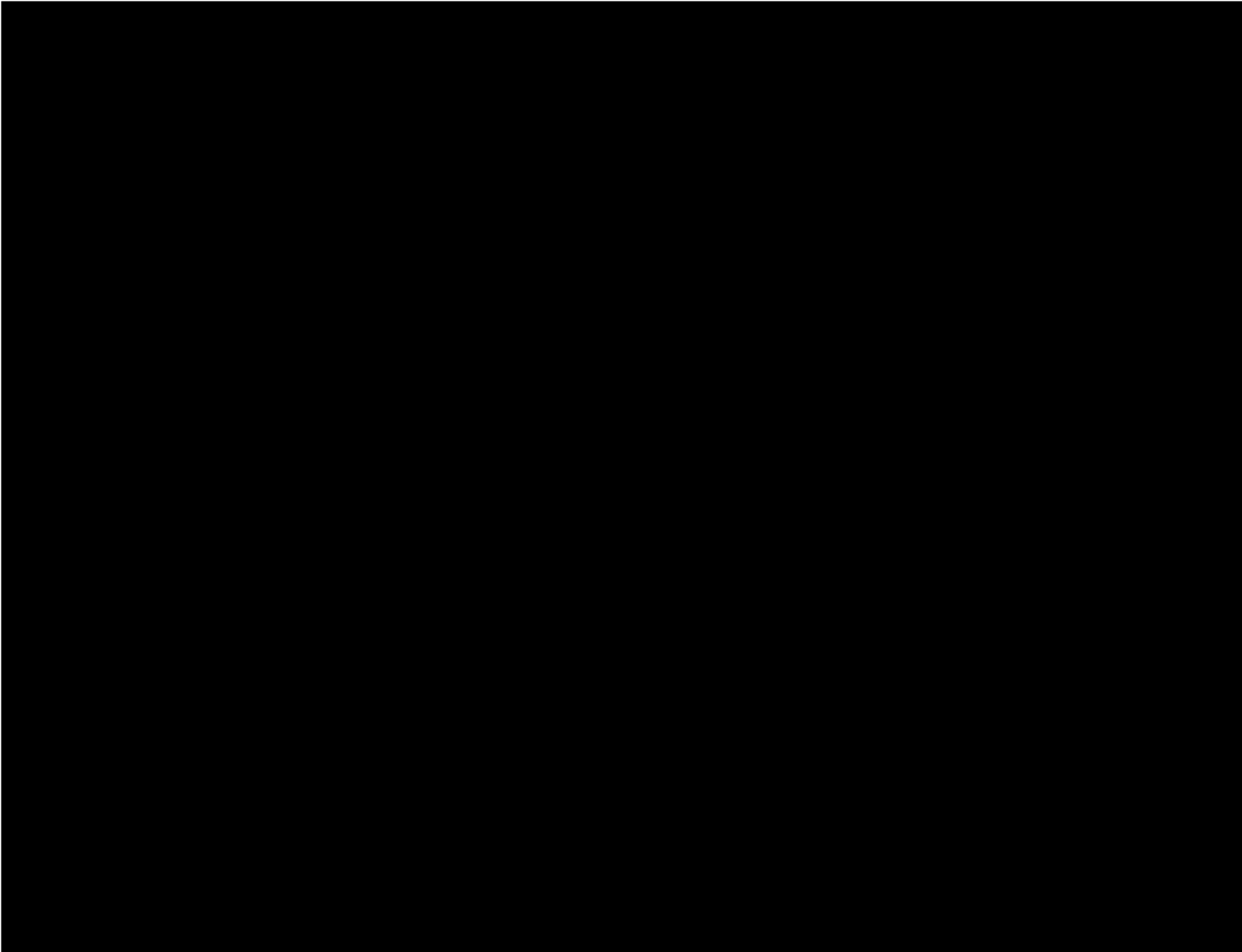
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Role of Duke Energy General Counsel

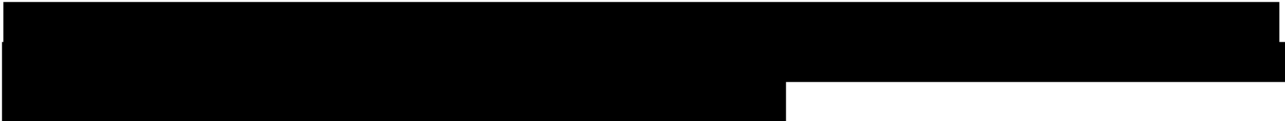
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Role of Accounting

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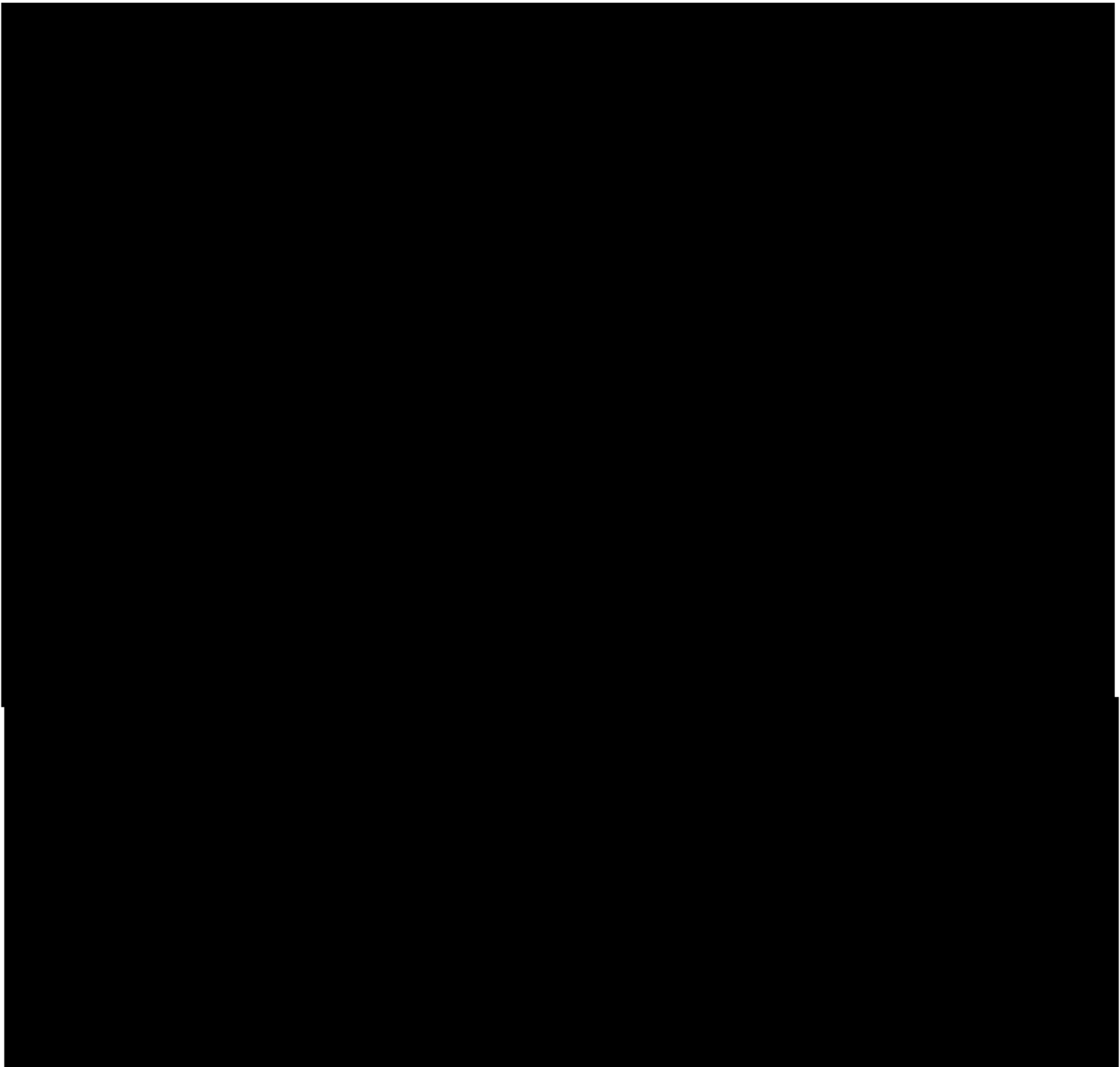


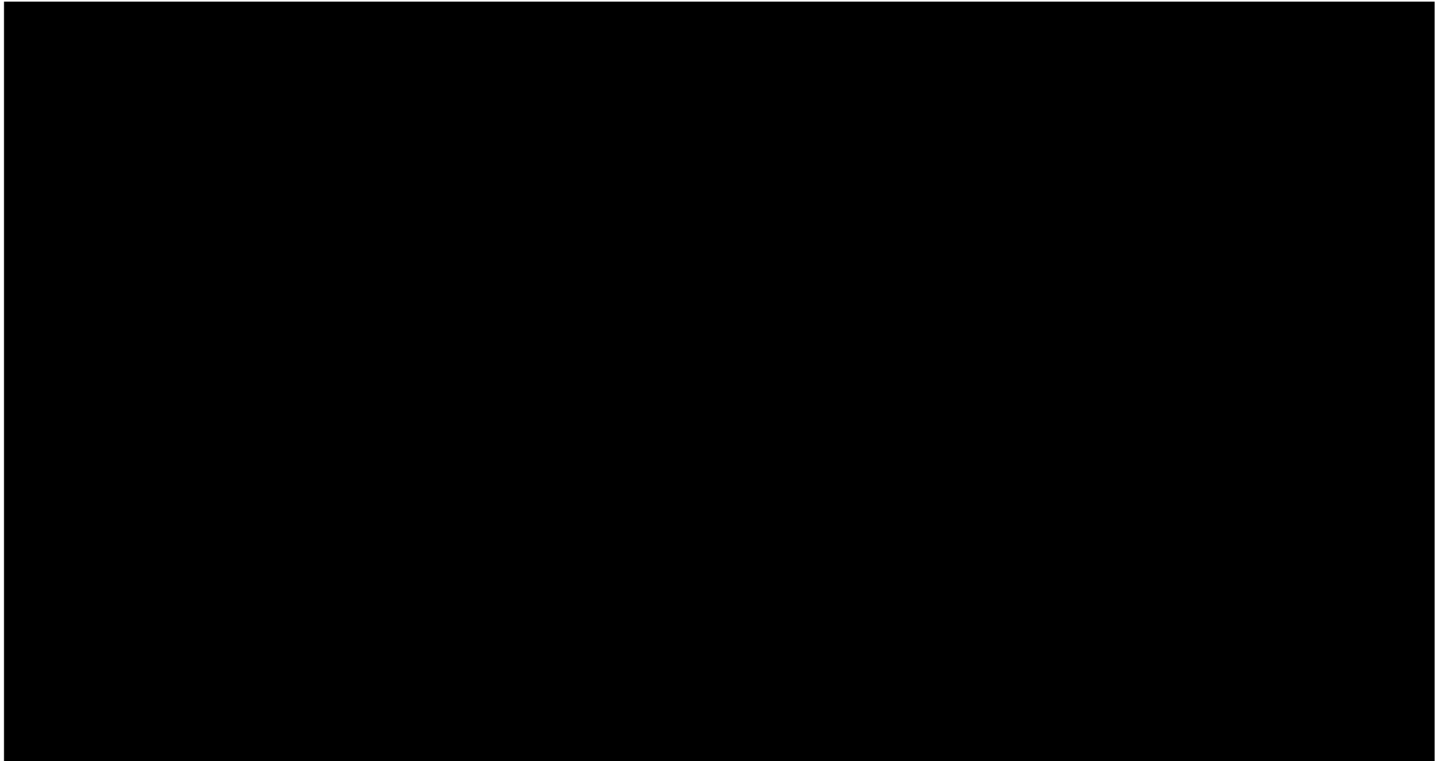
Role of Treasury



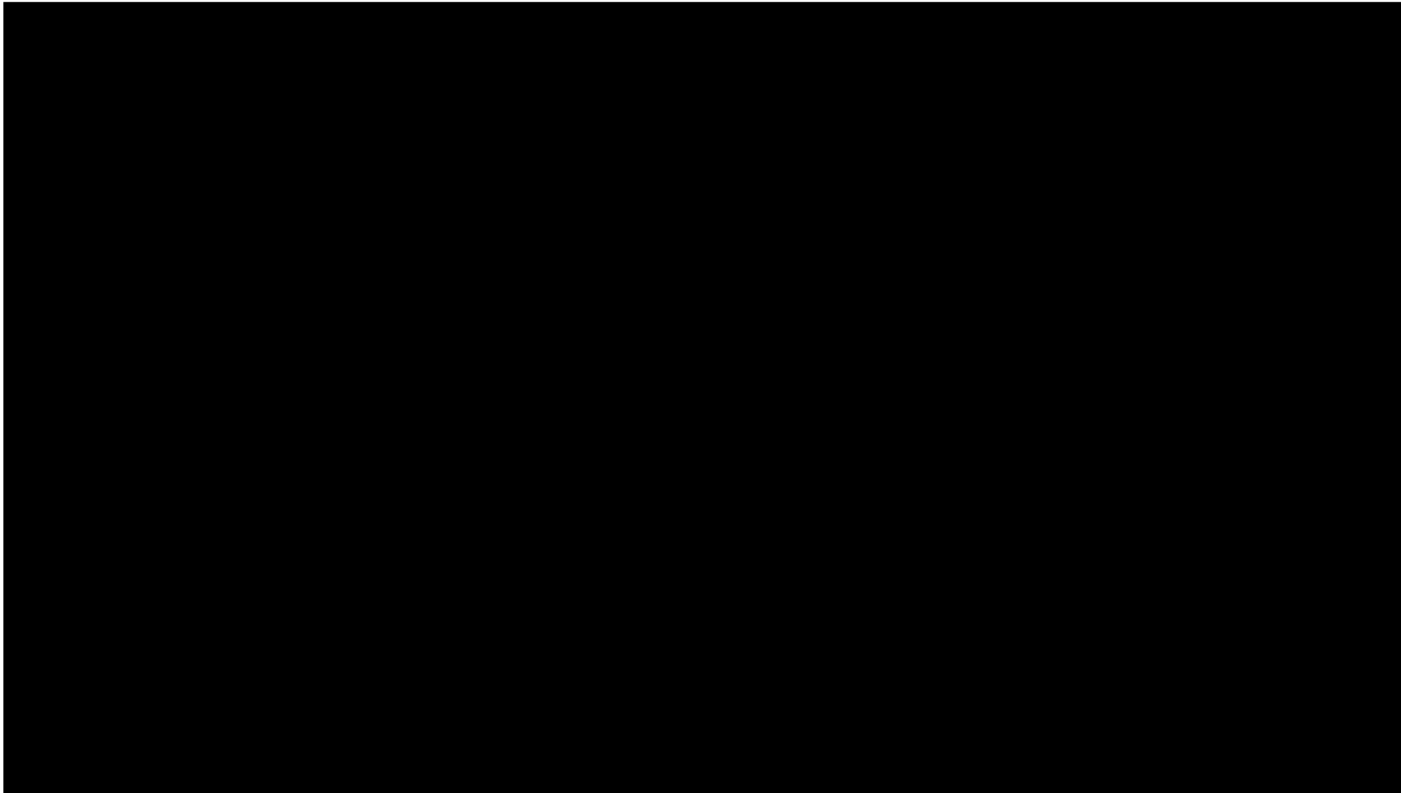
IV. Control Requirements and Activities

Risk Management



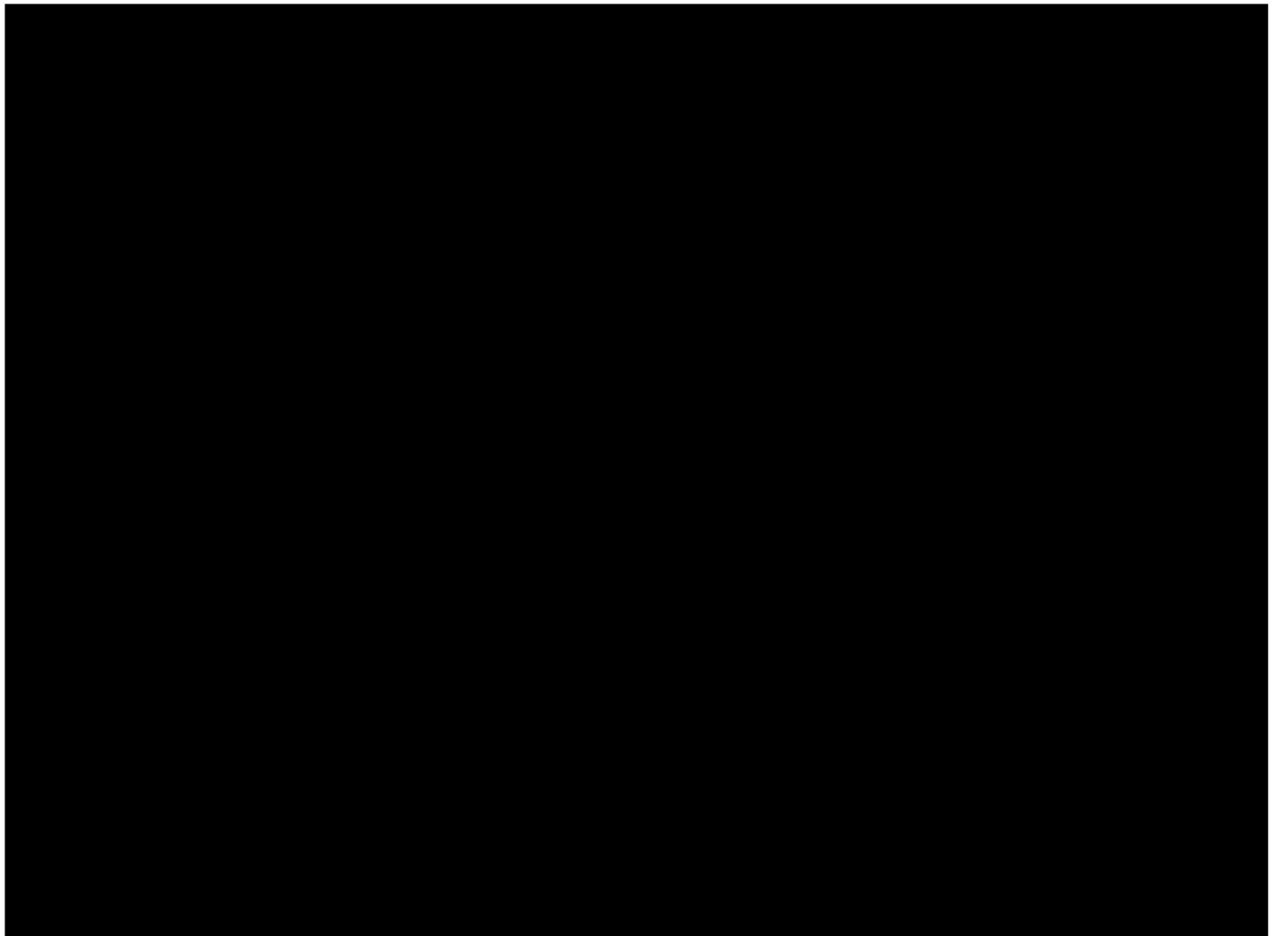


Risk Management – Credit Risk



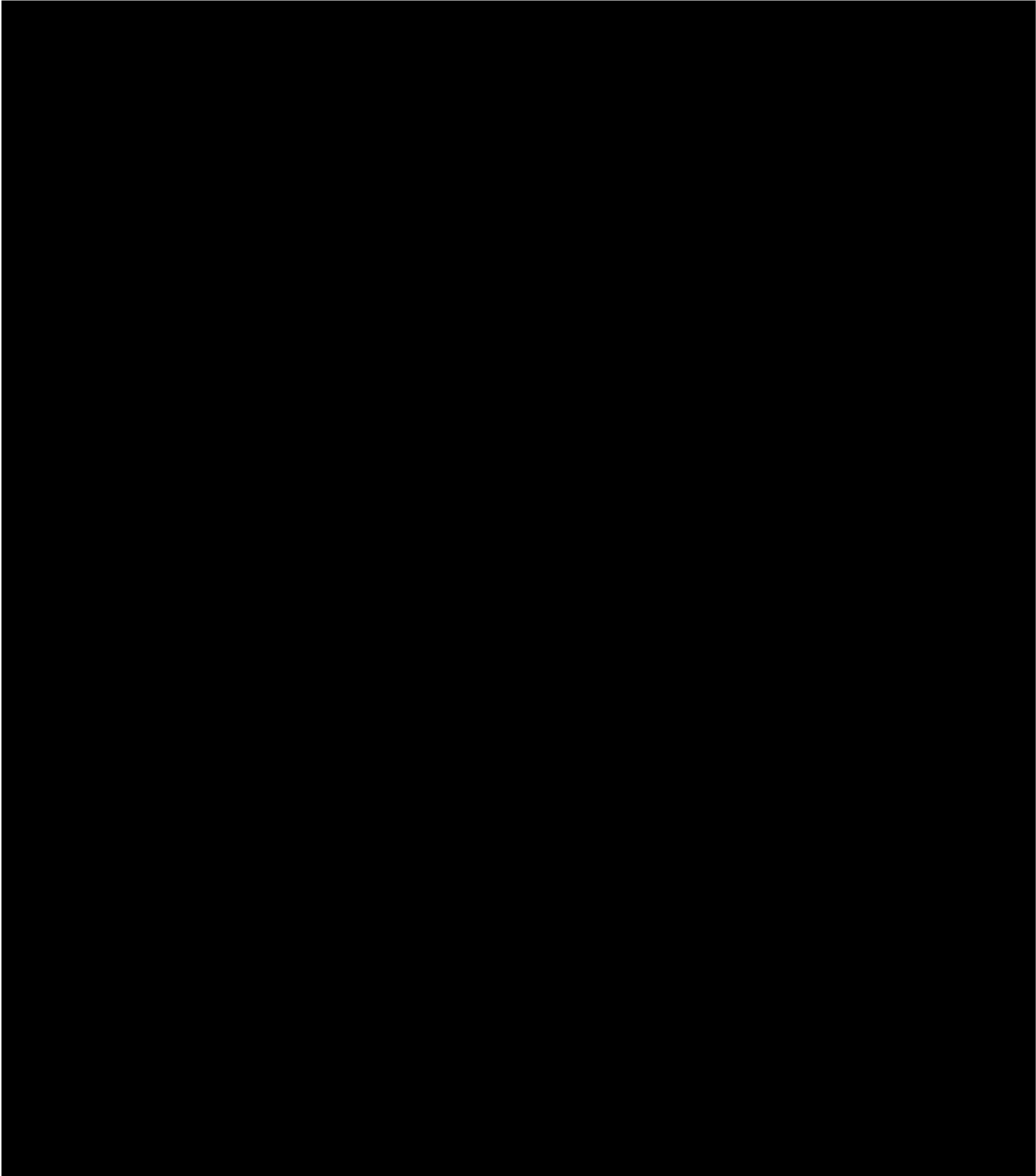


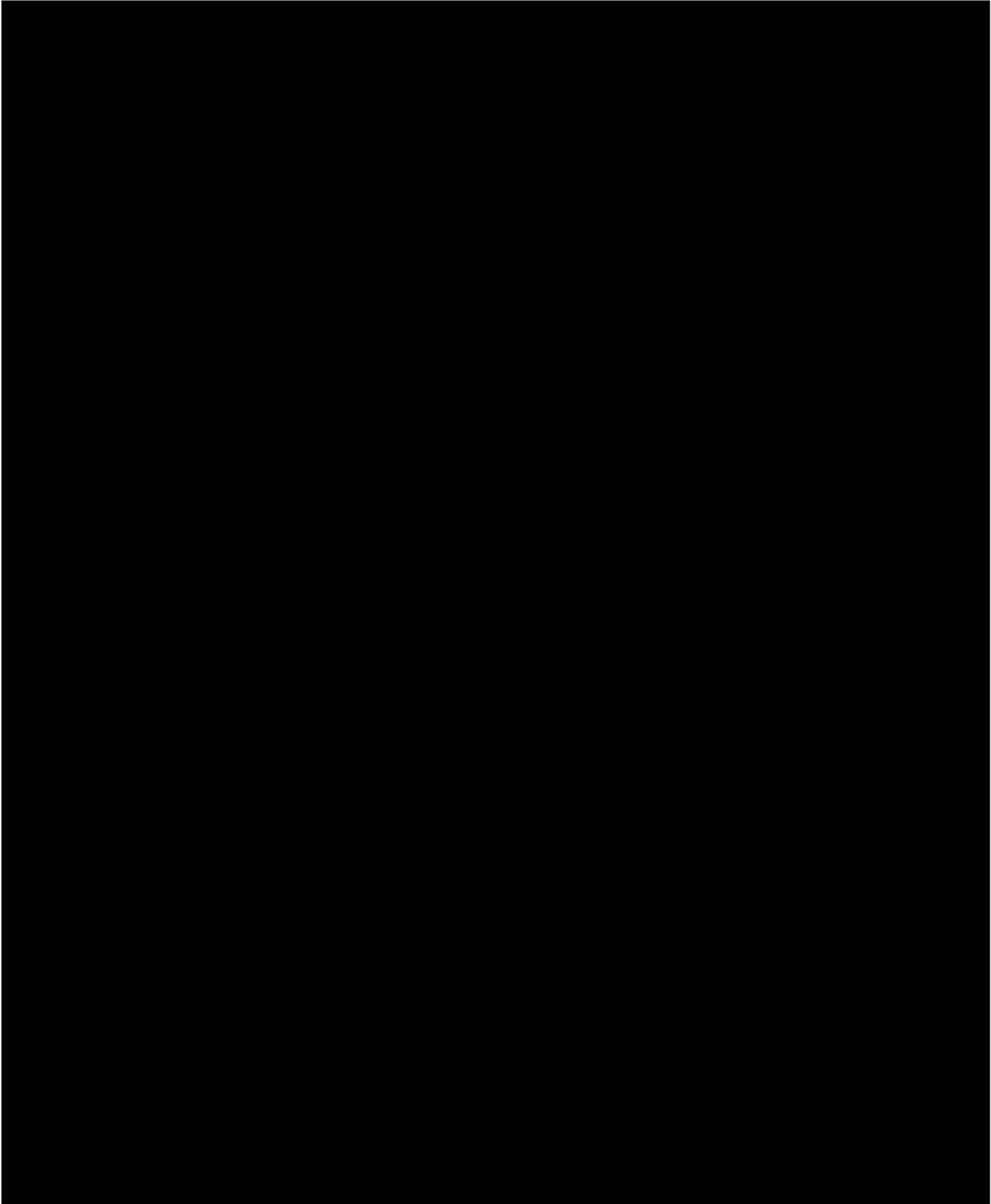
Violations of Risk Control Manual

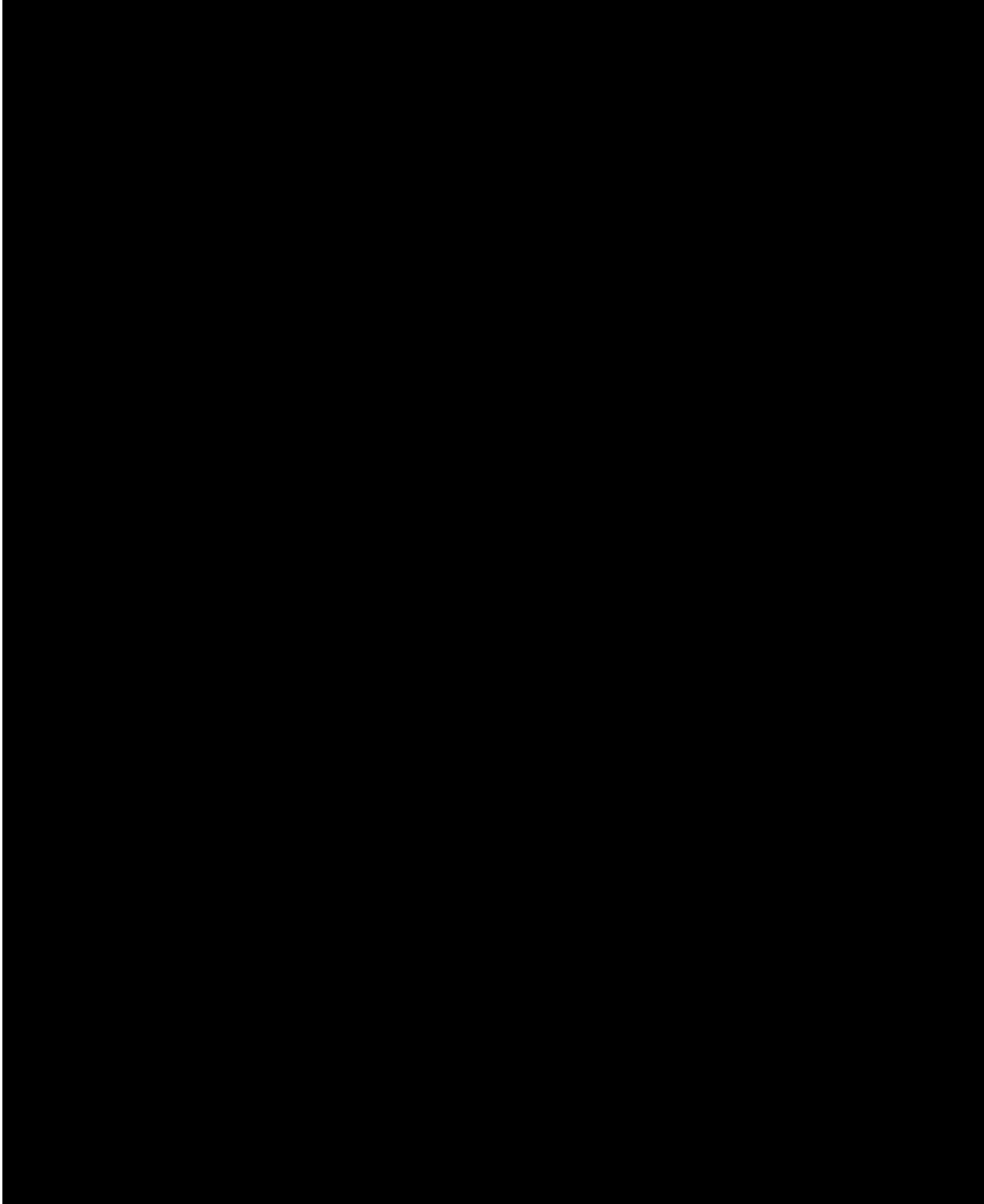


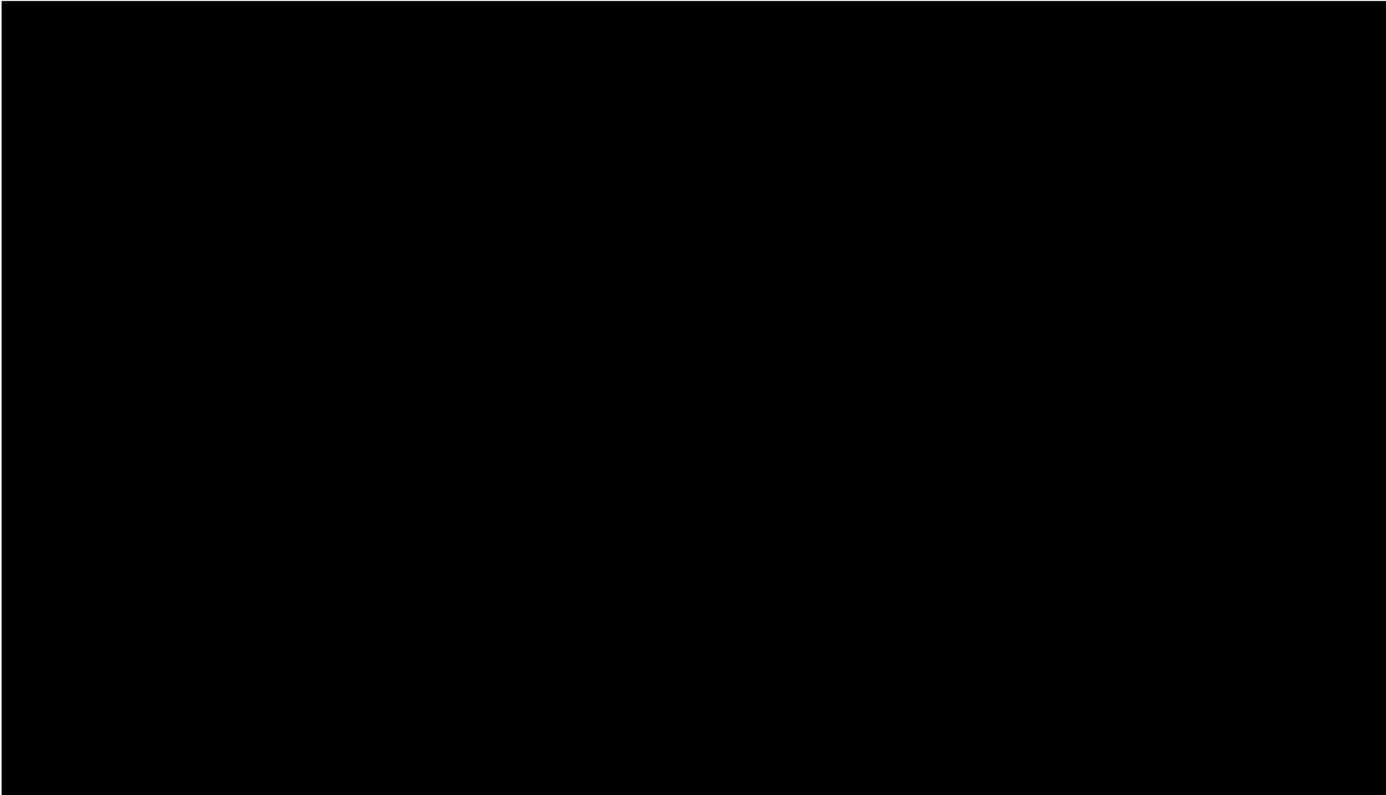


Fuels & Systems Optimization

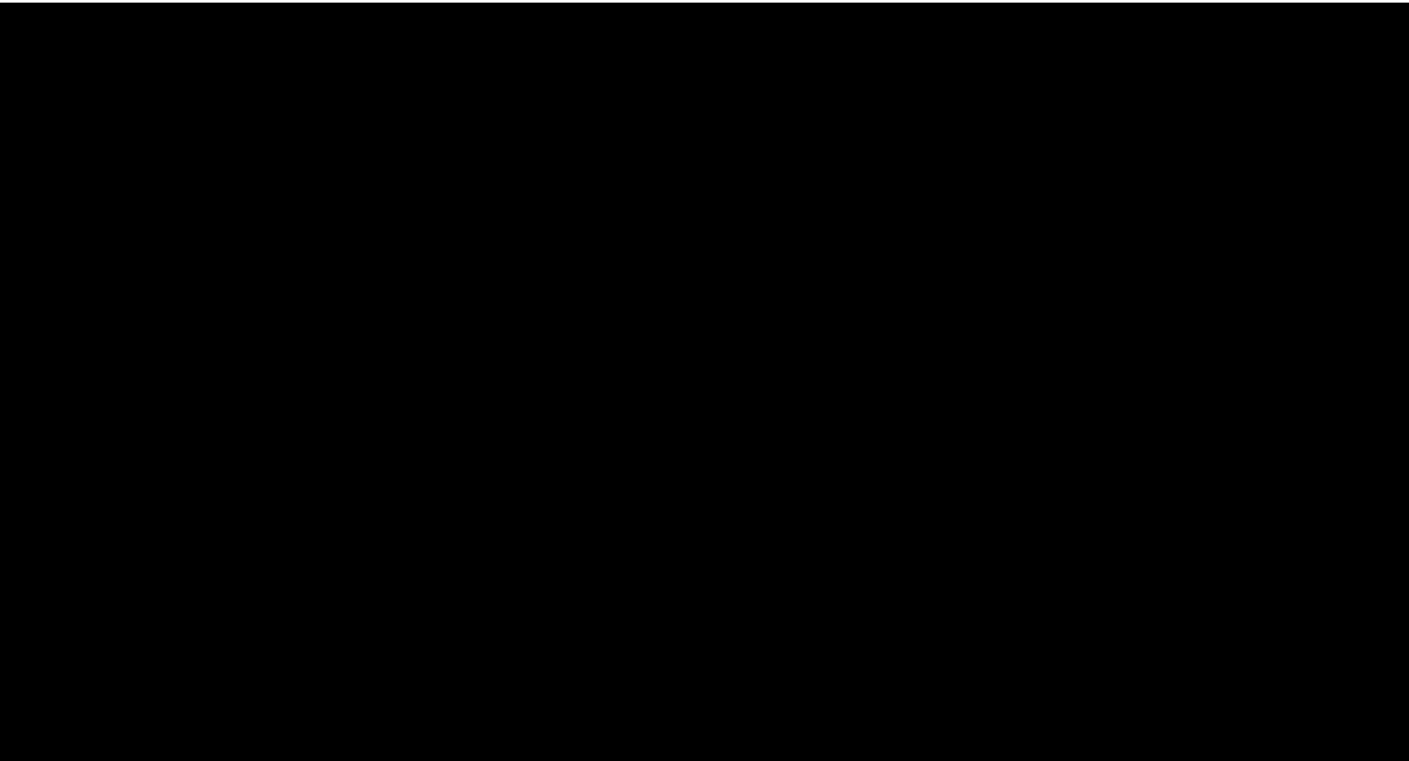








Contract Management

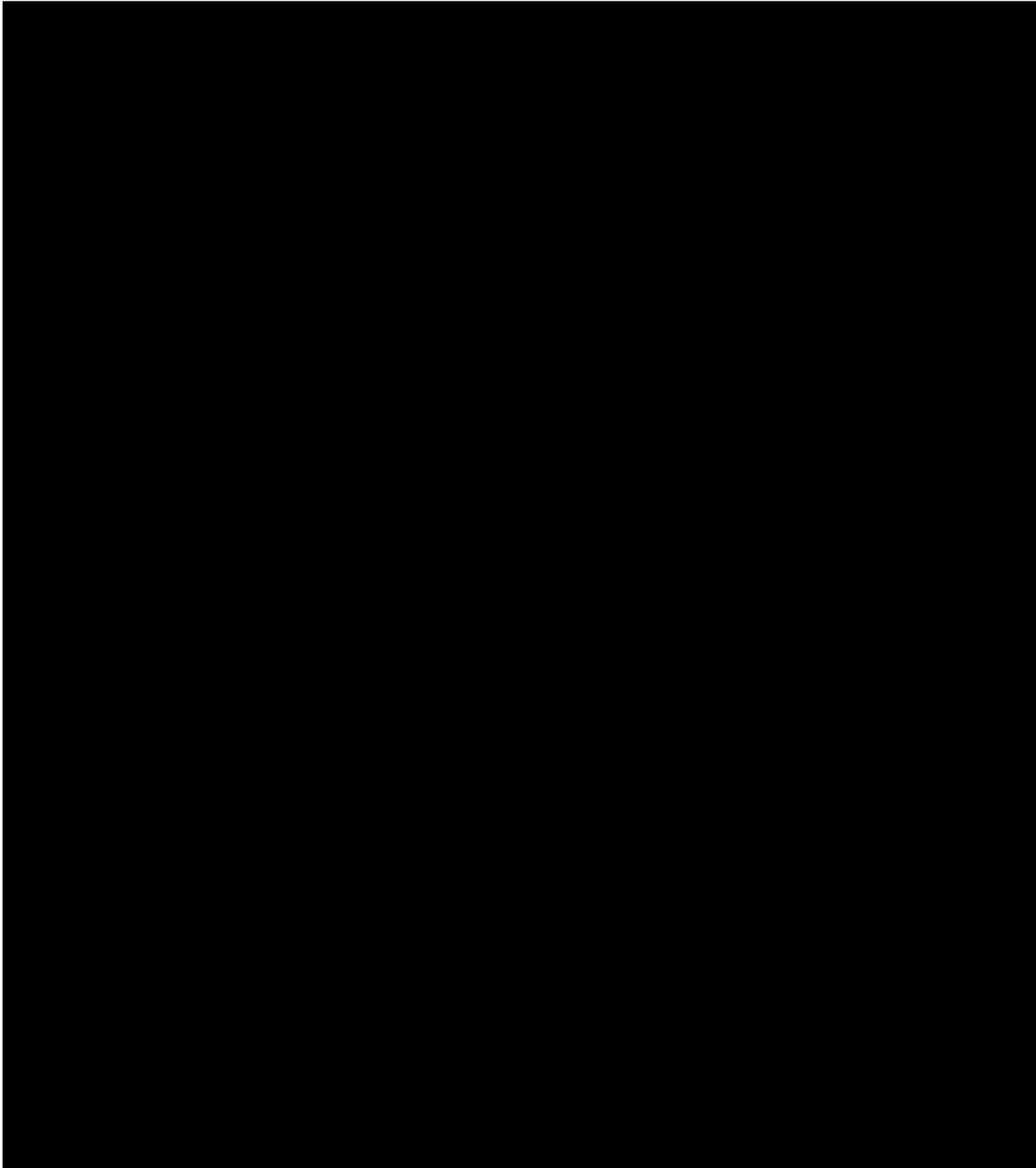




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V. Dodd-Frank

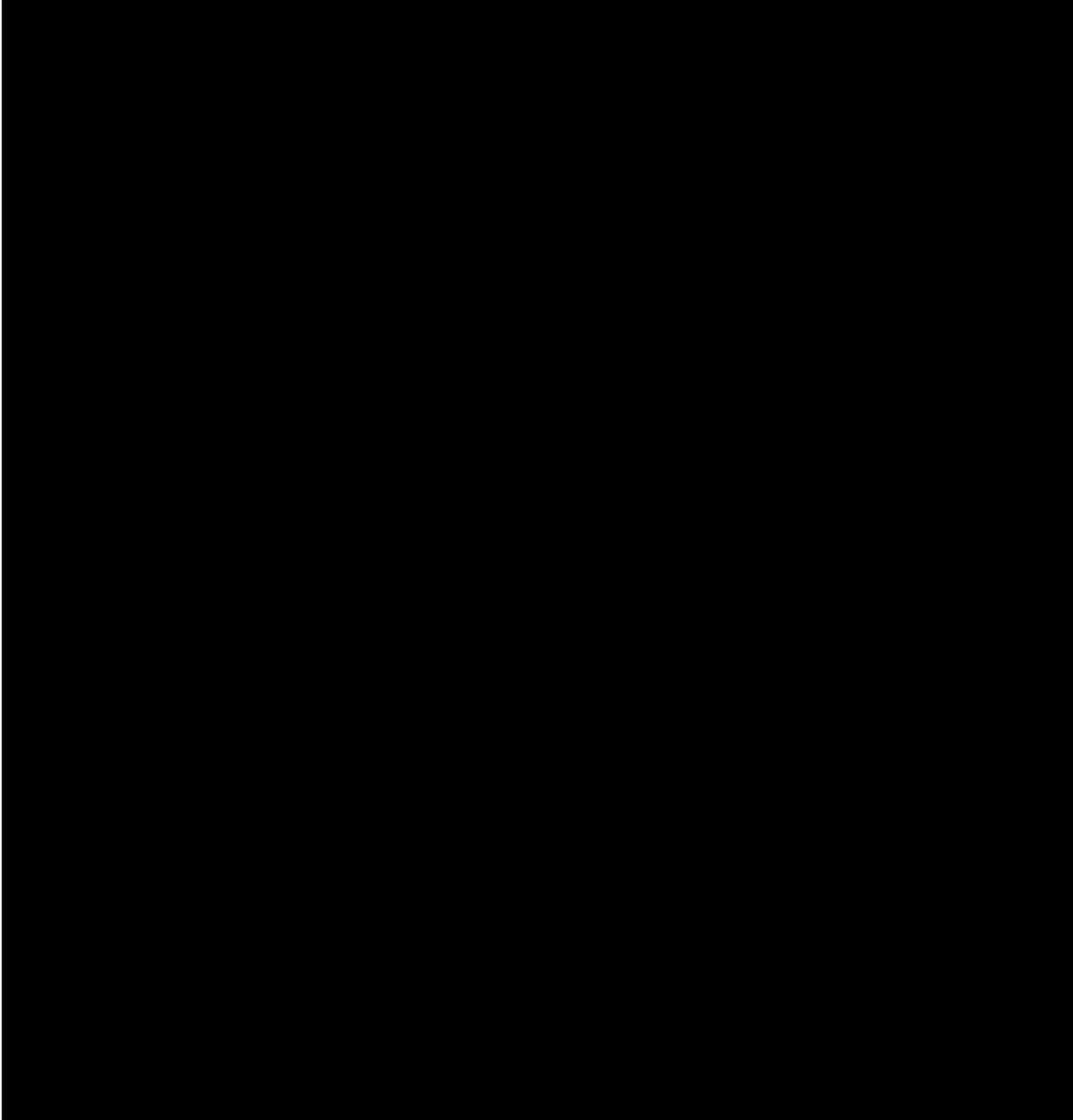
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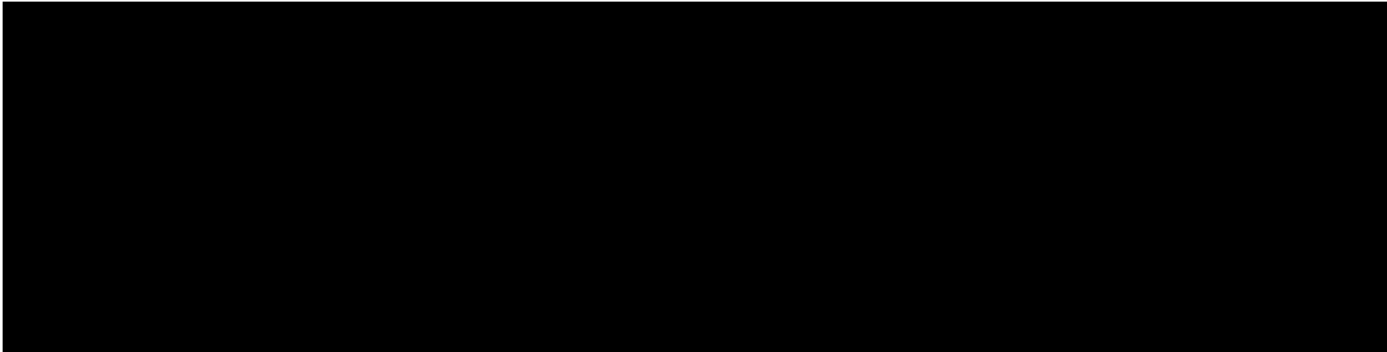




Appendix A

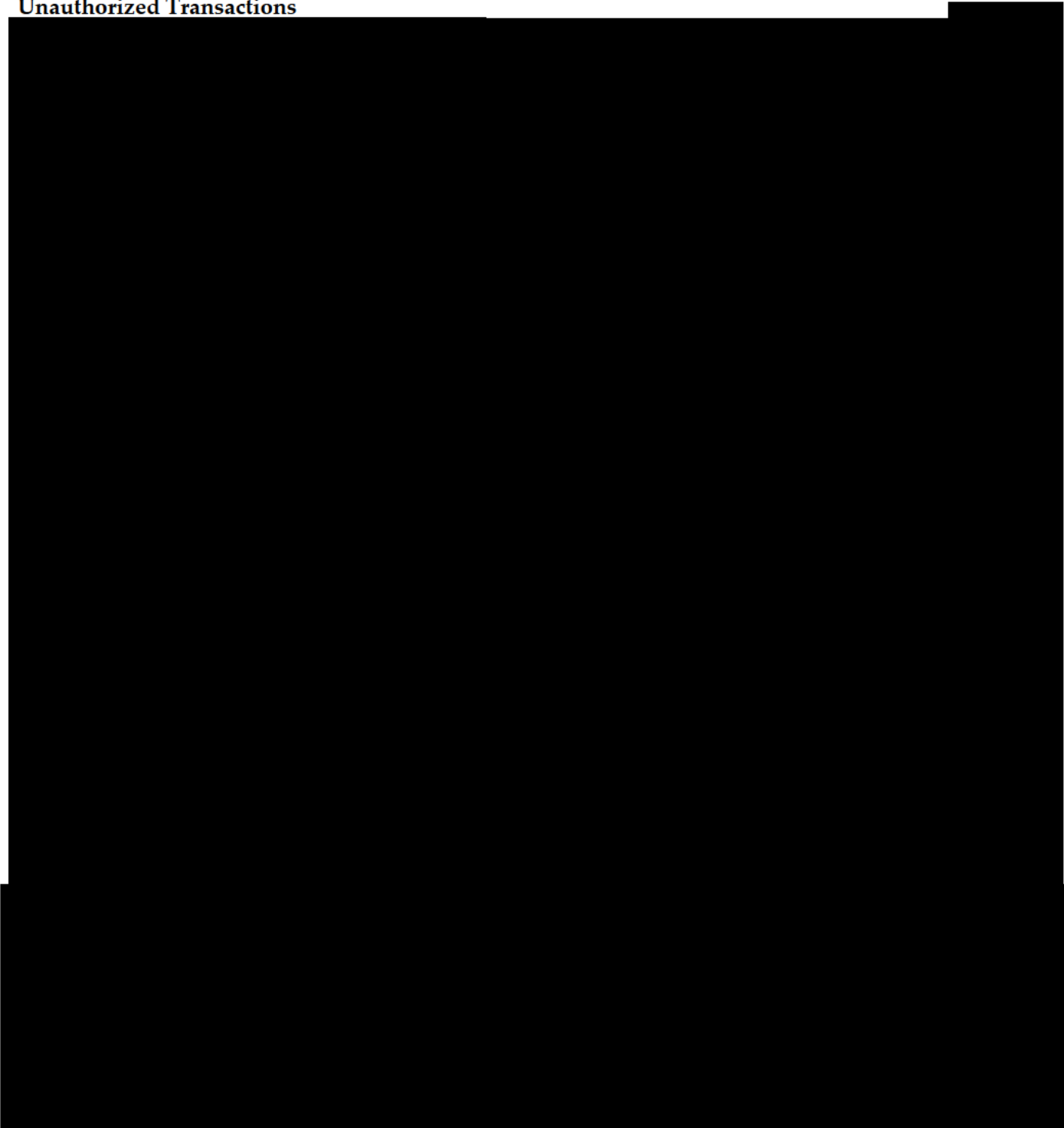
Key Risks





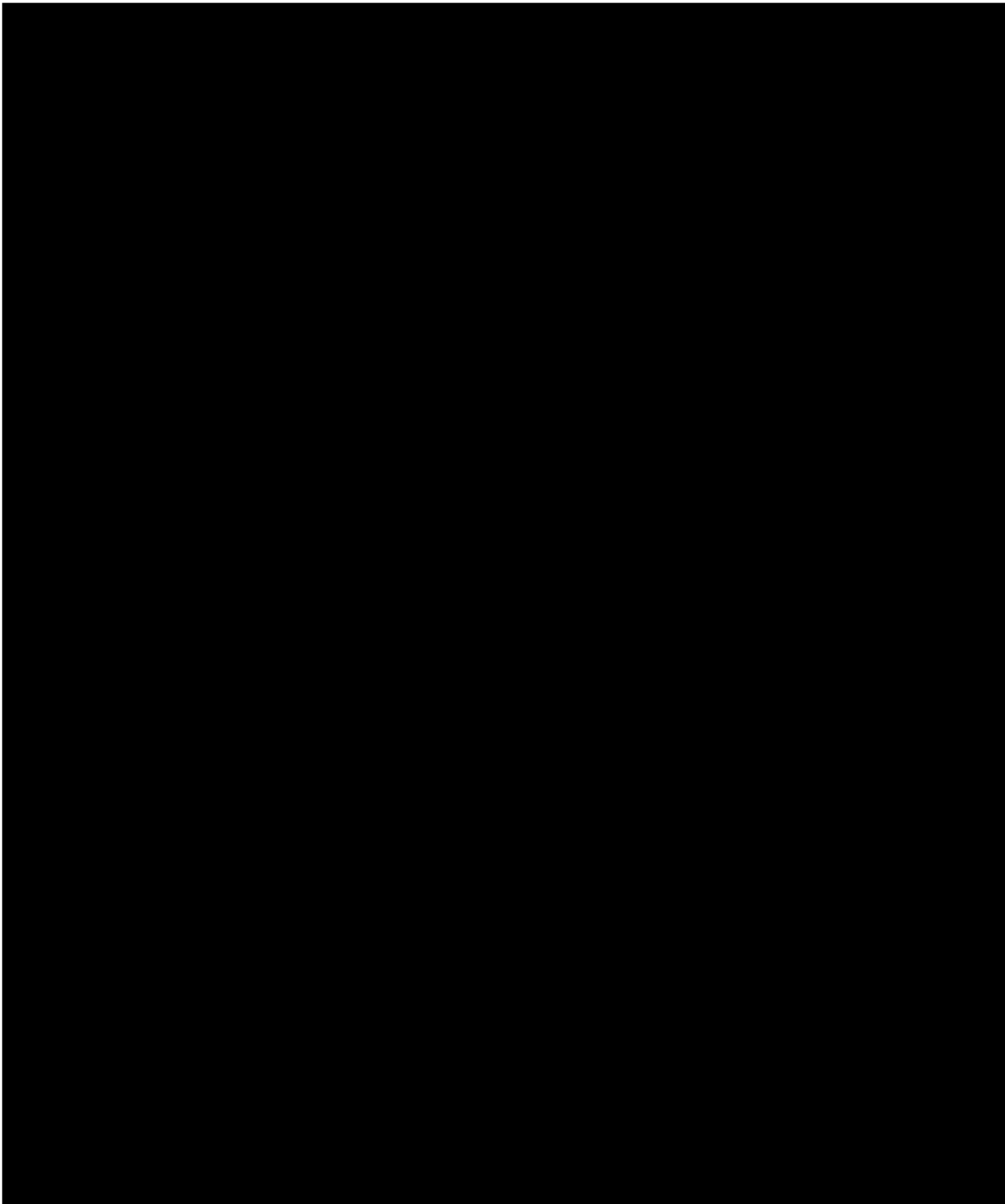
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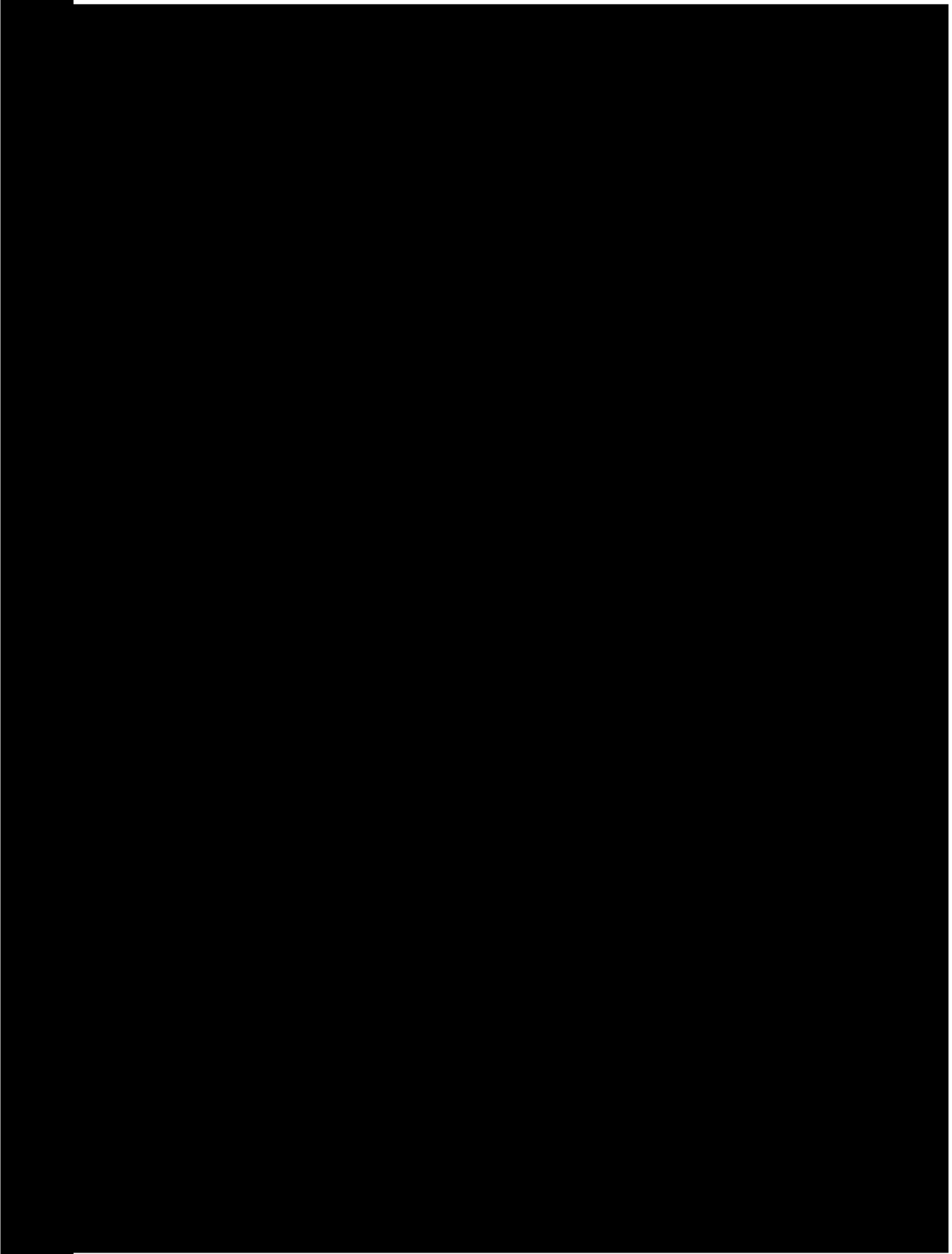
Unauthorized Transactions



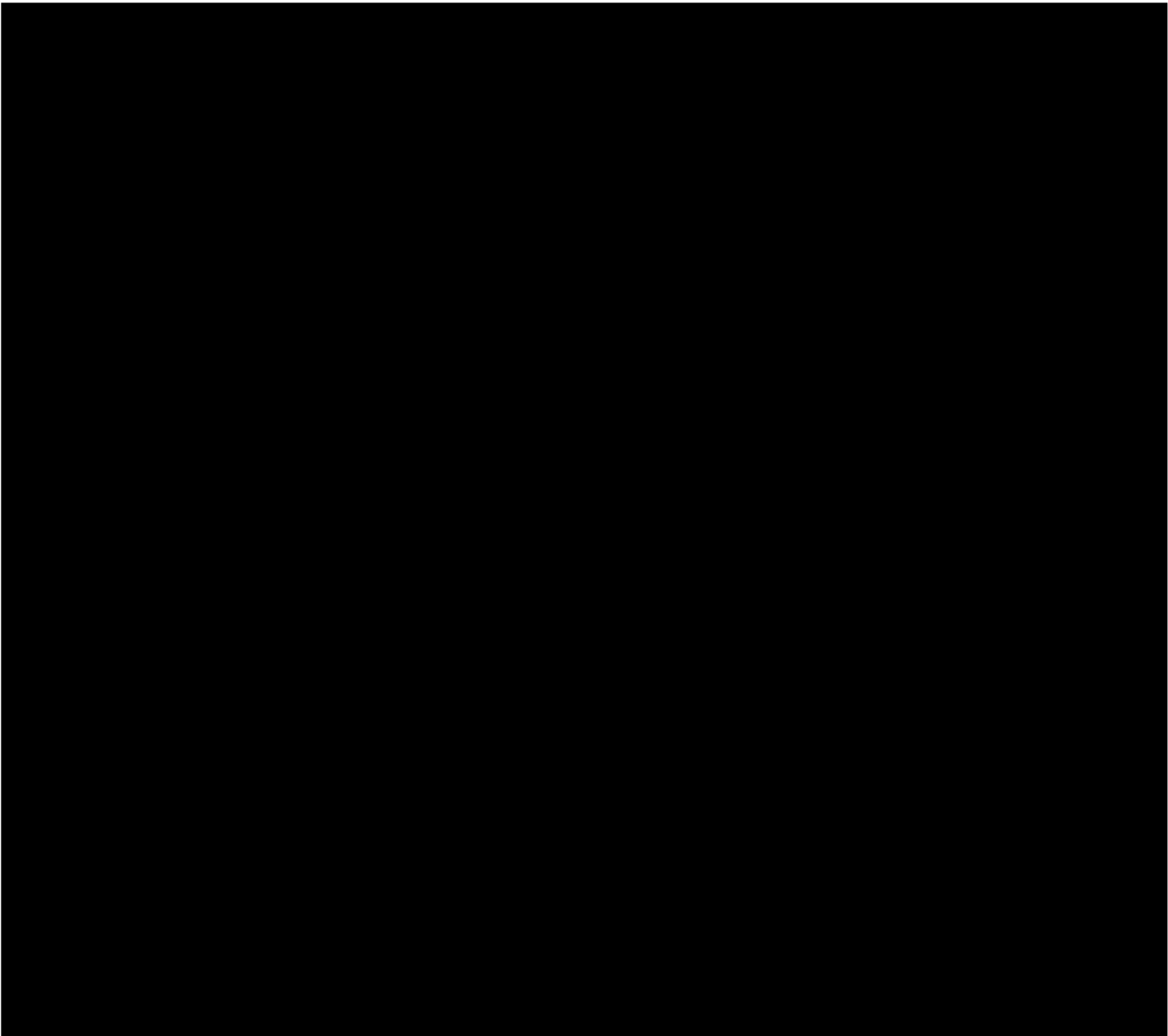
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Confirmation Activities



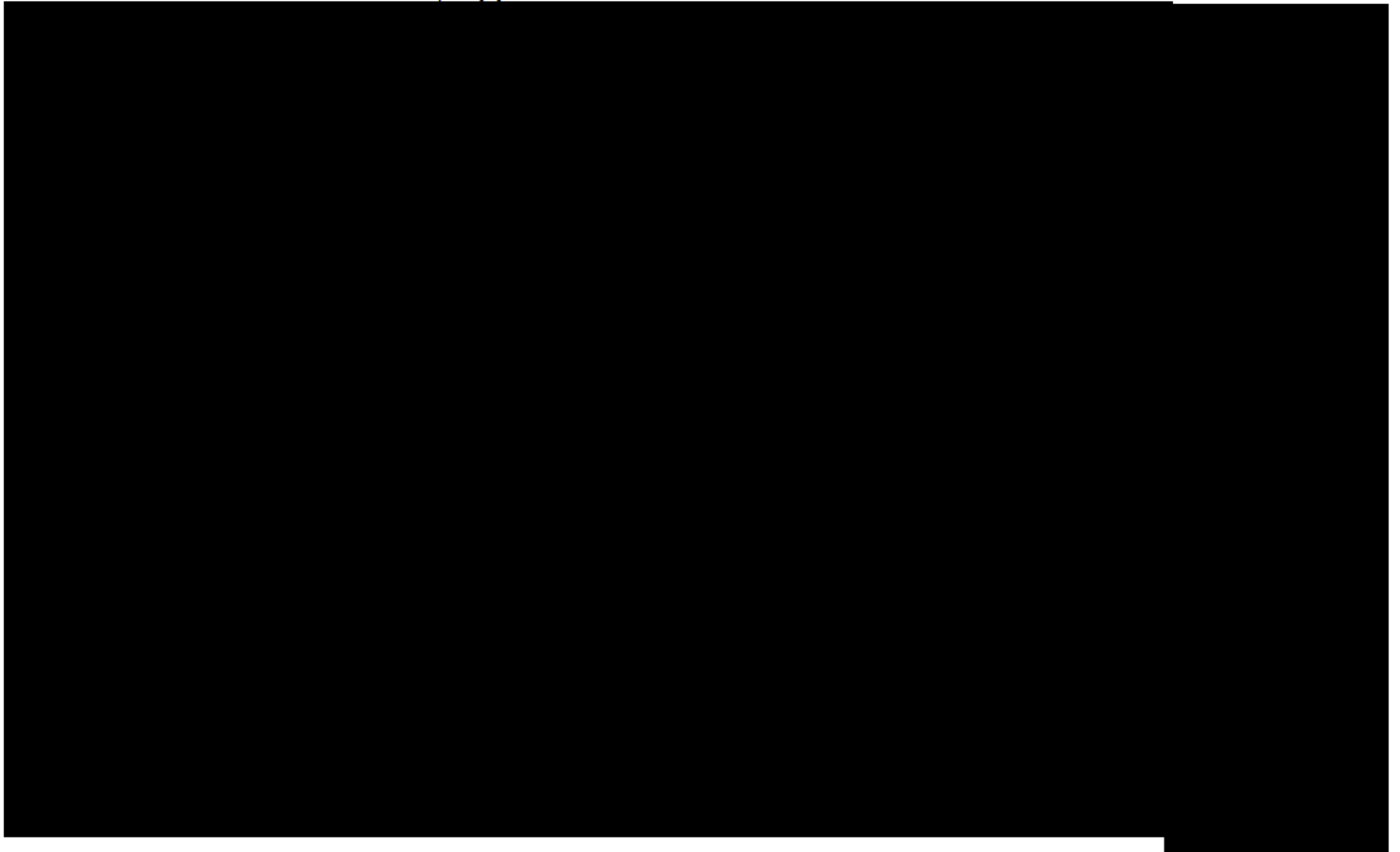


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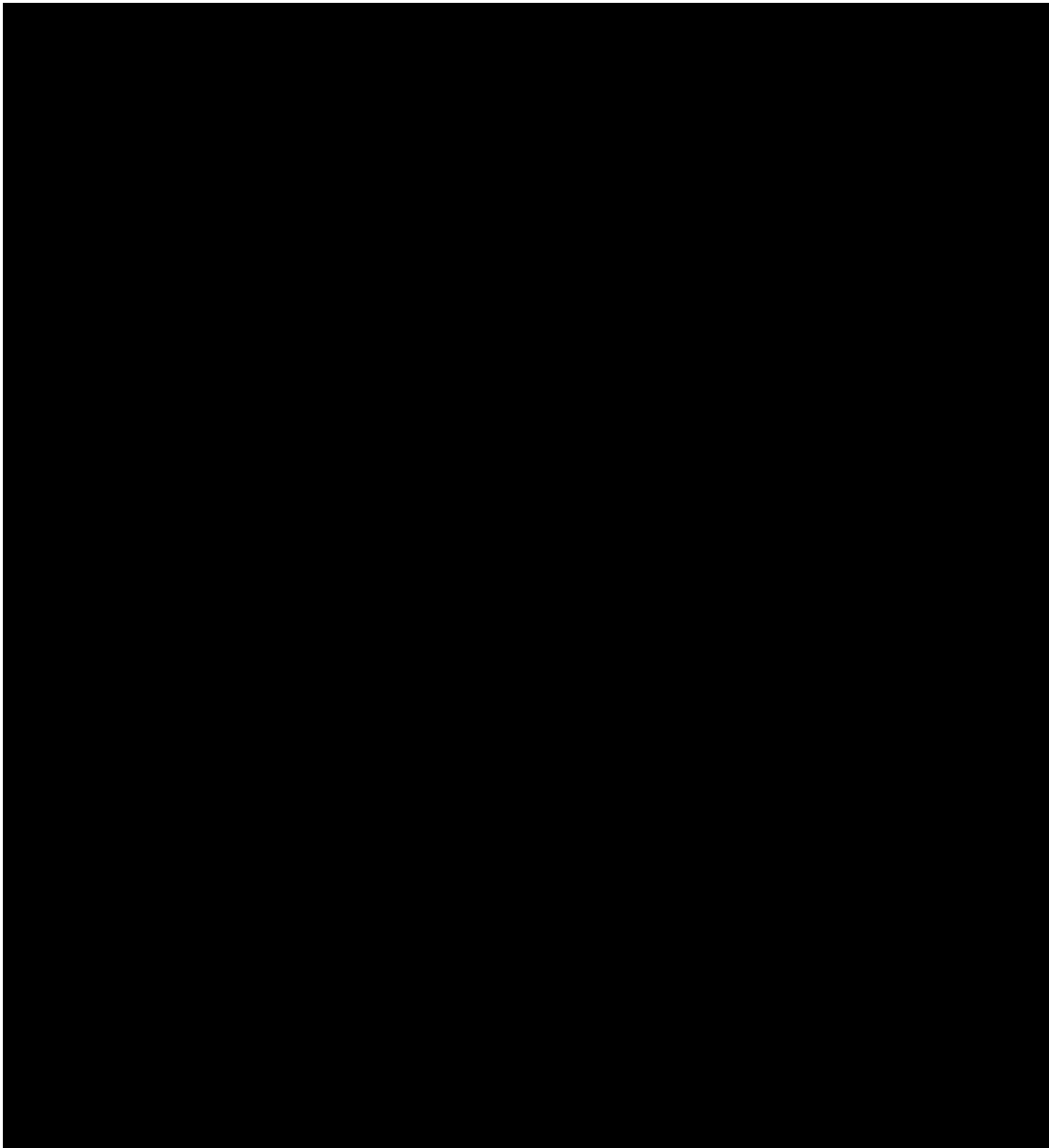
Appendix D

New Products/Business Activity Approval Process



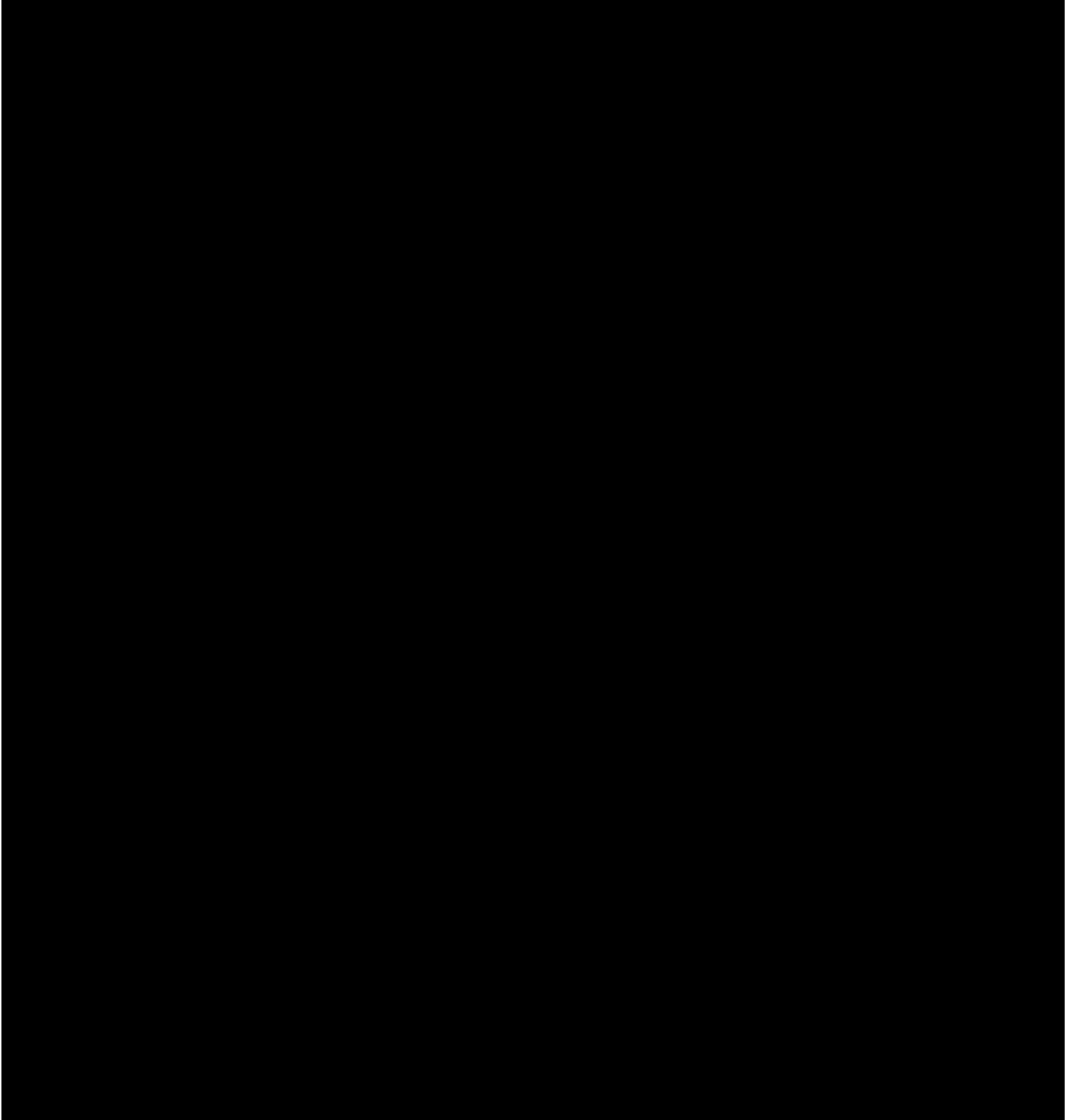
Appendix E

New Product Checklist



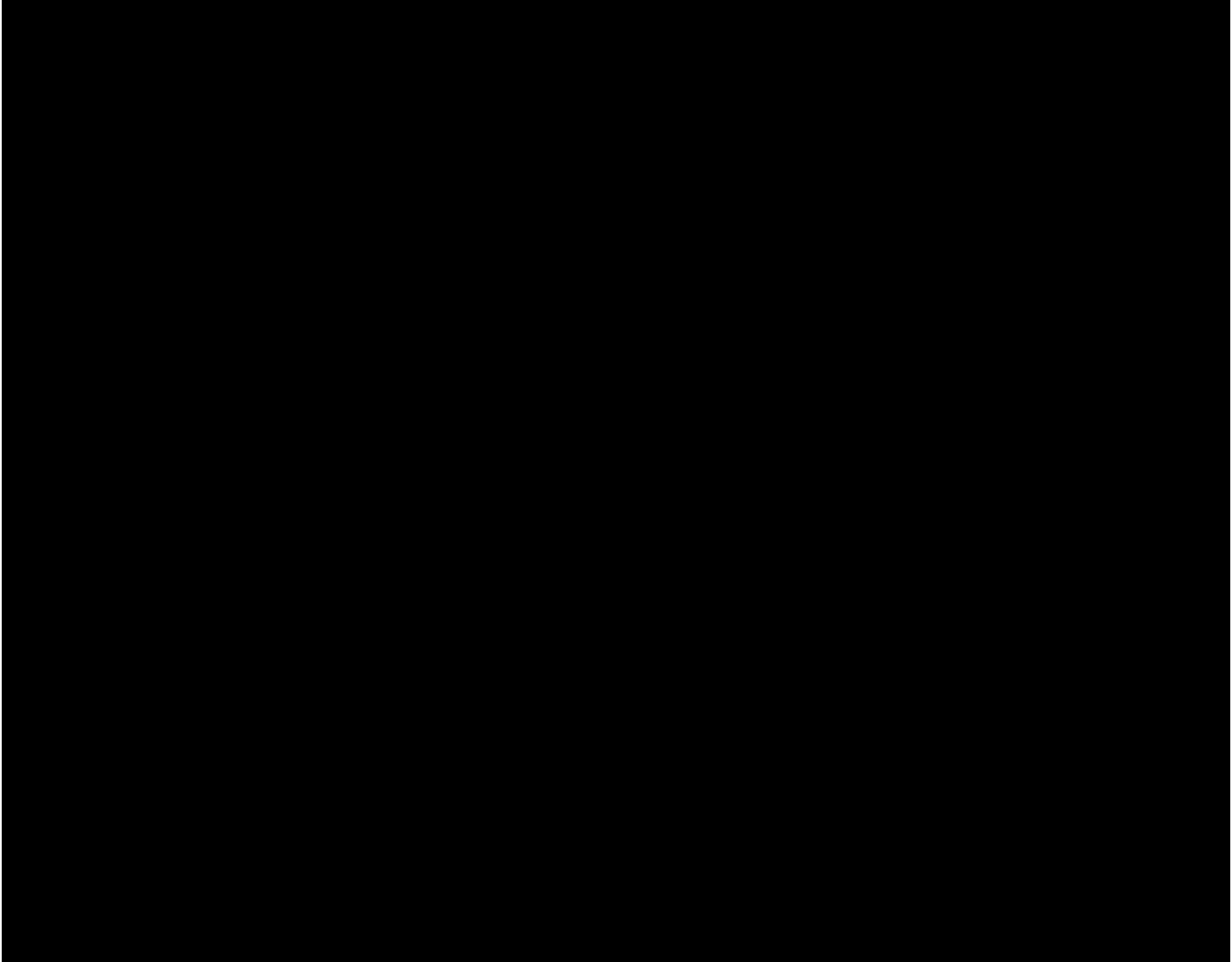
Appendix F

Potential Trade Exceptions



Appendix G

Potential Delivery Term Violations



Risk Management Employee Acknowledgment

Employee Name: _____
(Please print)

RISK MANAGEMENT EMPLOYEE ACKNOWLEDGMENT

Global Risk Management has a combination of Policies, Risk Limits, Guidelines and procedures referred to as the "Risk Documents" that contain certain information regarding the governance and procedures of certain Duke Energy activities. Please read and review the appropriate Risk Documents. If you have any questions regarding the Risk Documents, you are to contact your immediate supervisor. It is very important that you understand how the Risk Documents apply to your current position. After reading and understanding the appropriate Risk Documents, please check the Risk Documents read and understood below and sign the Risk Management Employee Acknowledgment as instructed in the last line below.

Check all that apply:

- Duke Energy Commodity Risk Policy (applies across all entities)
- Duke Energy Credit Policy (applies across all entities)
- Model Review and Approval Process (applies across all entities)
- Derivative Transaction Policy (applies across all entities)
- Duke Energy Regulated Utilities Risk Management Control Manual.....
- Duke Energy Forward Market Price and Volatility Curve Control Manual.....
- Duke Energy Carolinas & Duke Energy Progress Risk Limits
- Duke Energy Florida Electric Risk Limits
- Duke Energy Indiana Electric Risk Limits
- Duke Energy Kentucky Electric Risk Limits.....
- Duke Energy Ohio (Reg) Electric Risk Limits
- Duke Energy Credit Limits for DEC, DEP, DE-IN, DE-KY.....
- Duke Energy Florida Credit Limits.....
- Delegation of Authority – Fuels & Systems Optimization

I have read the Risk Documents as indicated above outlining Duke Energy's expectations of me. I understand and acknowledge these Risk Documents apply to my

position. I acknowledge and agree that it is my responsibility to comply with all aspects of the Risk Documents as well as any future revisions made to the Risk Documents. If I encounter a situation in which I do not know how the Risk Documents applies, I will contact my immediate supervisor.

I further acknowledge and agree that I will contact my immediate supervisor should my responsibilities at Duke Energy change and questions arise regarding the application of the Risk Documents to my new position and/or responsibilities.

I understand and acknowledge that my failure to comply with the Risk Documents will result in corrective action, up to and including termination.

I ACKNOWLEDGE AND UNDERSTAND THAT NEITHER THE RISK DOCUMENTS EMPLOYEE ACKNOWLEDGMENT NOR ANY OF DUKE ENERGY'S POLICIES OR PROCEDURES, INDIVIDUALLY OR TOGETHER, CONSTITUTE A GUARANTEE OF CONTINUED EMPLOYMENT, CREATE A CONTRACT OF EMPLOYMENT OR ALTER THE AT-WILL NATURE OF MY EMPLOYMENT IN ANY WAY.

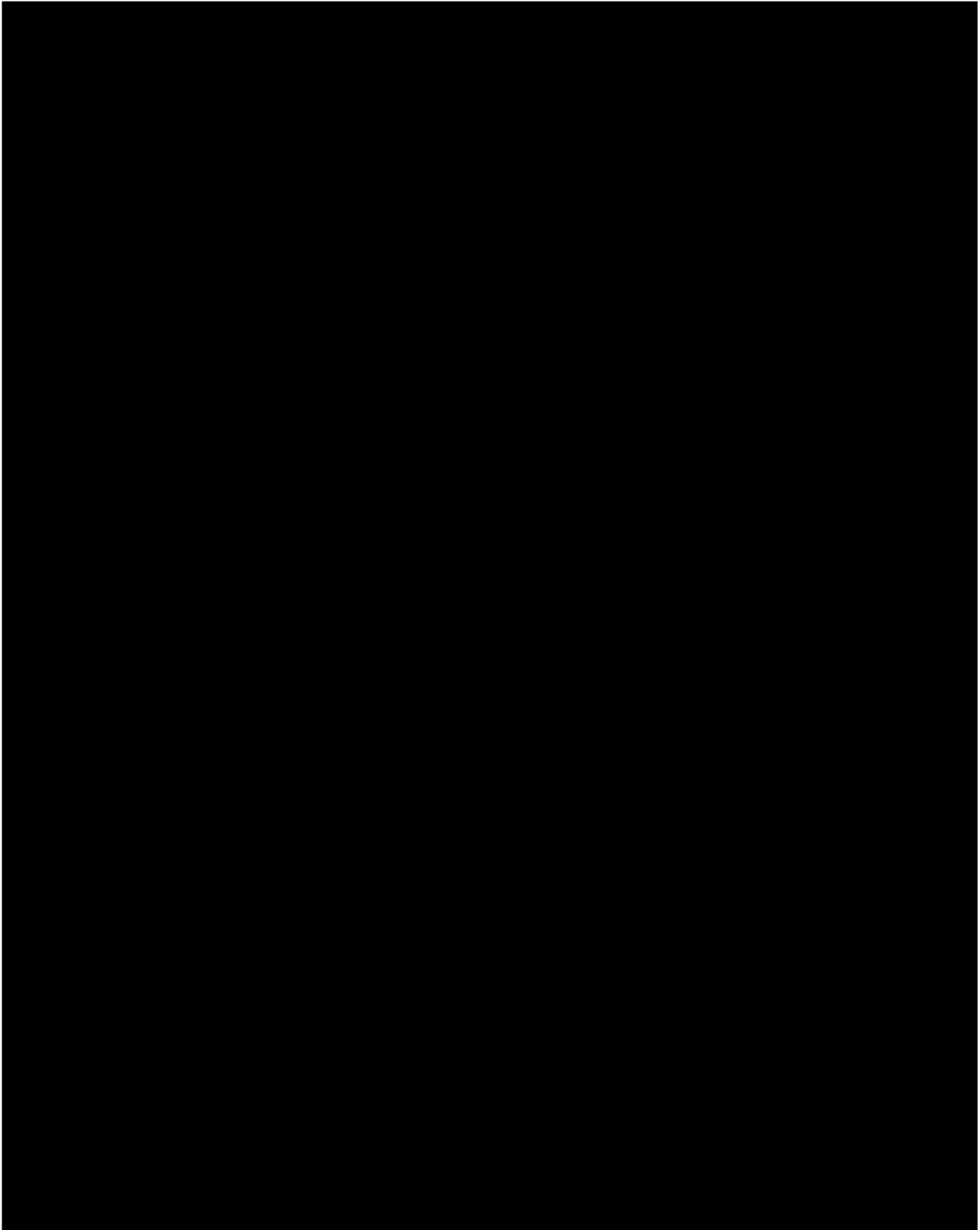
_____/_____
Employee Signature / Date

Employee Title

Print Full Name

Appendix I

FERC 741 Officer Certification Process

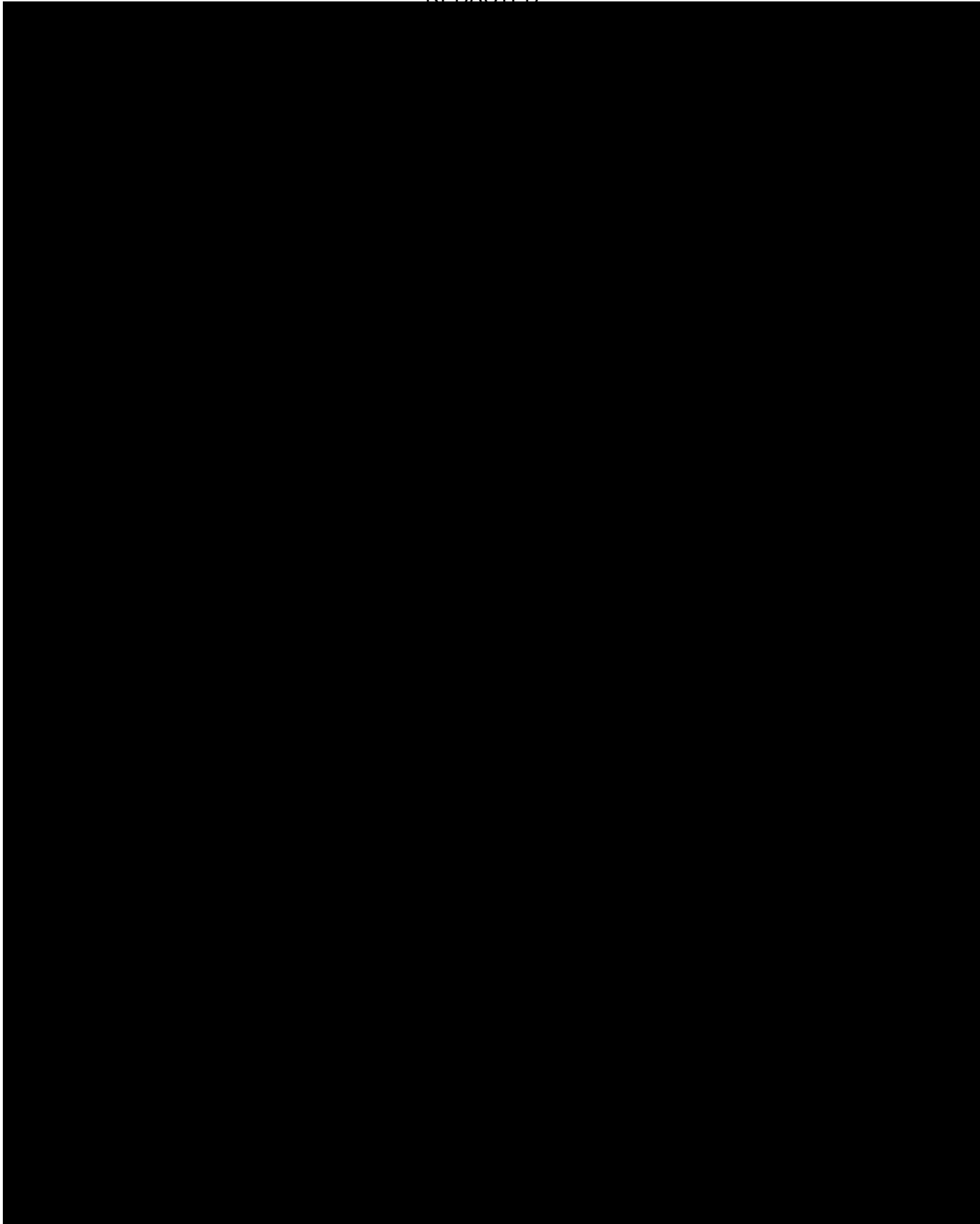


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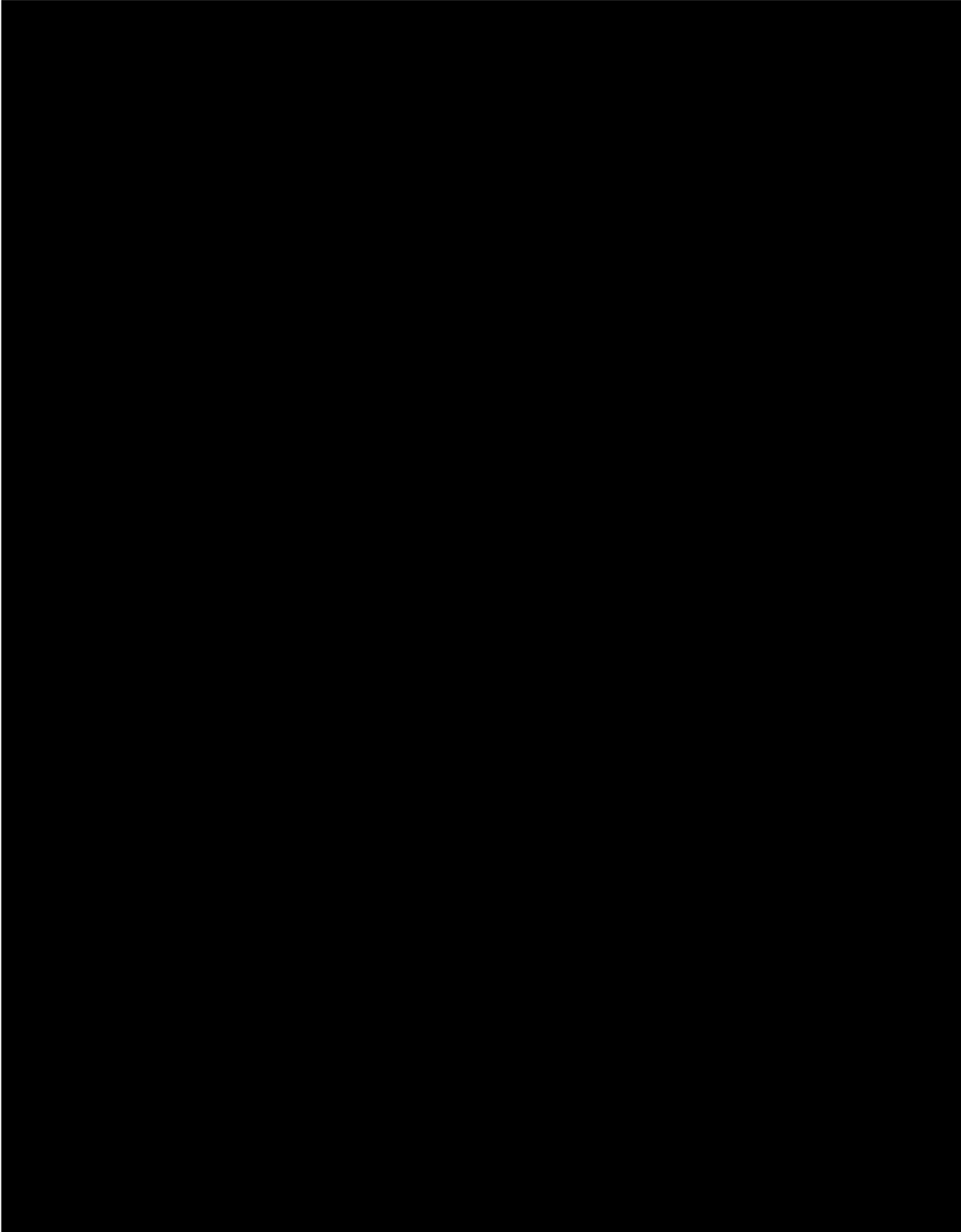
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FERC Order 741 Certification Process



Duke Energy Florida, Inc.
Risk Management Plan for
Fuel Procurement and Wholesale Power Purchases
For 2016

Duke Energy Florida, Inc. (DEF) is submitting its 2016 Risk Management Plan for review by the Florida Public Service Commission. The Risk Management Plan includes the required items as outlined in Attachment A of Order No. PSC-02-1484-FOF-EI and specifically items 1 through 9, and items 13 through 15 as set forth in Exhibit TFB-4 to the prefiled testimony of Todd F. Bohrmann in Docket No. 011605-EI and further clarified in Order No. PSC-08-0667-PAA-EI of Docket No. 080001-EI.

Several groups play key roles in the management, monitoring, and execution of the activities outlined in DEF's Risk Management Plan. These groups include Fuels and System Optimization (FSO), Global Risk Management (GRM), which includes Enterprise and Regulated Risk Management, Regulated Accounting, Internal Audit, Legal, and Information Technology. The activities supported by these groups include the following: procuring competitively priced fuel, performing active asset optimization and portfolio management, executing DEF's approved hedging strategy, monitoring and reporting against established oversight limits for credit and margin limits, performing credit evaluations and monitoring credit and default exposure, performing deal validation, volume actualization, preparing and reviewing transactions and contracts, preparing journal entries to account for fuel and power related activities, performing billing and payments under the various fuel and purchased power contracts, performing audits, and maintaining and supporting needed systems to capture, track, and account for these activities.

Based on the July 2015 Fuels and Operations Forecast (FOF), DEF's estimated fuel consumption and economy transaction projections for 2016 are as follows:

Coal

Based on current projections, DEF forecasts to burn approximately [REDACTED] tons of coal in 2016. DEF's forecasted coal requirements for 2016 will primarily be purchased under term coal supply agreements. The coal supply will be delivered to DEF's plants via railroad and barge transportation agreements. Spot purchases will be made as needed to supplement the term purchases.

Light Oil

Based on current projections, DEF forecasts to burn approximately [REDACTED] [REDACTED] barrels of light oil in 2016. DEF's forecasted light fuel oil requirements for 2016 are expected to be purchased primarily under term supply

agreements with volume flexibility at indexed market prices. Spot market purchases will be made as needed to supplement term purchases.

Natural Gas

Based on current projections, DEF forecasts to burn approximately [REDACTED] of natural gas in 2016, comprised of approximately [REDACTED] at DEF's generating plants and [REDACTED] at gas-tolling purchased power facilities where DEF has the responsibility to provide the natural gas. DEF's forecasted natural gas requirements for 2016 are expected to be purchased primarily under term supply agreements based on market index pricing, with supplemental seasonal, monthly and daily purchases of natural gas being made as needed.

Economy Power Purchases and Sales

Based on current projections, DEF forecasts to purchase approximately [REDACTED] of economy power and sell approximately [REDACTED] of economy power in 2016. DEF actively seeks to purchase and sell economy power as opportunities arise based on market prices, dispatch costs, and available transmission capacity.

Item 1. Identify the company's overall quantitative and qualitative Risk Management Plan Objectives.

DEF's identified 2016 Risk Management Plan Objectives are to effectively manage its overall fuel and purchased power costs for its customers by engaging in competitive fuel procurement practices and activities, performing active asset optimization and portfolio management activities, and continuing to execute the Company's hedging program to reduce price risk and volatility, and provide greater fuel cost certainty for DEF's customers. These items are discussed further in Item 8.

Item 2. Identify the minimum quantity of fuel to be hedged and the activities to be executed for the balance of 2015 and 2016.

DEF utilizes a phased hedging program where financial hedge transactions are executed over time with the objectives of reducing price risk and volatility and providing greater fuel cost certainty for DEF's customers. The financial hedging program outlined in this 2016 Risk Management Plan includes executing approved financial agreements over time for natural gas and light fuel oil river barge exposures. Natural gas hedging activity represents the largest component of DEF's hedging program as natural gas represents the largest fuel cost component of DEF's overall generation fuel costs.

The volumes hedged over time for natural gas represent a portion of DEF's forecasted burns with higher hedging target ranges in the near term and lower hedging target ranges in the outer period. The hedge percentage target ranges outlined provide a framework for consistently executing the layered hedging strategy over time. DEF currently uses two types of financial transactions to hedge which are swaps and costless collars. DEF cannot predict future prices and DEF's hedging program does not involve speculation or trying to "out-guess" the market. All hedges are executed at the prevailing market price for any given period that exists at the time the hedging transactions are executed. The results of hedging activities may or may not result in net fuel cost savings due to differences between the monthly settlement prices and the actual hedge price of the transactions that were executed over time. The volumes hedged for each fuel type over time are based on periodic updated fuel forecasts and the actual hedge percentages for any month, rolling period, or calendar annual period may come in higher or lower than the target minimum hedge percentages and hedging ranges because of actual fuel burns versus forecasted fuel burns. Actual burns can deviate from forecasted burns because of dynamic variables such as weather, unforeseen unit outages, actual load, and changing fuel prices. DEF's multi-year approach to executing fixed price transactions over time is a reasonable and prudent approach to reduce price risk and volatility and provide greater fuel cost certainty for DEF's customers.

Outlined below for each fuel type and exposure are the targeted minimum hedge percentages to be hedged during the remainder of 2015 and during 2016:

Natural Gas

Natural gas represents DEF's largest fuel cost component and represents the largest component of DEF's hedging activities. DEF plans to continue to execute its existing phased financial hedging program over a rolling 36-month time period through time for natural gas through the remainder of 2015 and during 2016. The currently approved rolling hedge percentage that are outlined in DEF's Regulated Utilities Risk Limits as follows:

- [REDACTED]
- [REDACTED]
- [REDACTED]

DEF will target to hedge a minimum of [REDACTED], [REDACTED] and [REDACTED] of forecasted natural gas burns for the rolling 36-month time period through time, respectively, during the remainder of 2015 and 2016. Given DEF's hedging strategy, DEF will continue to participate in the spot natural gas market for a portion of its estimated natural gas needs.

Fuel Oil and Transportation Fuel Surcharges

Given the reduction in overall fuel oil usage in its generation fleet, DEF will no longer execute financial hedge transactions for periods after 2015.

During the balance of 2015 and during 2016, with respect to 2016 coal river transportation estimated fuel surcharge exposure, DEF will target to hedge between [REDACTED] to [REDACTED] of the estimated fuel surcharge exposure.

With respect to coal rail transportation estimated fuel surcharge exposures for 2016, given the reduction in expected rail shipments DEF will no longer execute financial hedge transactions for periods after 2015.

Summary

Through the remainder of 2015 and during 2016, DEF will continue to monitor its fuel forecast and will continue to execute hedges over time to attempt to manage to the hedge percentage targets outlined for a portion of its projected burns for natural gas, light oil, and estimated coal rail and river transportation fuel surcharge exposure, with the exceptions discussed above. This hedging approach is consistent with DEF's existing strategy and allows DEF to continue to monitor the market and fuel forecast updates. The hedging targets for each of the respective periods are included in DEF's Regulated Utilities Risk Limits in **Attachment A**.

Item 3. Identify and quantify each risk, general and specific, that the utility may encounter with its fuel procurement.

DEF has identified specific and general risks associated with the procurement of fuels and power optimization activities. The specific risks include fuel price risk, supplier performance and default risk, liquidity risk, credit risk, product availability risk, and changes in forecasted volumes. The general risks include weather related events such as hurricanes, extreme weather variations from forecast, business continuity, and changes in environmental rules and regulations. Described below is further information on the specific and general risks, and DEF's activities to manage overall exposure to these risks including the processes that DEF has in place to monitor and quantify risks.

Fuel Price Risk

Commodity prices are constantly changing and as a result by definition contain volatility. DEF's customers are exposed to the risk of fuel price movements over time which could result in significant variability in projected and actual fuel costs. As noted in Item 2 above, natural gas makes up the largest component of DEF's overall fuel costs and hedging activities. For

REDACTED

DEF's Regulated Utilities Risk Limits
(10 PAGES)

REDACTED

DEF ISDA COLLATERAL SUMMARY
(1 PAGE)

REDACTED

DEF AUTHORITY LIMIT MATRIX
(2 PAGES)

REDACTED
DEF COMMODITY RISK POLICY
(6 PAGES)

REDACTED

DEF CREDIT POLICY
(5 PAGES)

REDACTED

**DEF REGULATED UTILITIES CREDIT LIMITS
(5 PAGES)**

REDACTED

DEF ENERGY SUPPLY BULK POWER MARKETING & TRADING
DELEGATION OF AUTHORITY
(2 PAGES)

Duke Energy Corporation
Regulated Utilities
Risk Management Control Manual



April 30, 2015

Risk Management Controls and Procedures for Fuels & Systems Optimization and Distributed Energy Resources

Confidential Information

The information contained within this manual is confidential and proprietary to Duke Energy Corporation's Regulated Utilities & Gas group, particularly Fuels & Systems Optimization (FSO) and the Distributed Energy Resources (DER) group and the various groups supporting these operations as further defined within this manual. Confidential and proprietary information is a valuable resource. Release of this information to the general public could lead to a competitive disadvantage for Duke Energy Corporation and its subsidiaries ("Duke Energy").

Also, release of this information to the Non-Regulated portions of Duke Energy could result in violation of regulatory rules (FERC Affiliate Restrictions/Standards of Conduct). Confidential and proprietary information must be protected from unauthorized use, modification, disclosure, or destruction whether intentional or unintentional. Duke Energy employees must also comply and acknowledge review of the Code of Business Ethics policy.

Table of Contents:

I. Introduction and Purpose	5
Risk Management Policies and Procedures	5
Control Manual Amendments and Approvals.....	6
Legal and Regulatory Compliance	6
Exception Process	7
New Employees	8
Inter-Affiliate Transactions.....	8
II. Concept of Operations	9
Duke Energy Carolinas & Duke Energy Progress	9
Duke Energy Florida	10
Duke Energy Indiana & Duke Energy Kentucky	10
Duke Energy Ohio	11
III. Roles and Responsibilities.....	12
Role of Corporate Officers	12
Segregation of Function and Ownership.....	12
Role of Chief Risk Officer	12
Role of Global Risk Management	13
Role of Fuels & Systems Optimization	13
Role of Traders	14
Role Regulated Fuels.....	14
Role of Distributed Energy Resources	15
Role of Energy Supply Analytics.....	15
Role of Contract Management	15
Role of Internal Audit	16
Role of Ethics and Compliance	16
Role of Duke Energy General Counsel	16
Role of Accounting	16
Role of Treasury	17
IV. Control Requirements and Activities	18
Risk Management	18
Risk Management - Credit Risk	19
Violations of Risk Control Manual	20
Fuels & Systems Optimization.....	21
Contract Management.....	24
V. Dodd-Frank	25
Appendices:	
Appendix A – Key Risks.....	27



Appendix B – Unauthorized Transactions.....	29
Appendix C – Confirmations & Settlement Activities	30
Appendix D – New Products/Business Activities Approval Process	33
Appendix E – New Product Checklist.....	34
Appendix F – Potential Trade Exceptions.....	35
Appendix G – Potential Deliver Term Violations	36
Appendix H – Employee Acknowledgment	37
Appendix I – FERC 741 Officer Certification Process	39

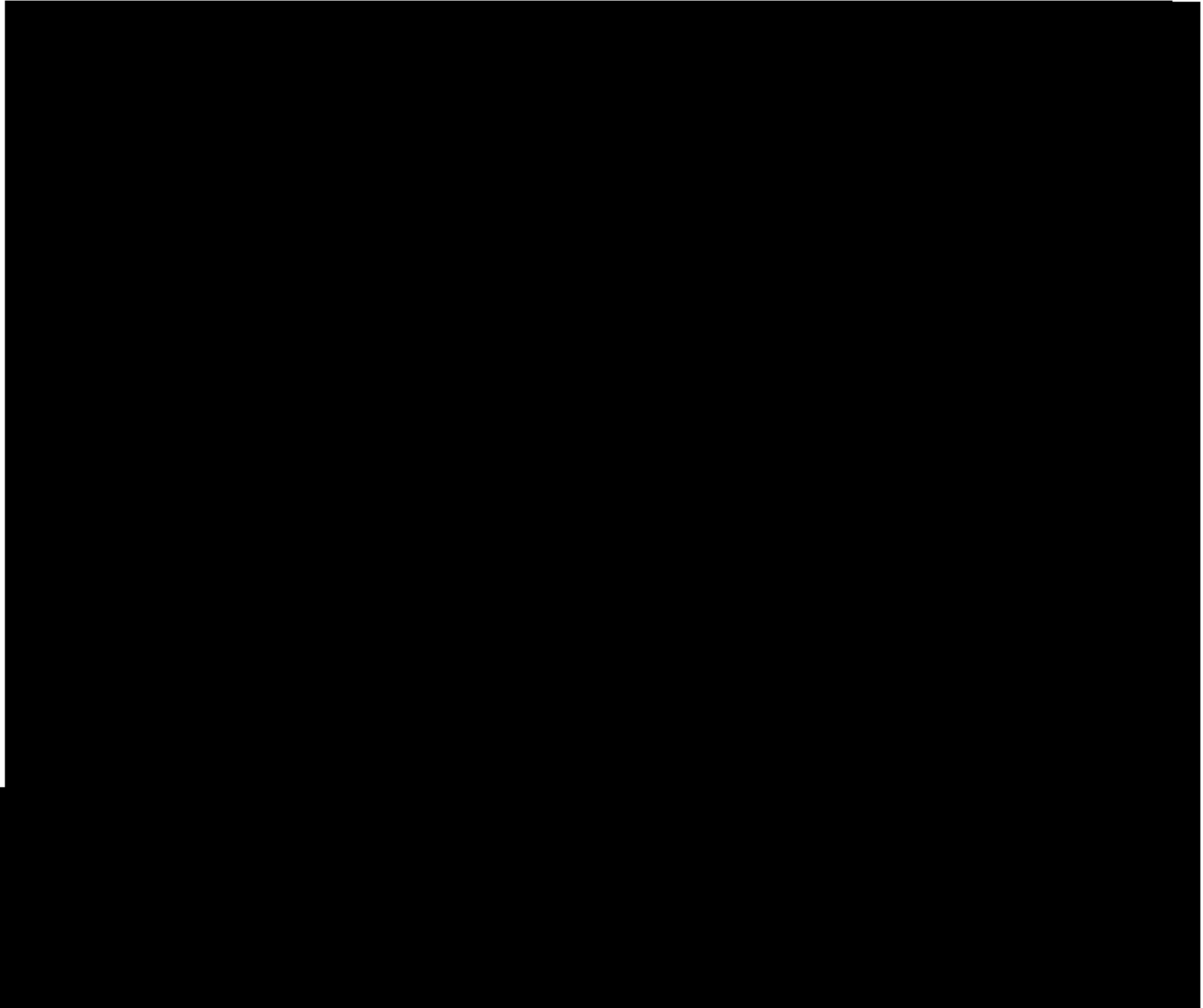


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Risk Management Policies and Procedures

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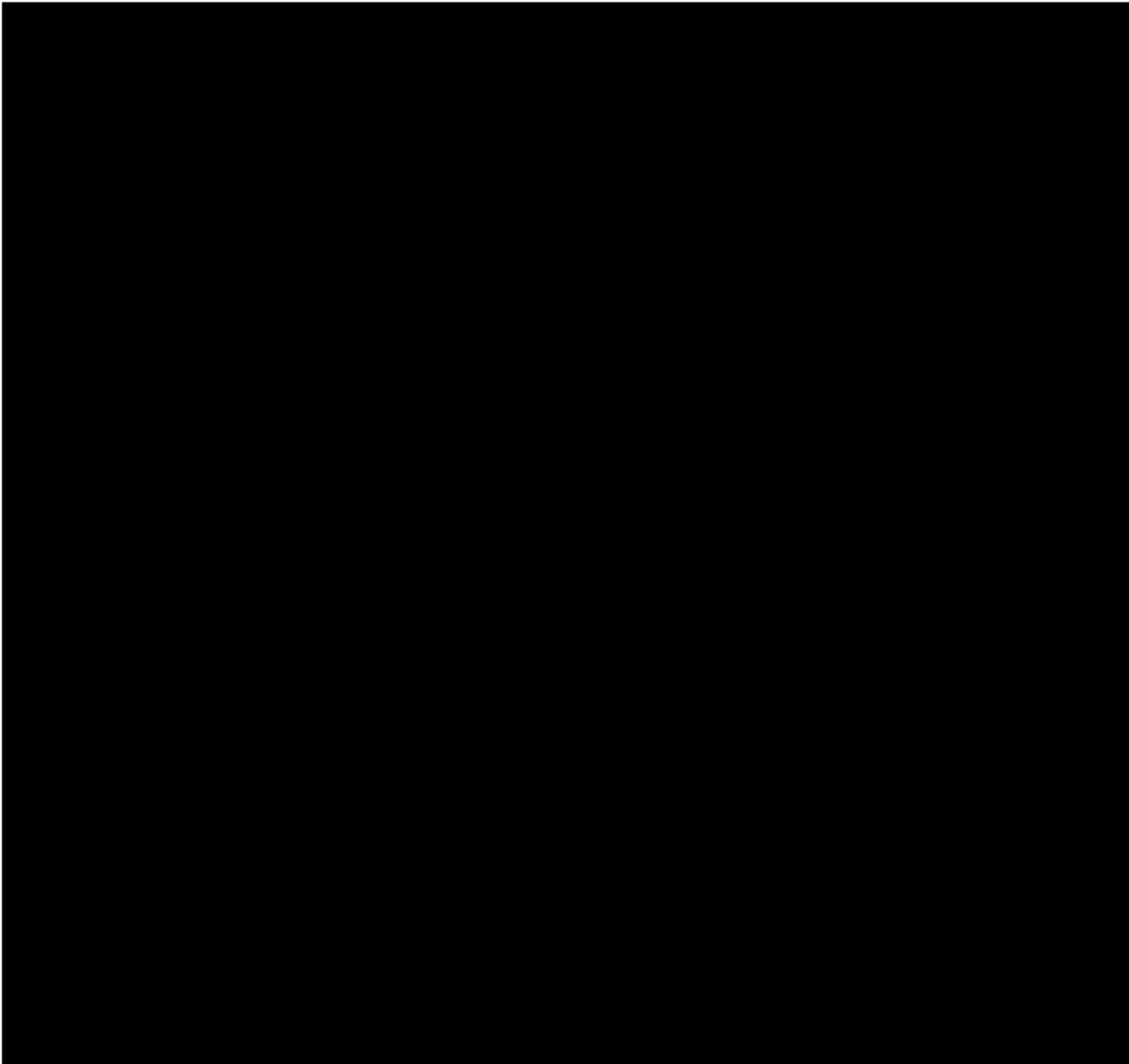


Control Manual Amendments and Approvals

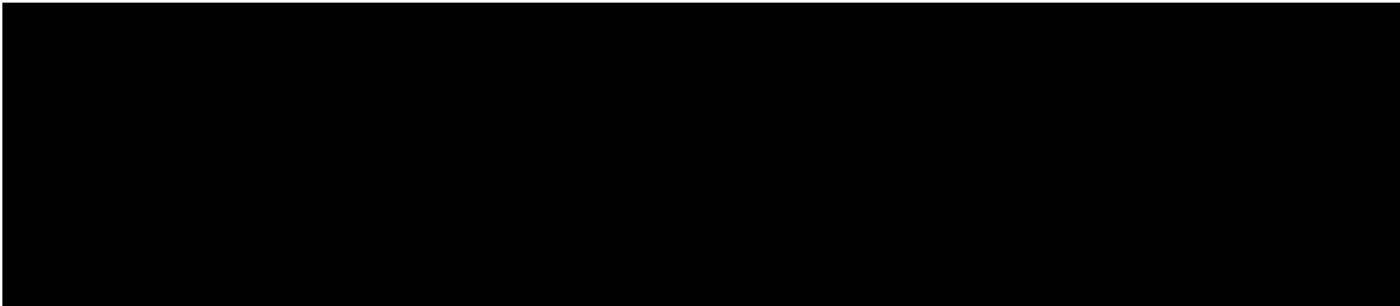


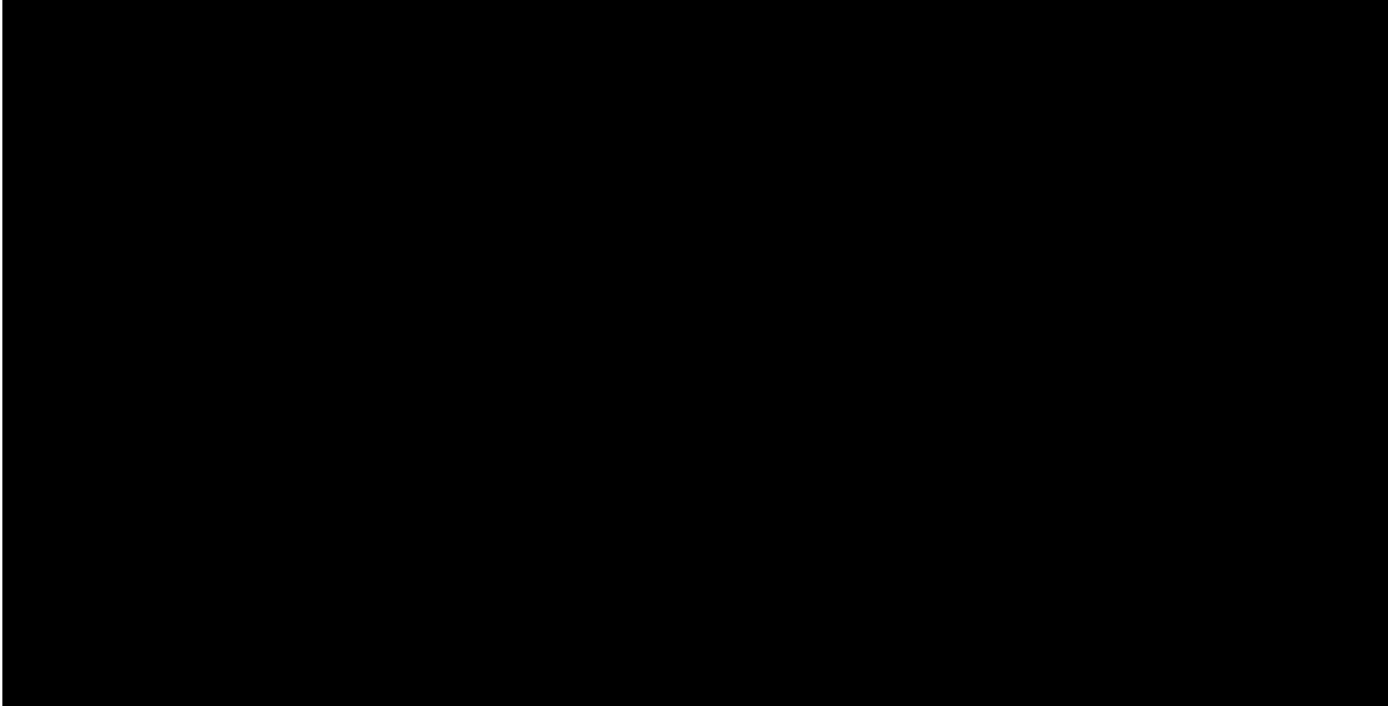
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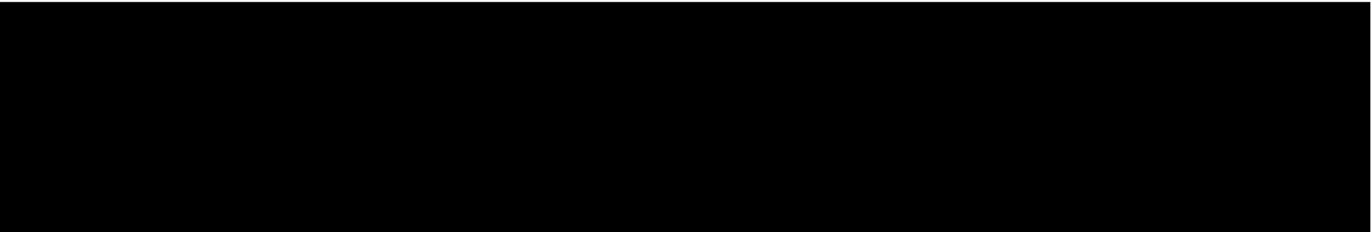


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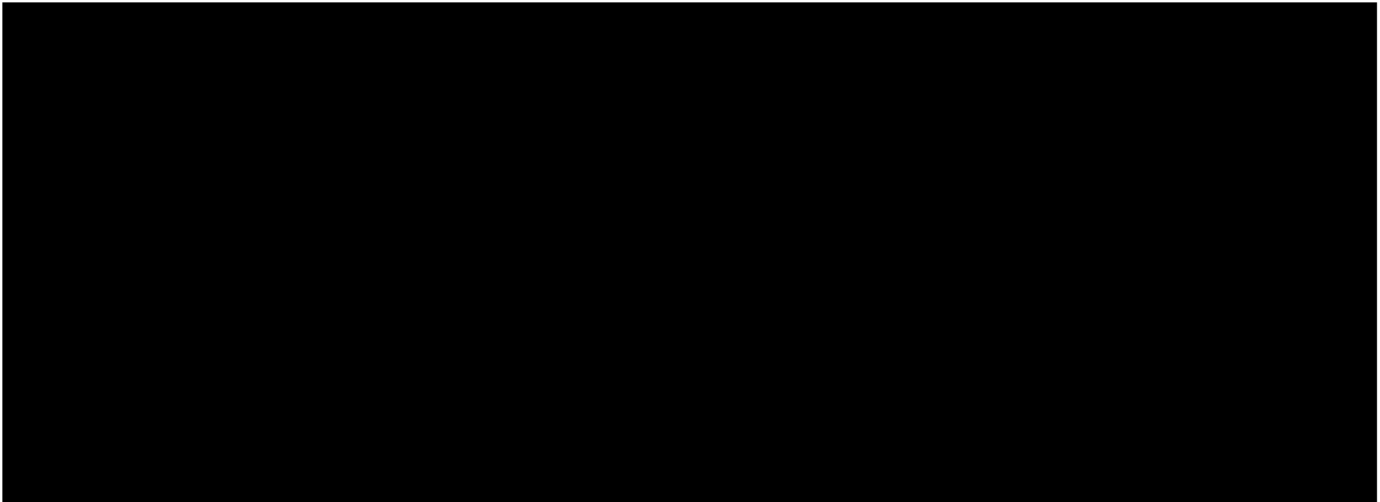




New Employees



Inter-Affiliate Transactions





II. Concept of Operations

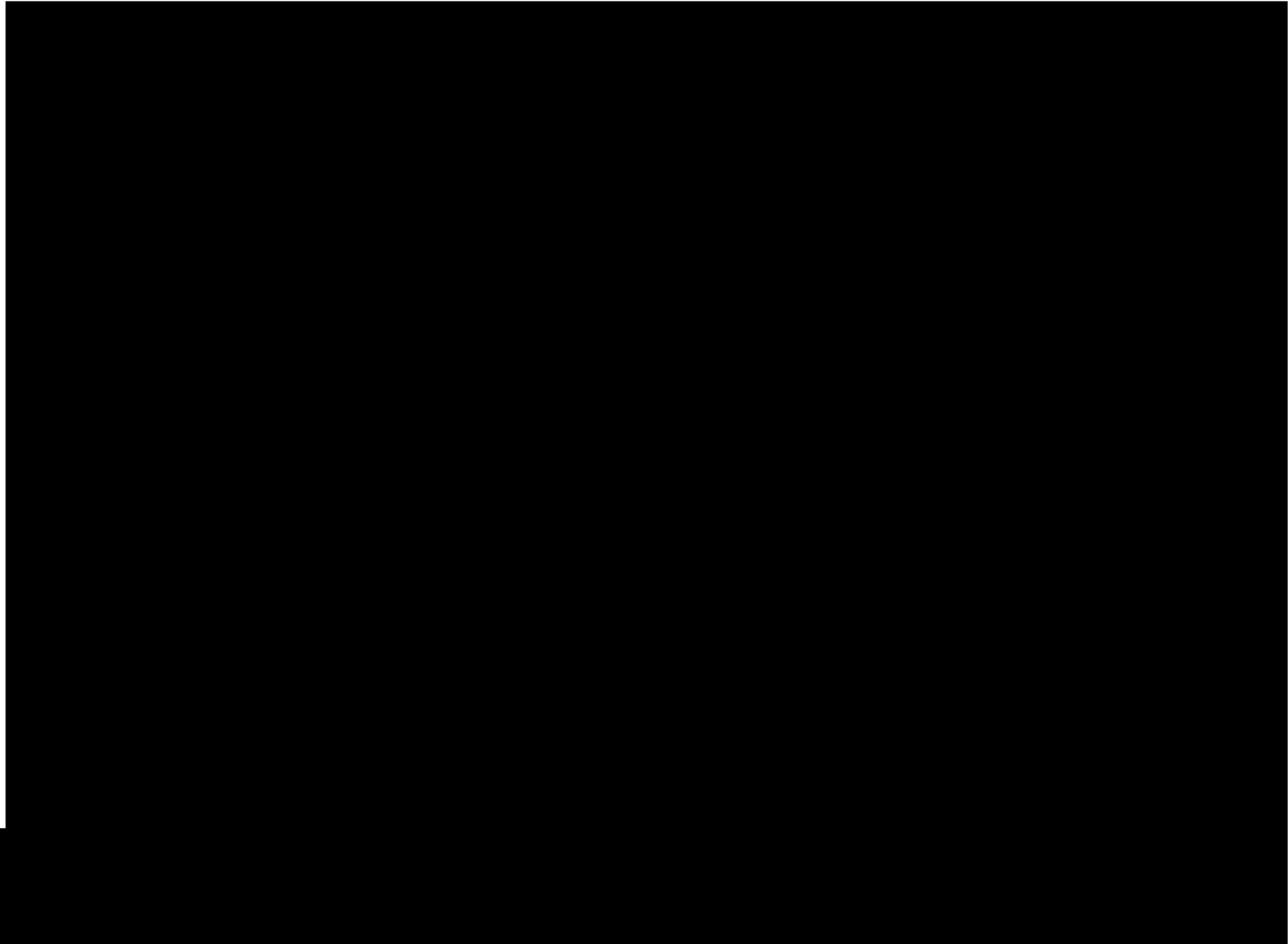
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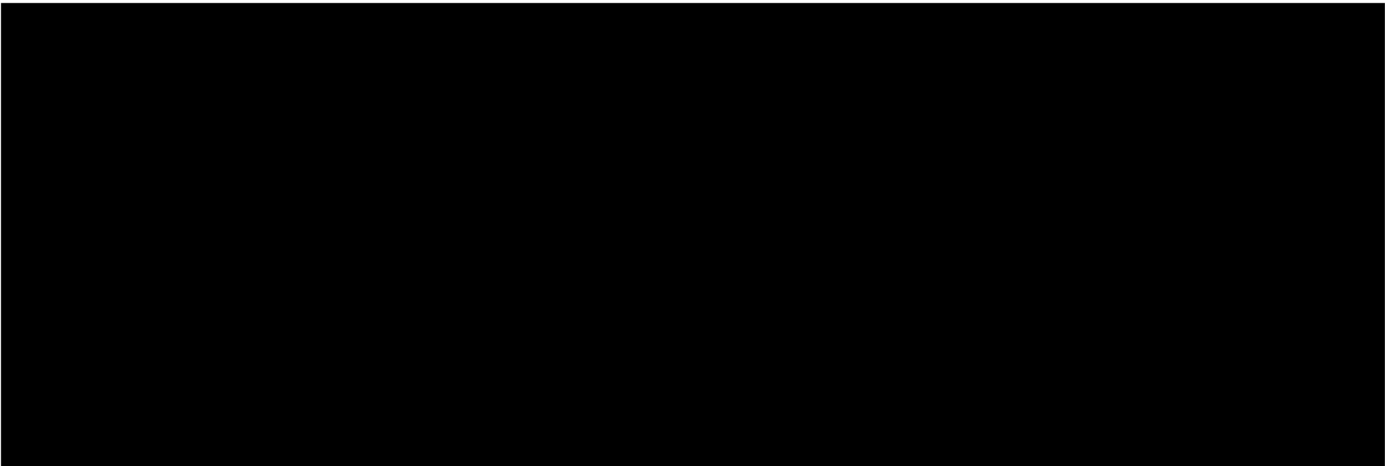
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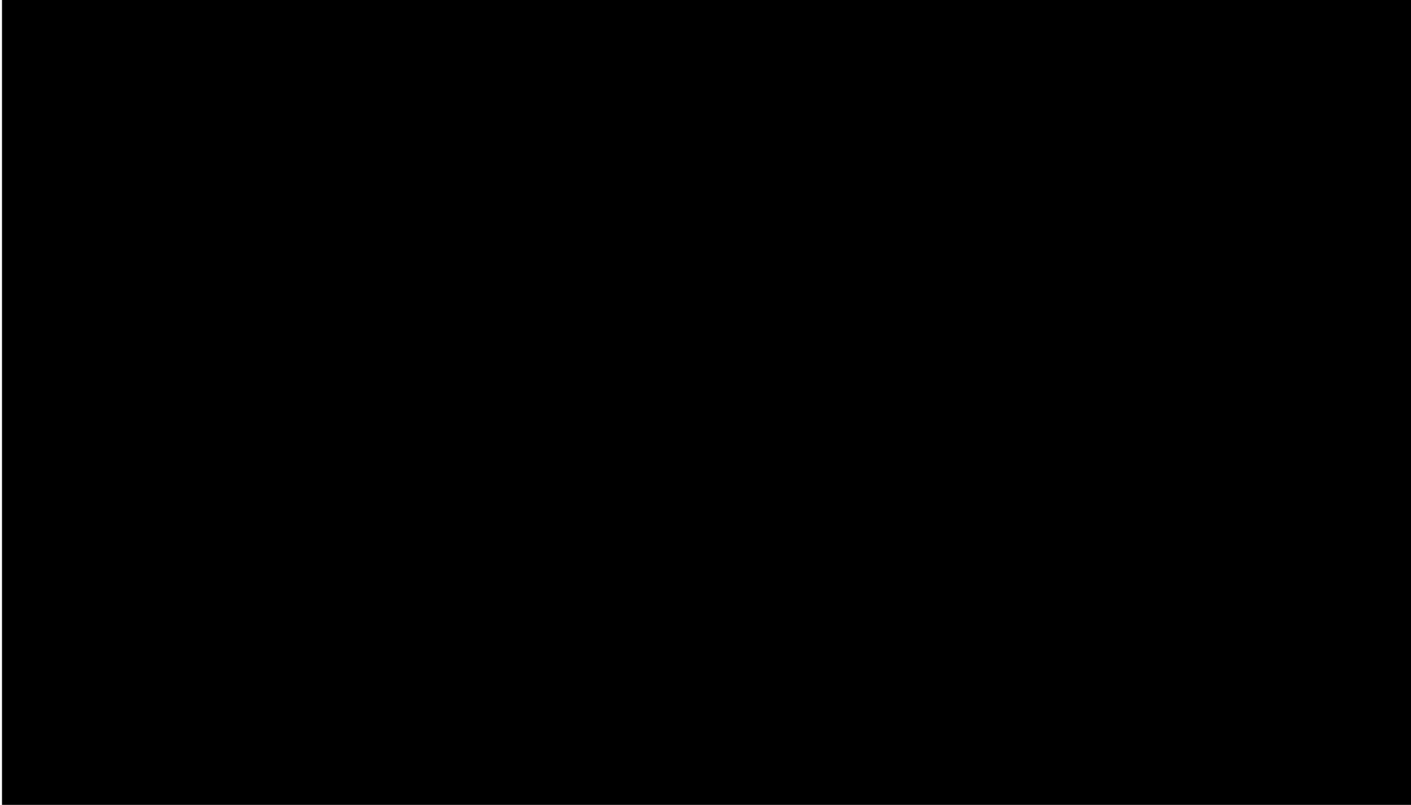


Duke Energy Florida



Duke Energy Indiana & Duke Energy Kentucky





Duke Energy Ohio





III. Roles & Responsibilities

Role of Corporate Officers

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Segregation of Function and Ownership

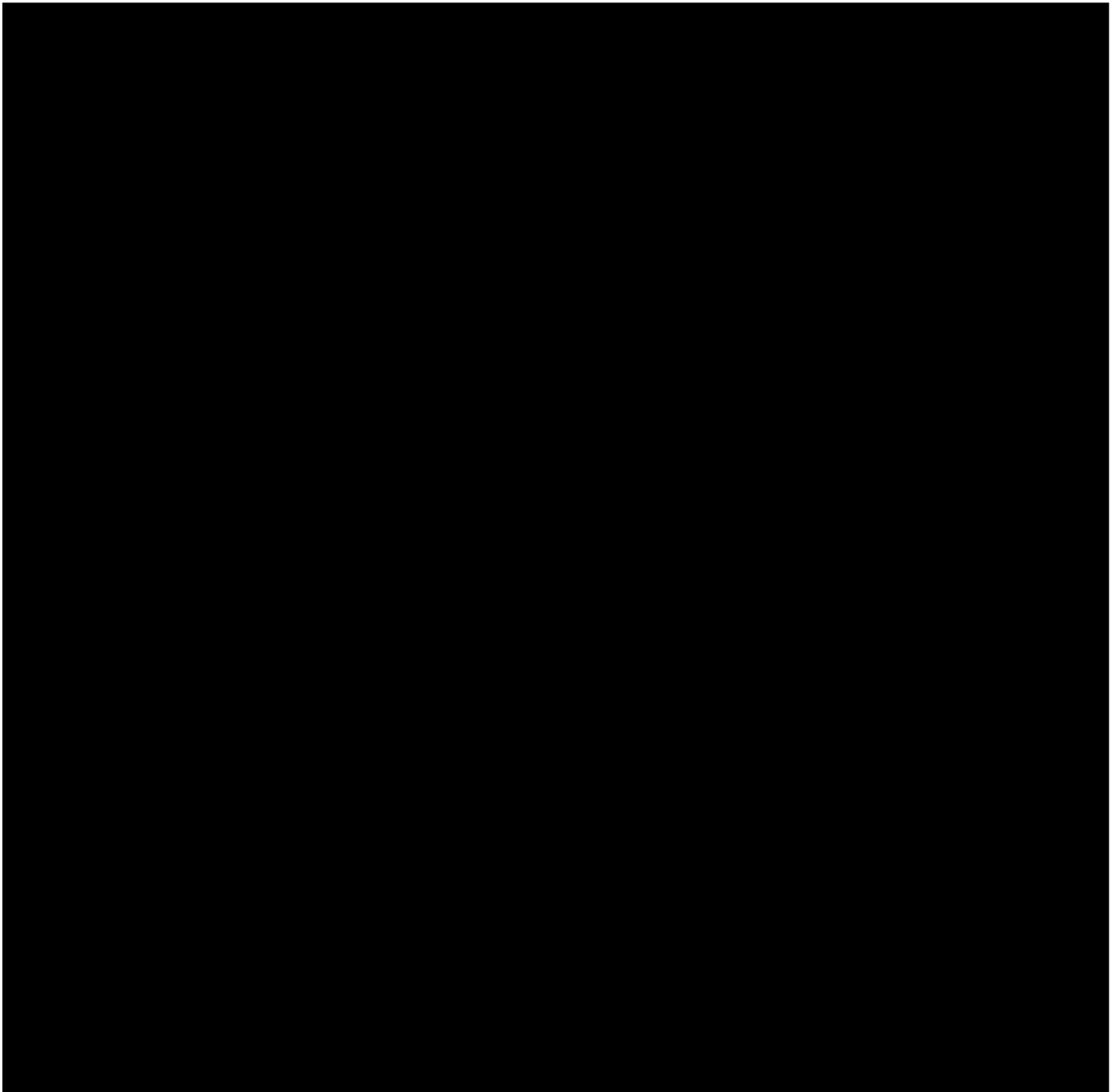
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Role of the Chief Risk Officer

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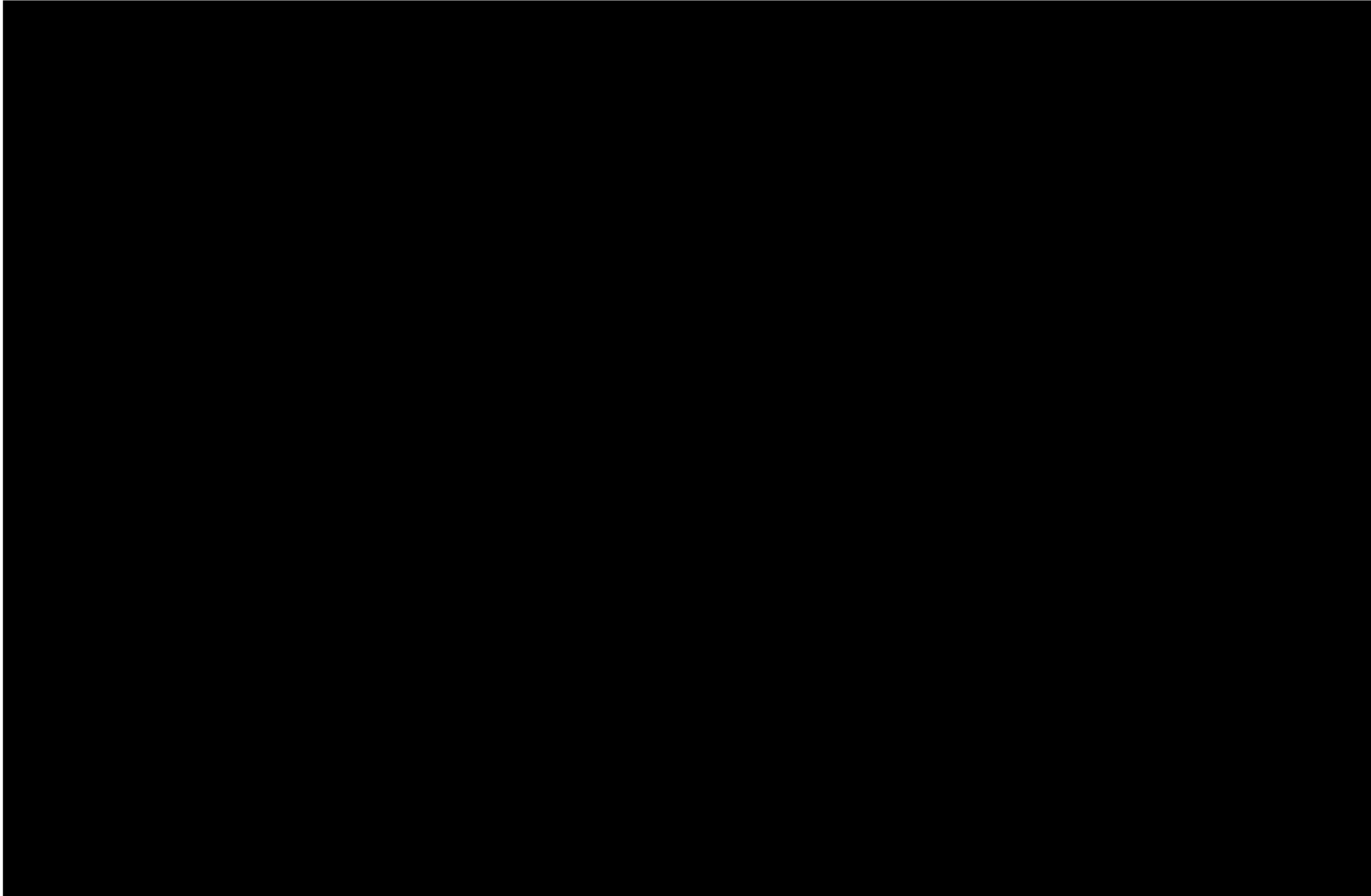


Role of Global Risk Management

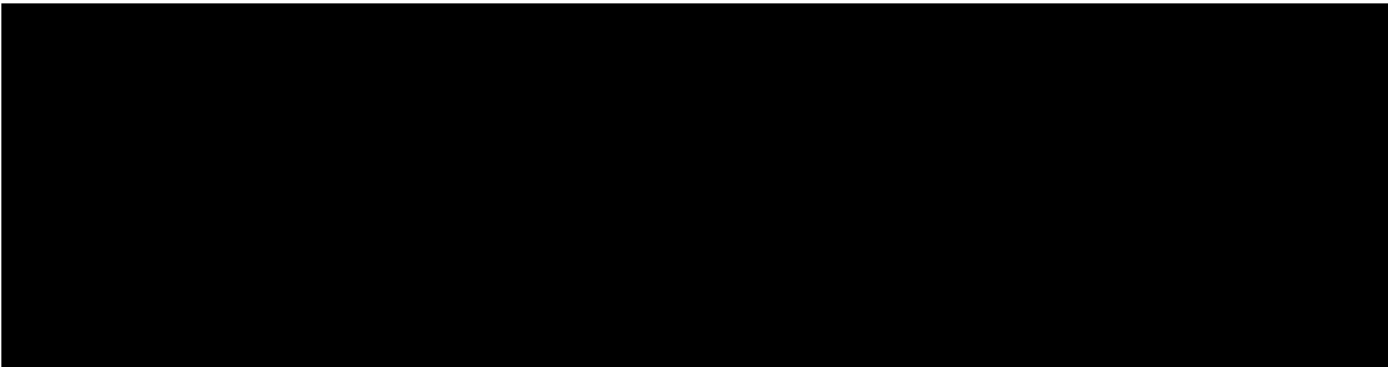


Role of Fuels & Systems Optimization

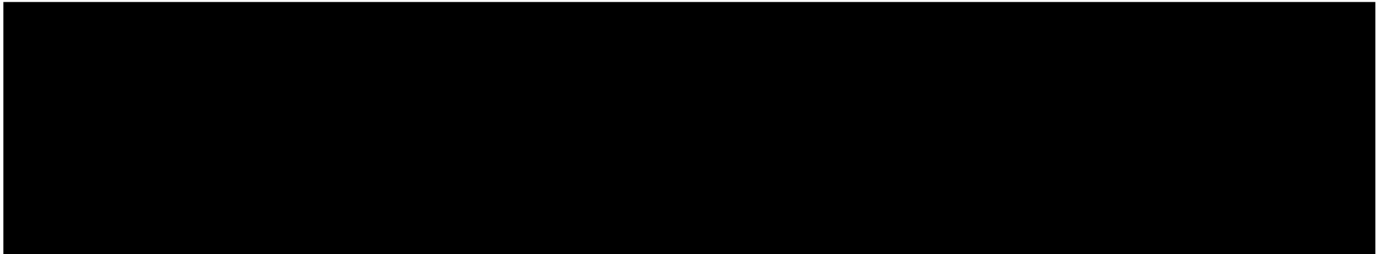




Role of Traders



Role of Regulated Fuels





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Role of Distributed Energy Resources

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Role of Energy Supply Analytics

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Role of Contract Management

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Role of Internal Audit

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Role of Ethics and Compliance

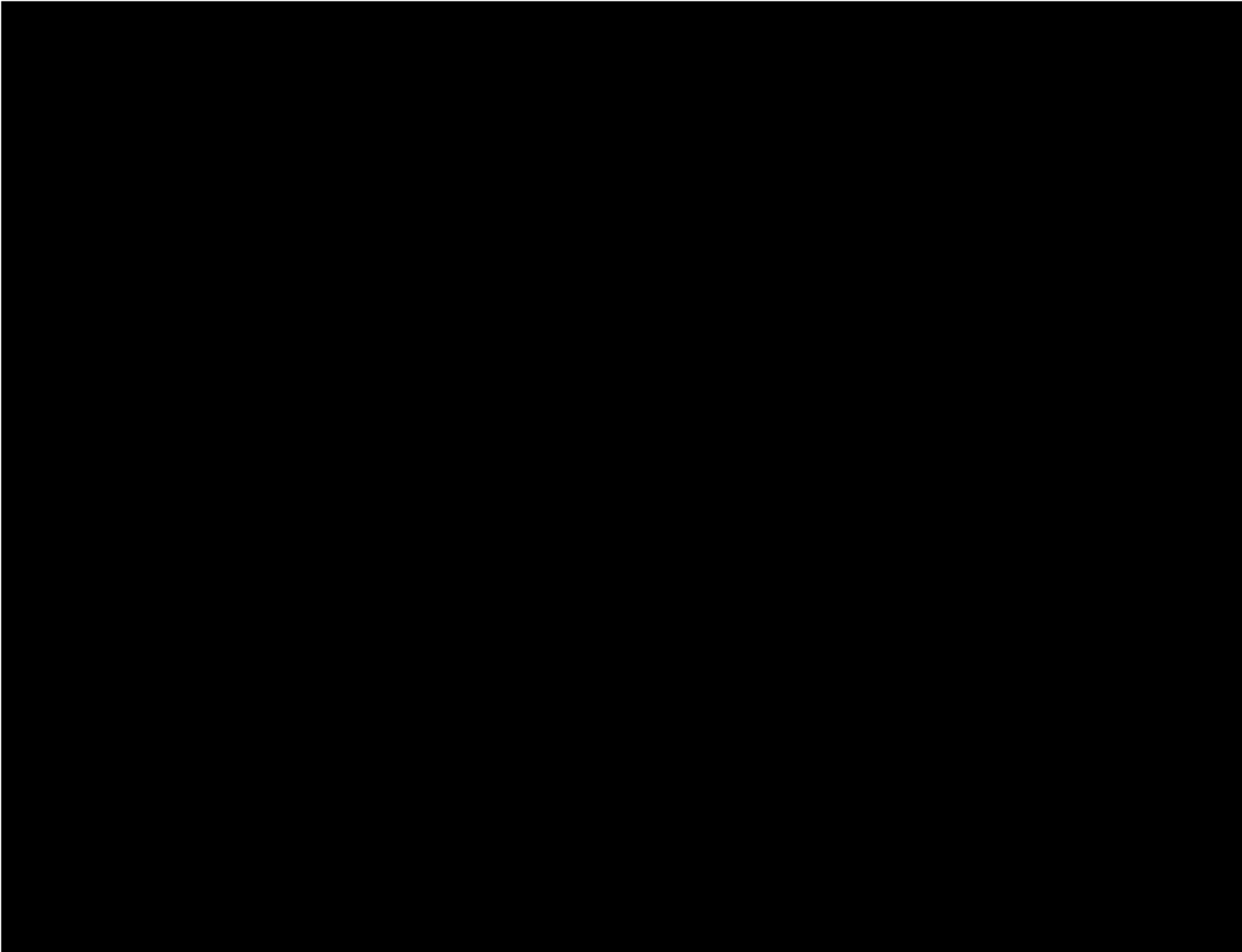
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Role of Duke Energy General Counsel

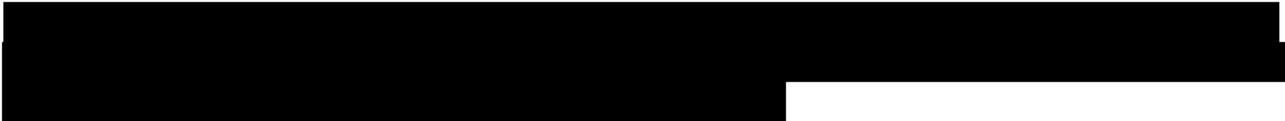
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Role of Accounting

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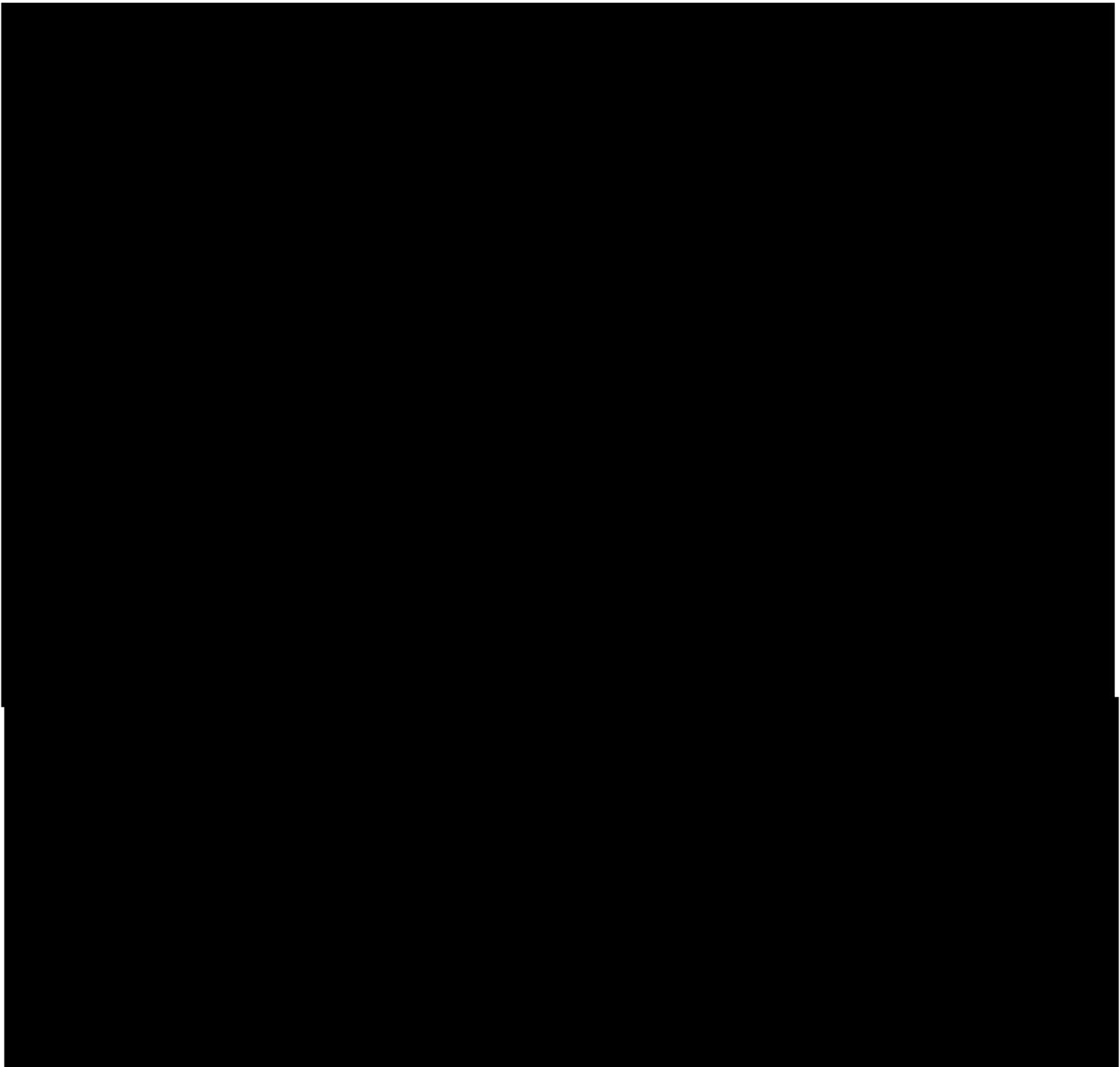


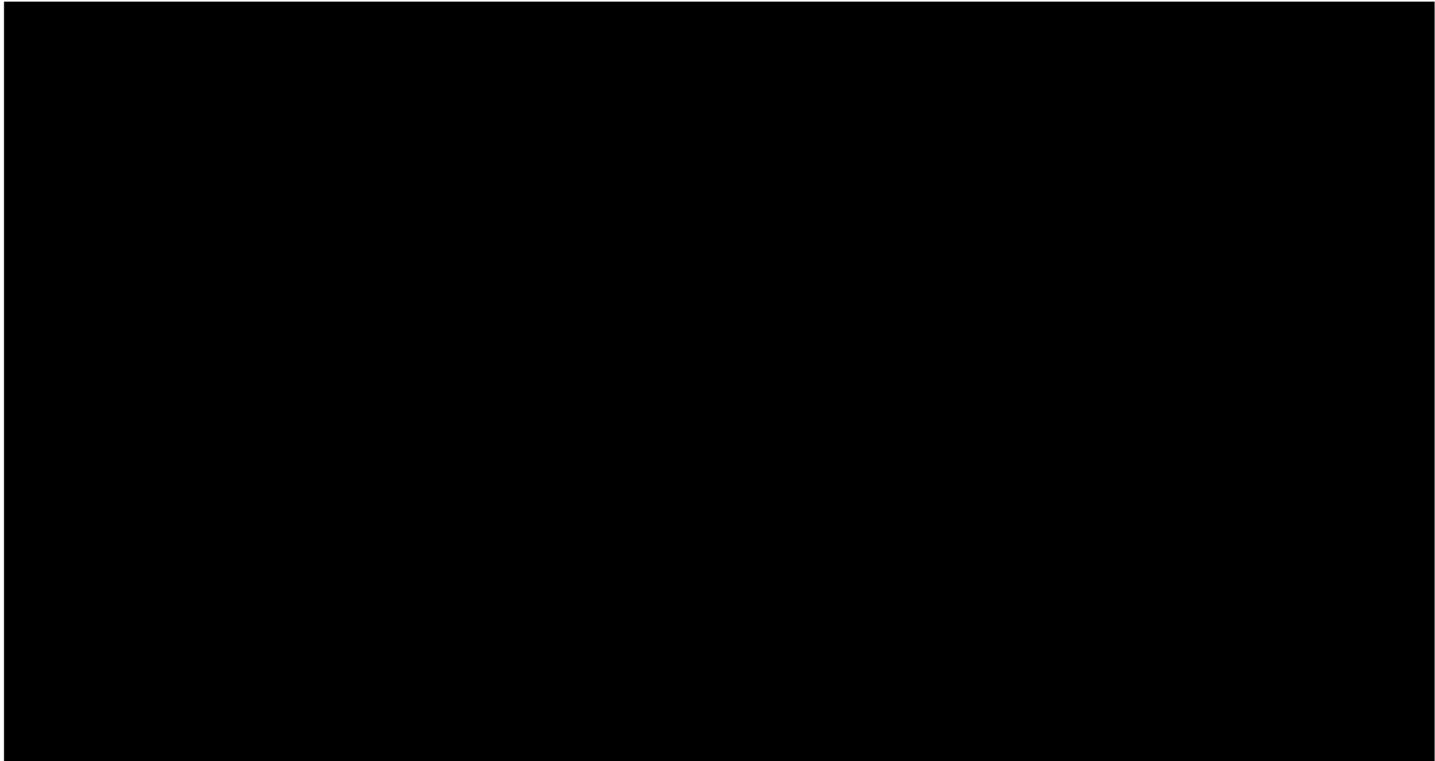
Role of Treasury



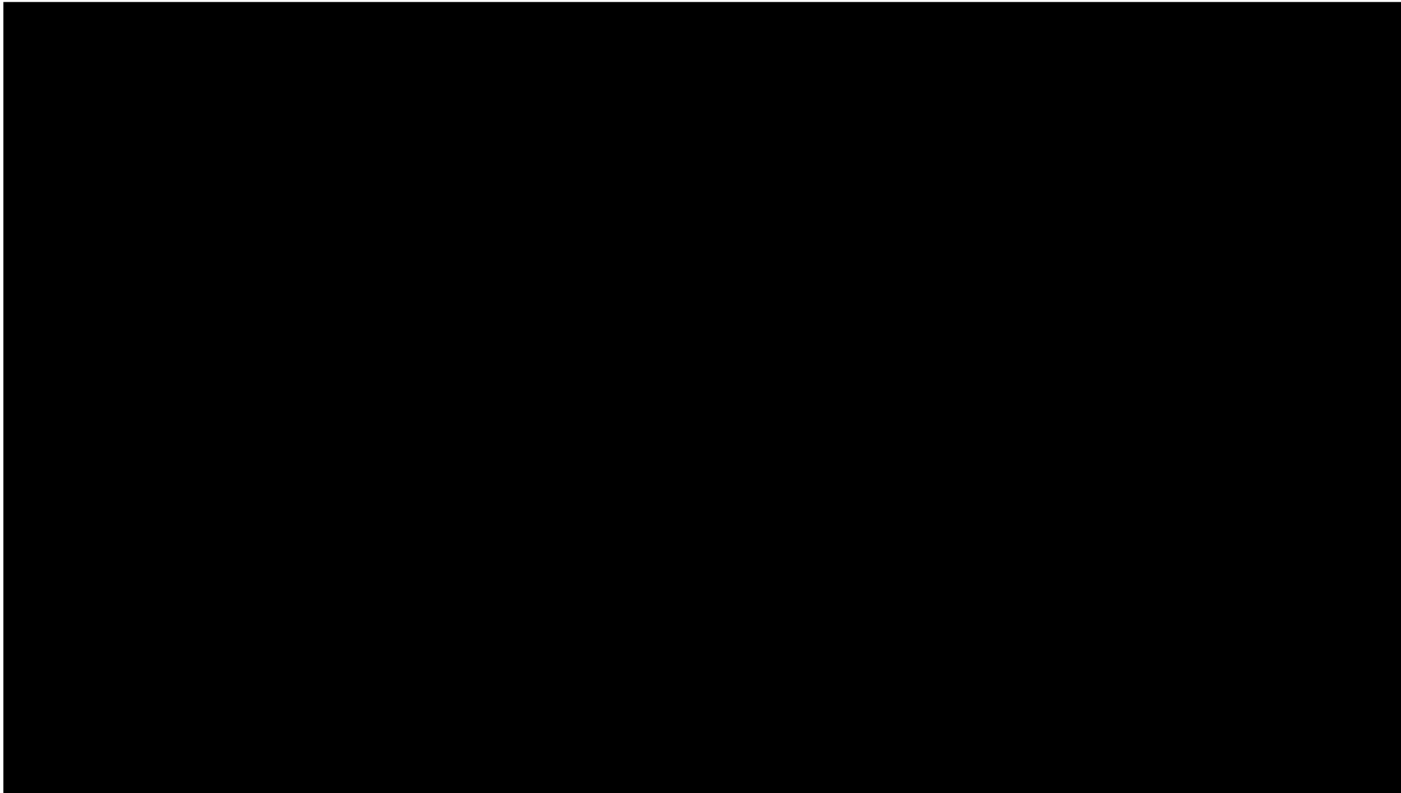
IV. Control Requirements and Activities

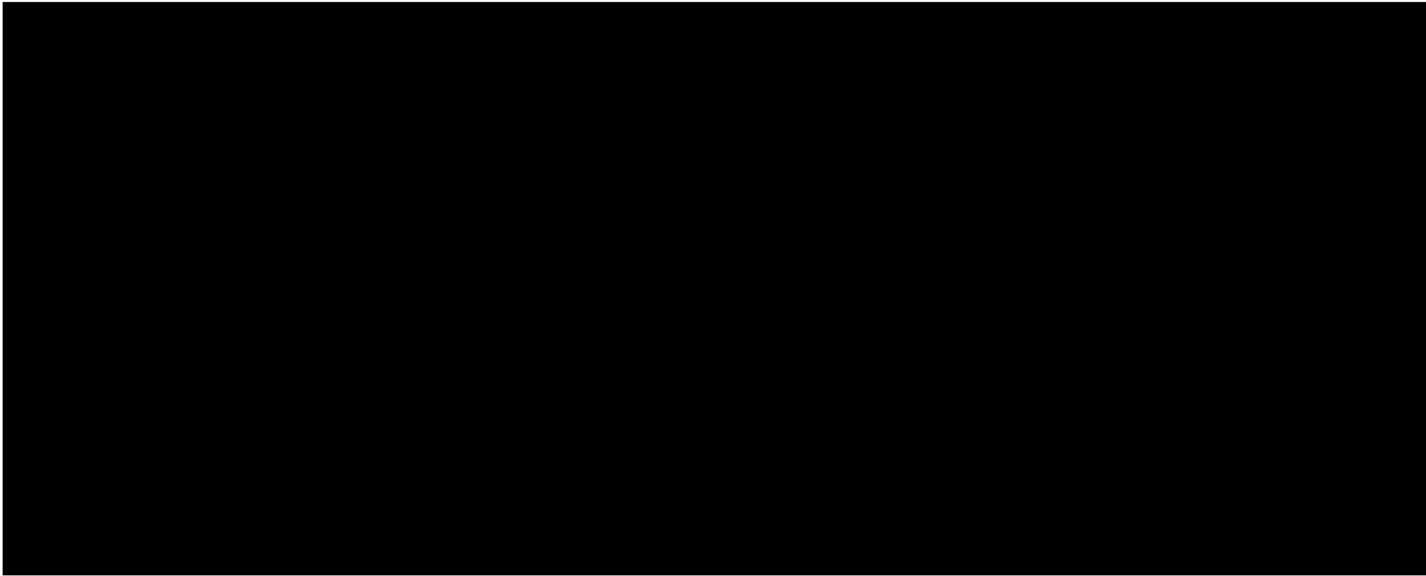
Risk Management



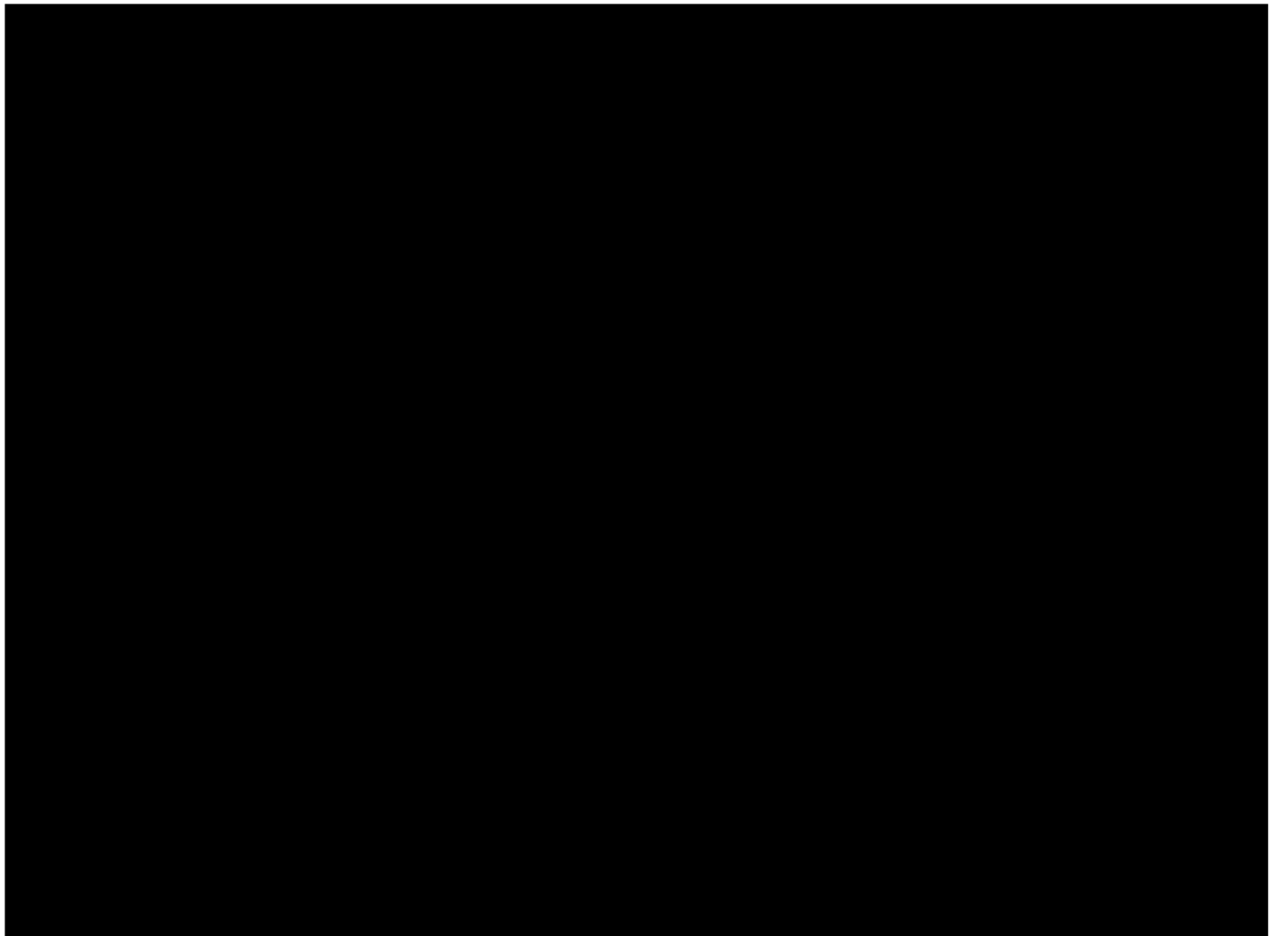


Risk Management – Credit Risk



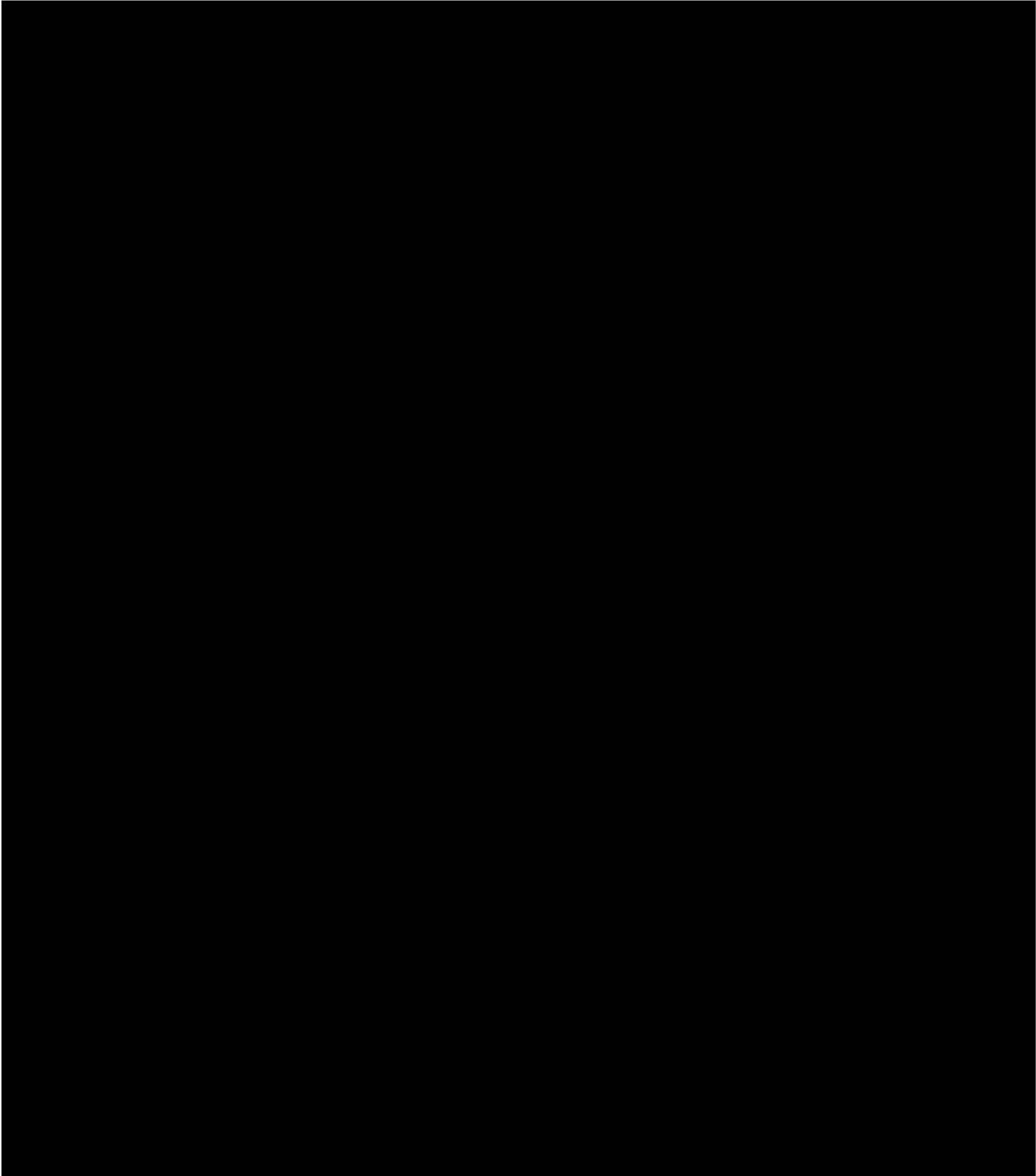


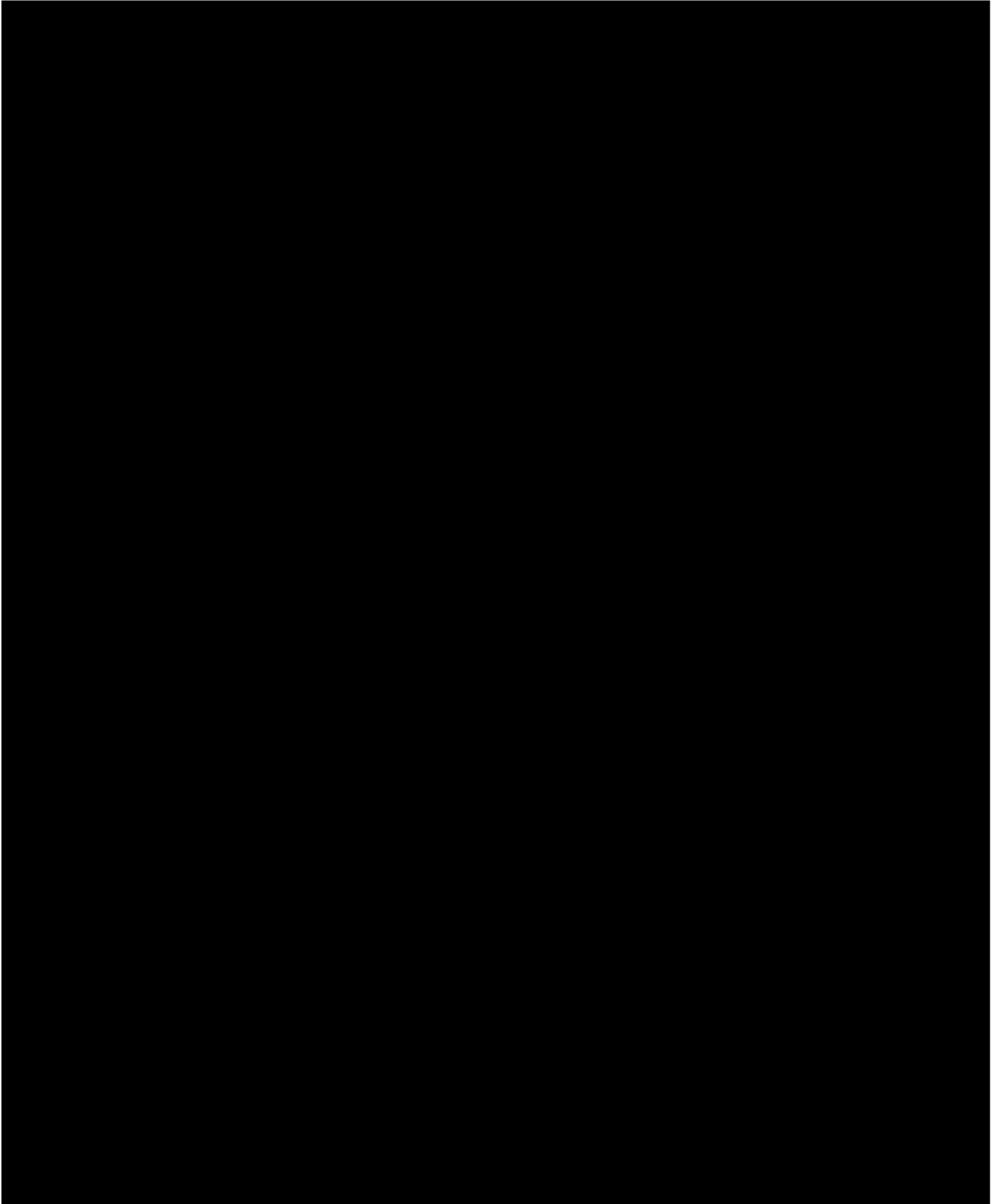
Violations of Risk Control Manual

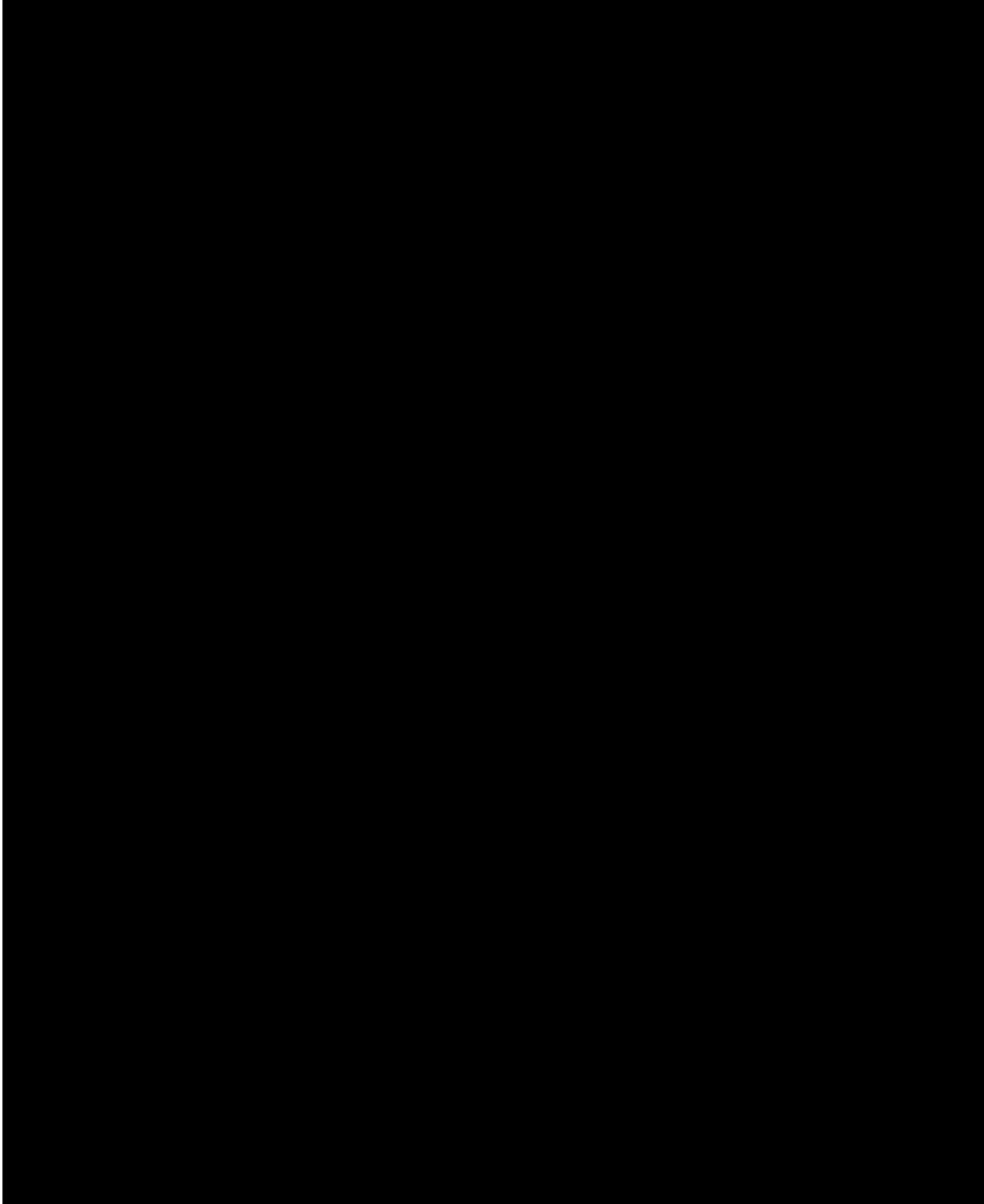


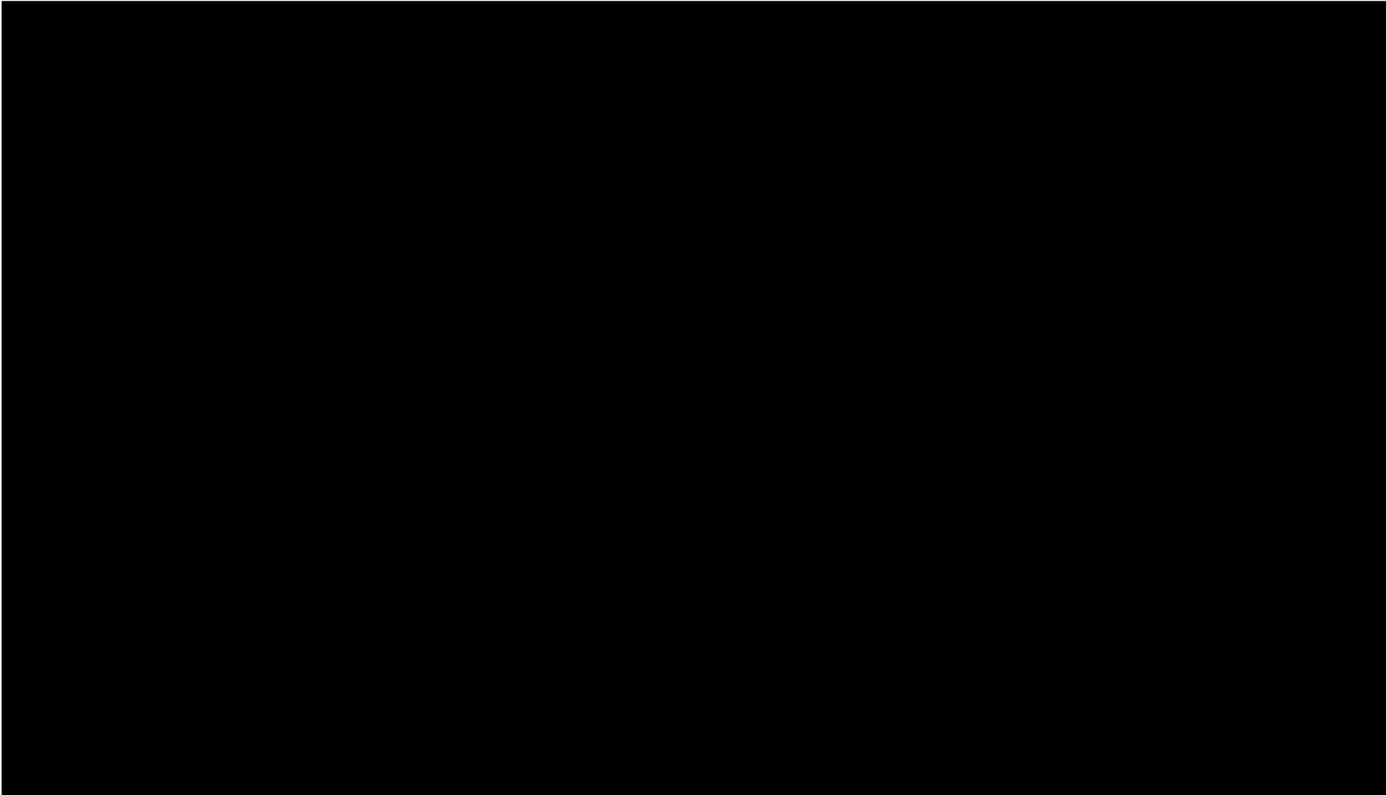


Fuels & Systems Optimization

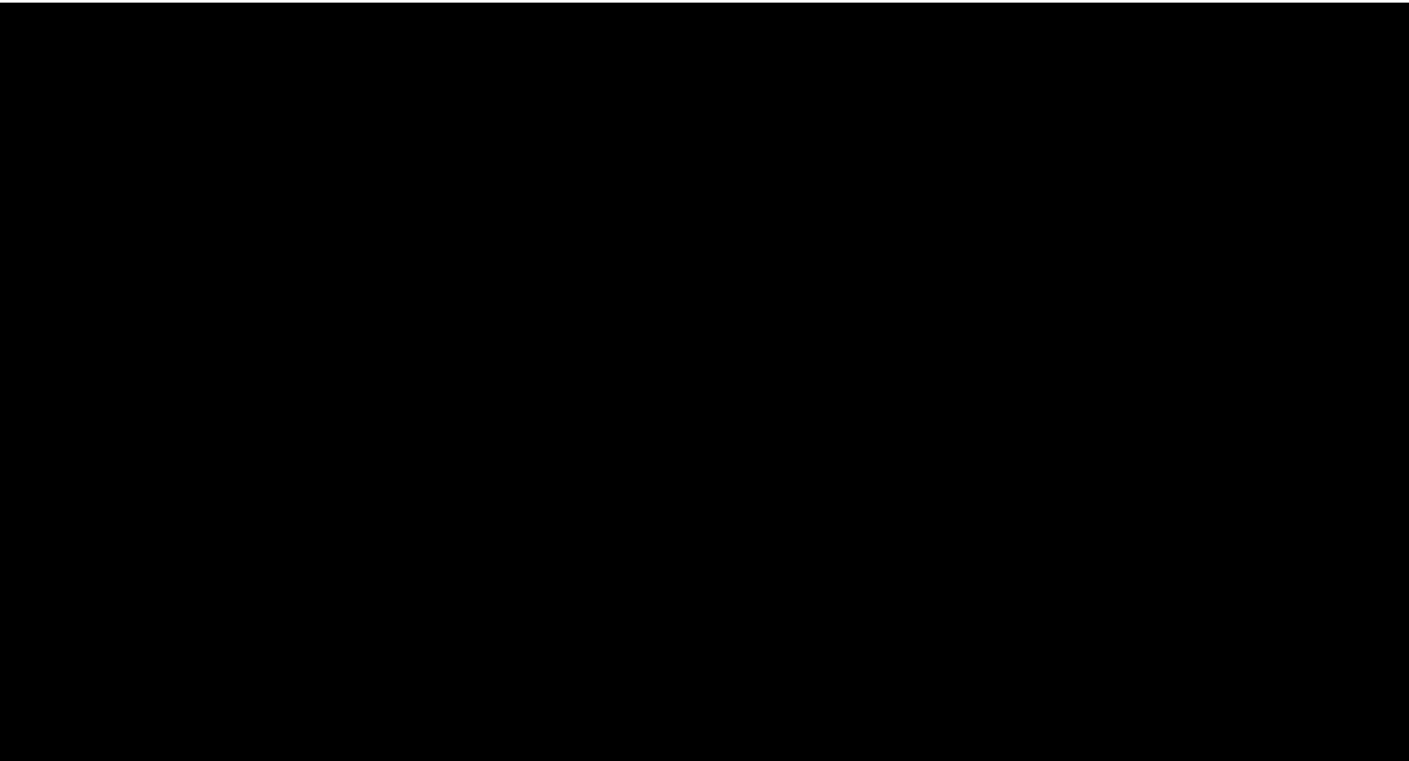








Contract Management

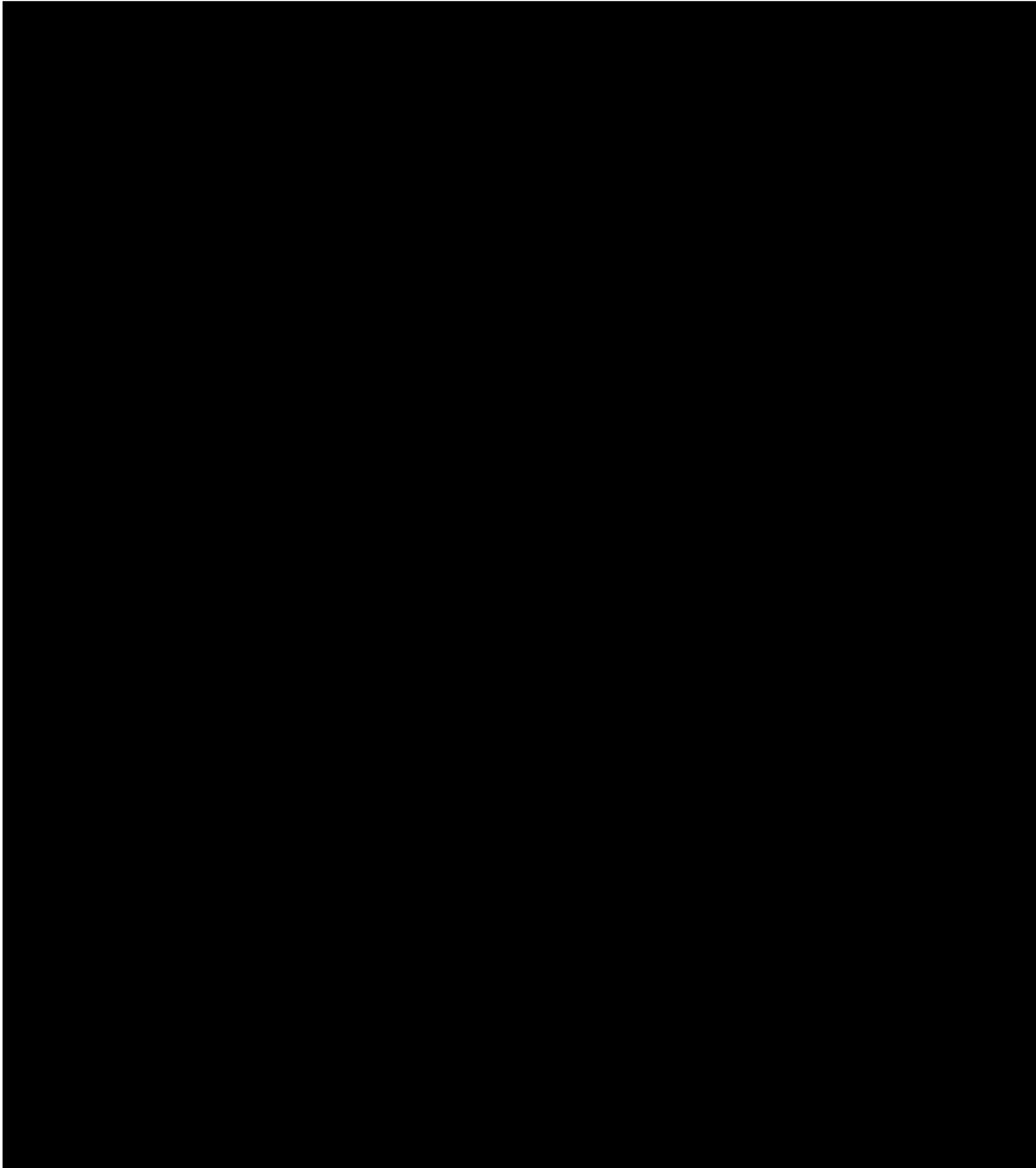




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V. Dodd-Frank

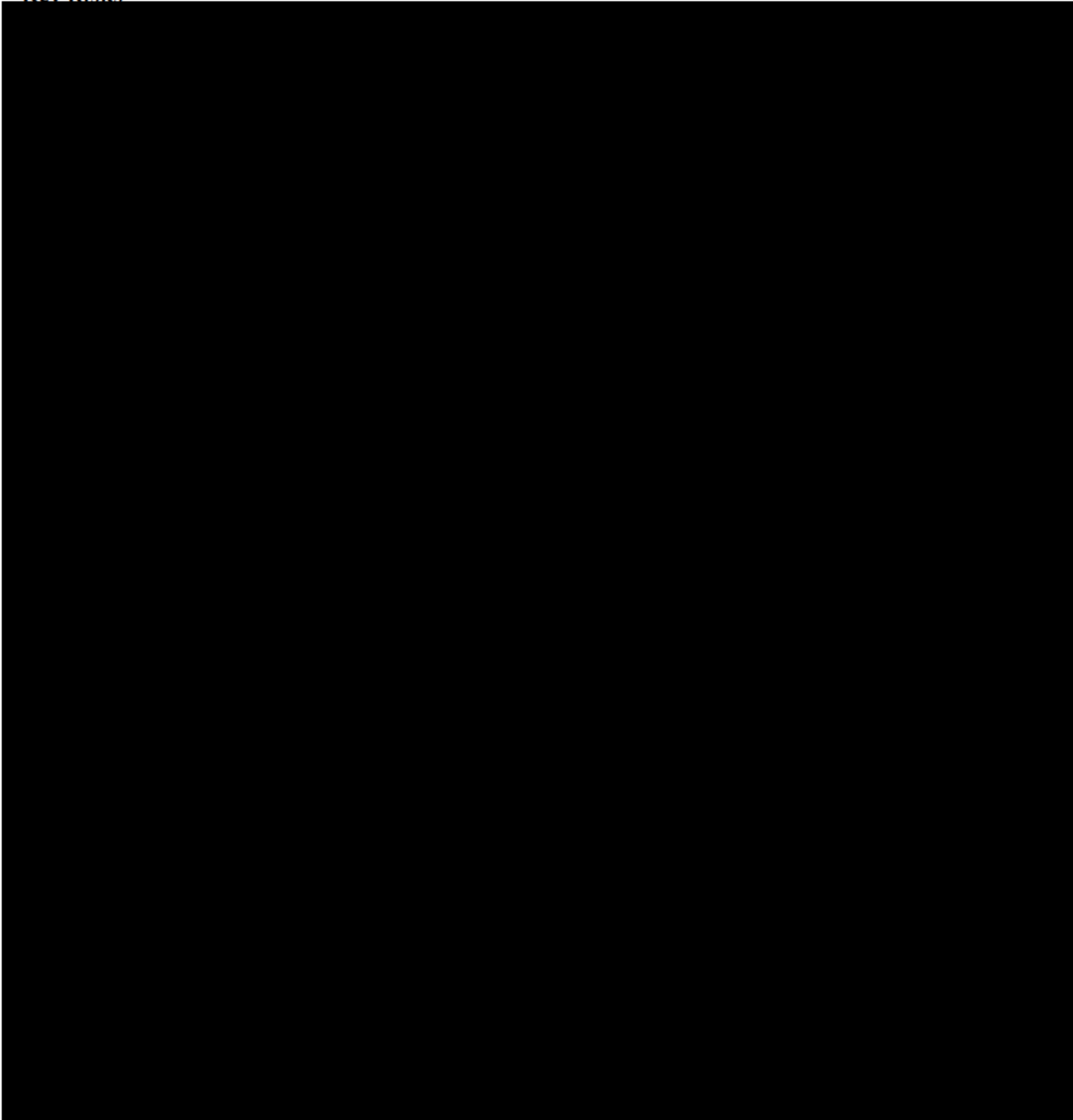
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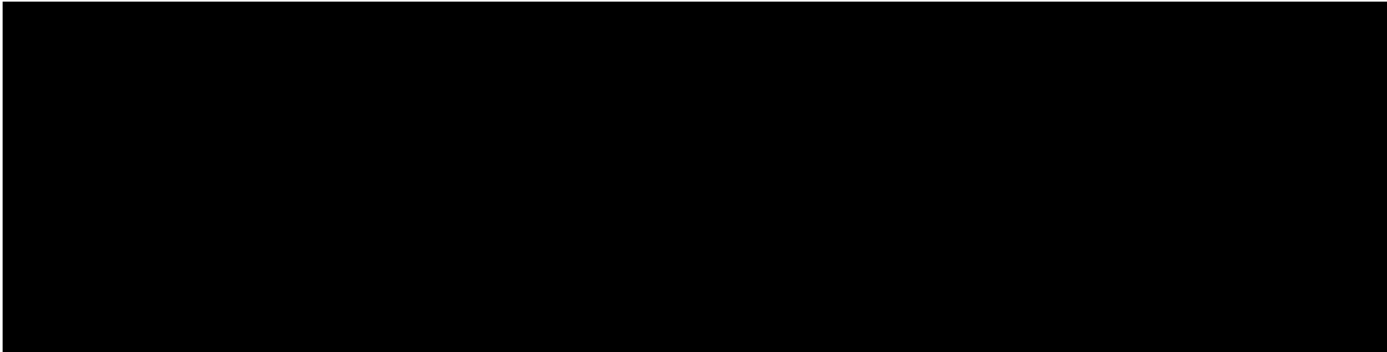




Appendix A

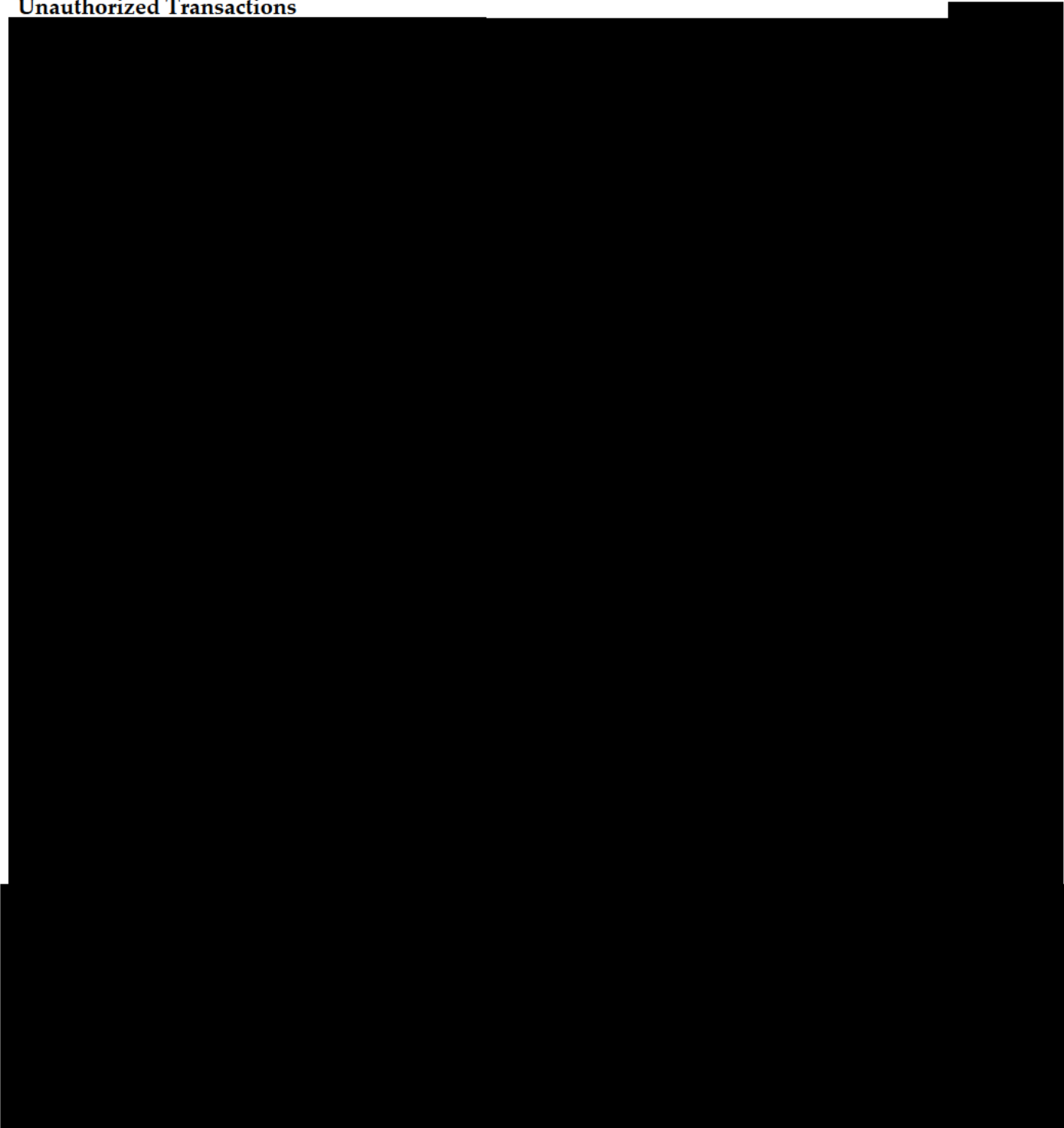
Key Risks





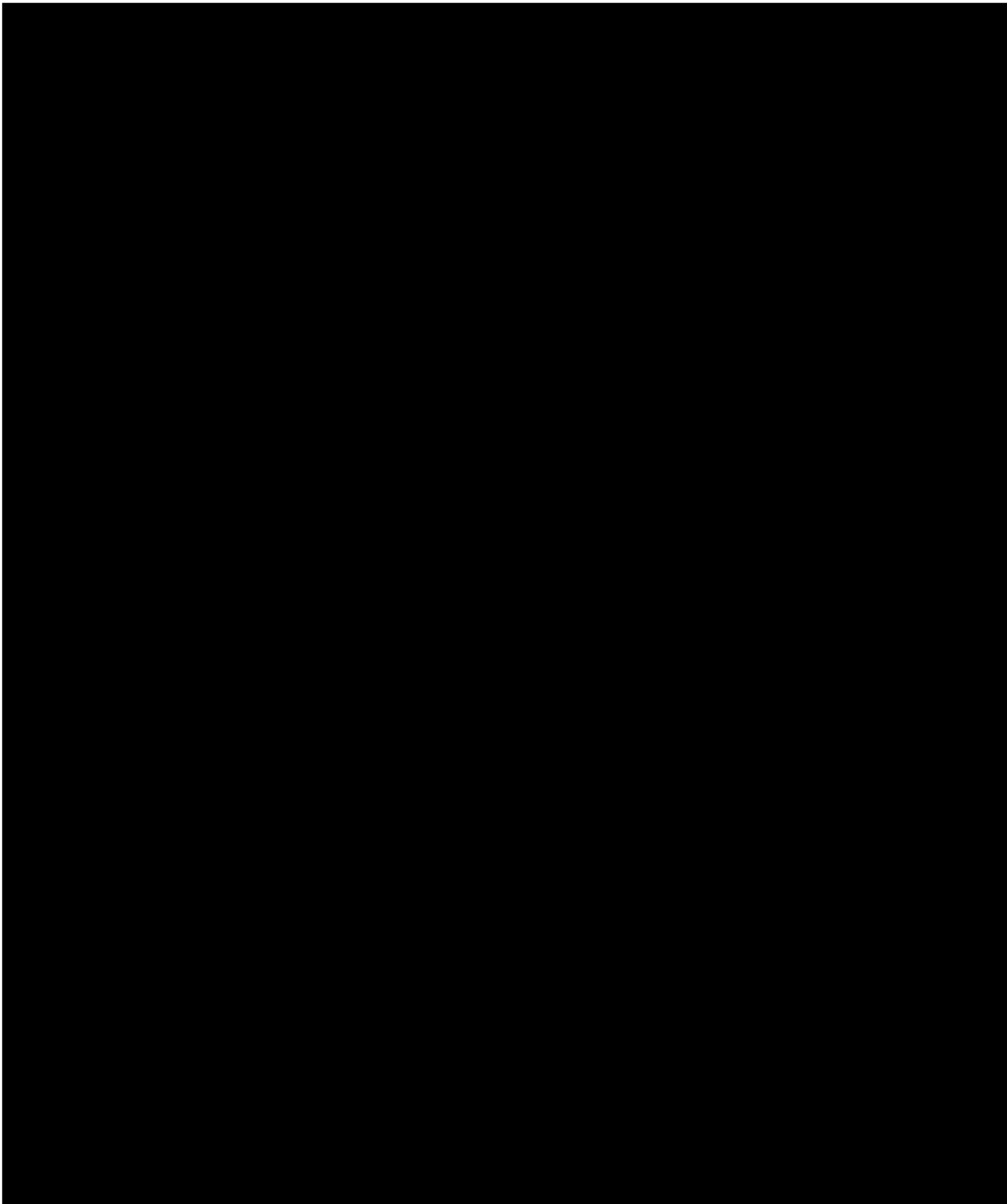
Appendix B

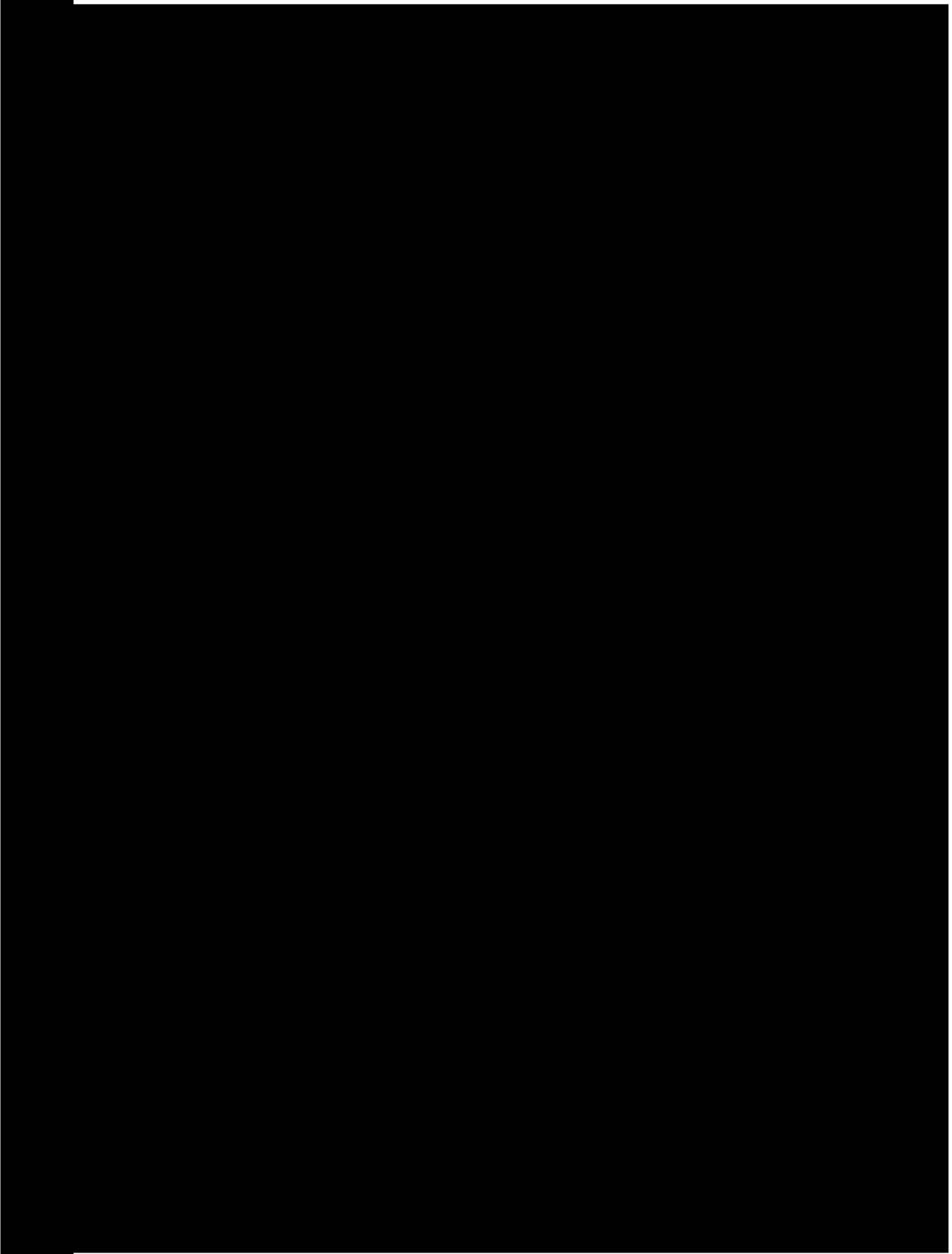
Unauthorized Transactions



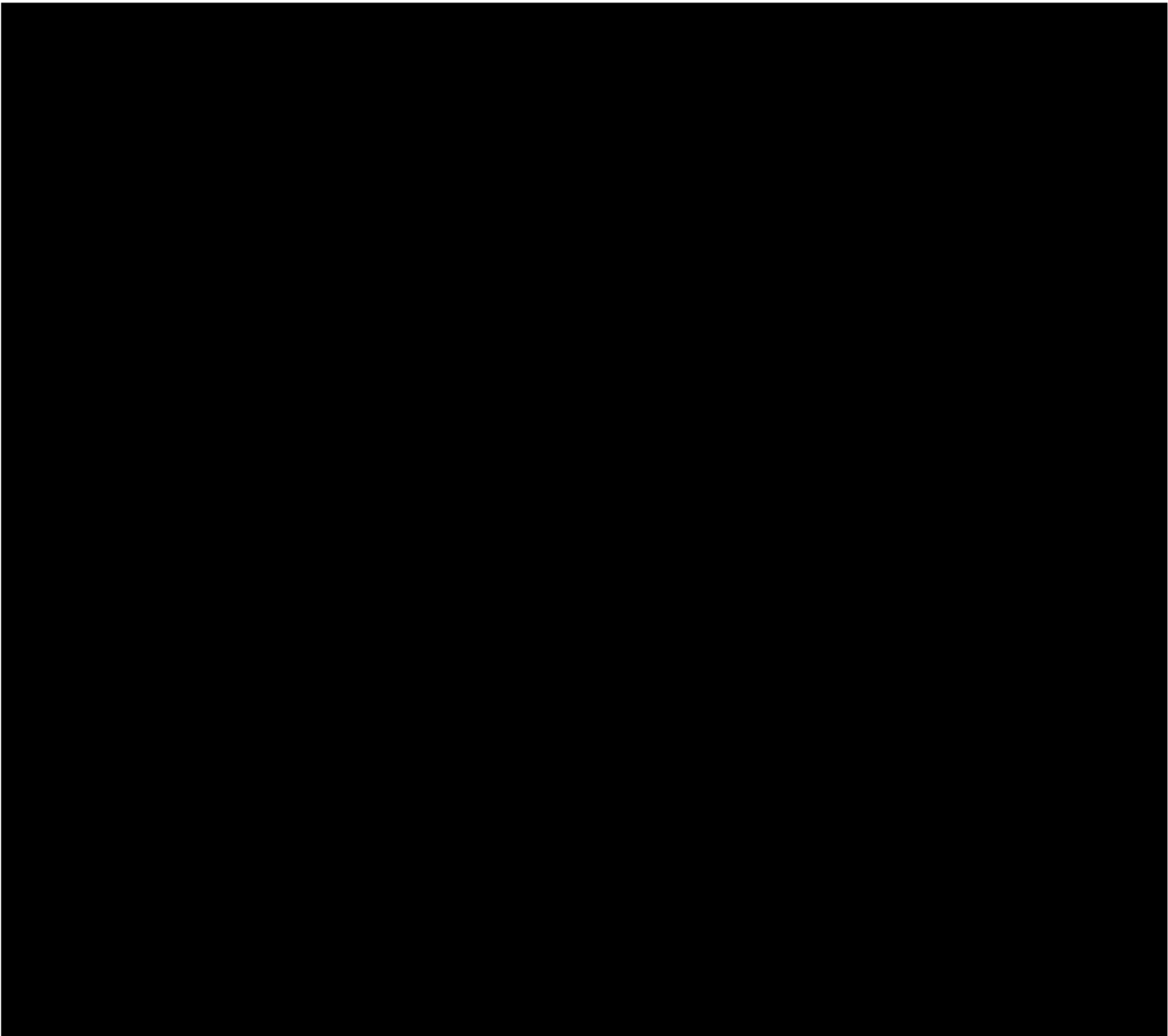
Appendix C

Confirmation Activities



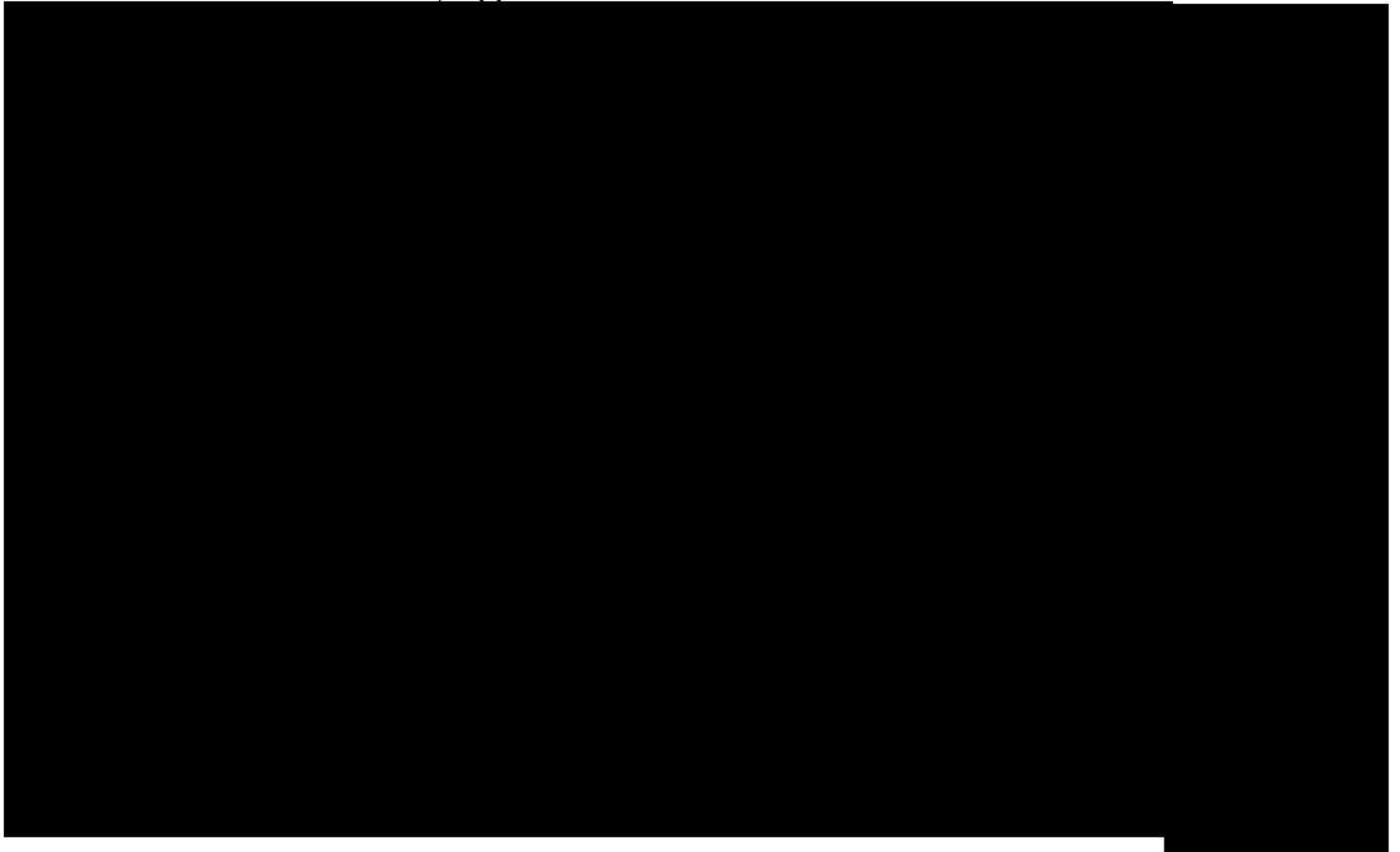


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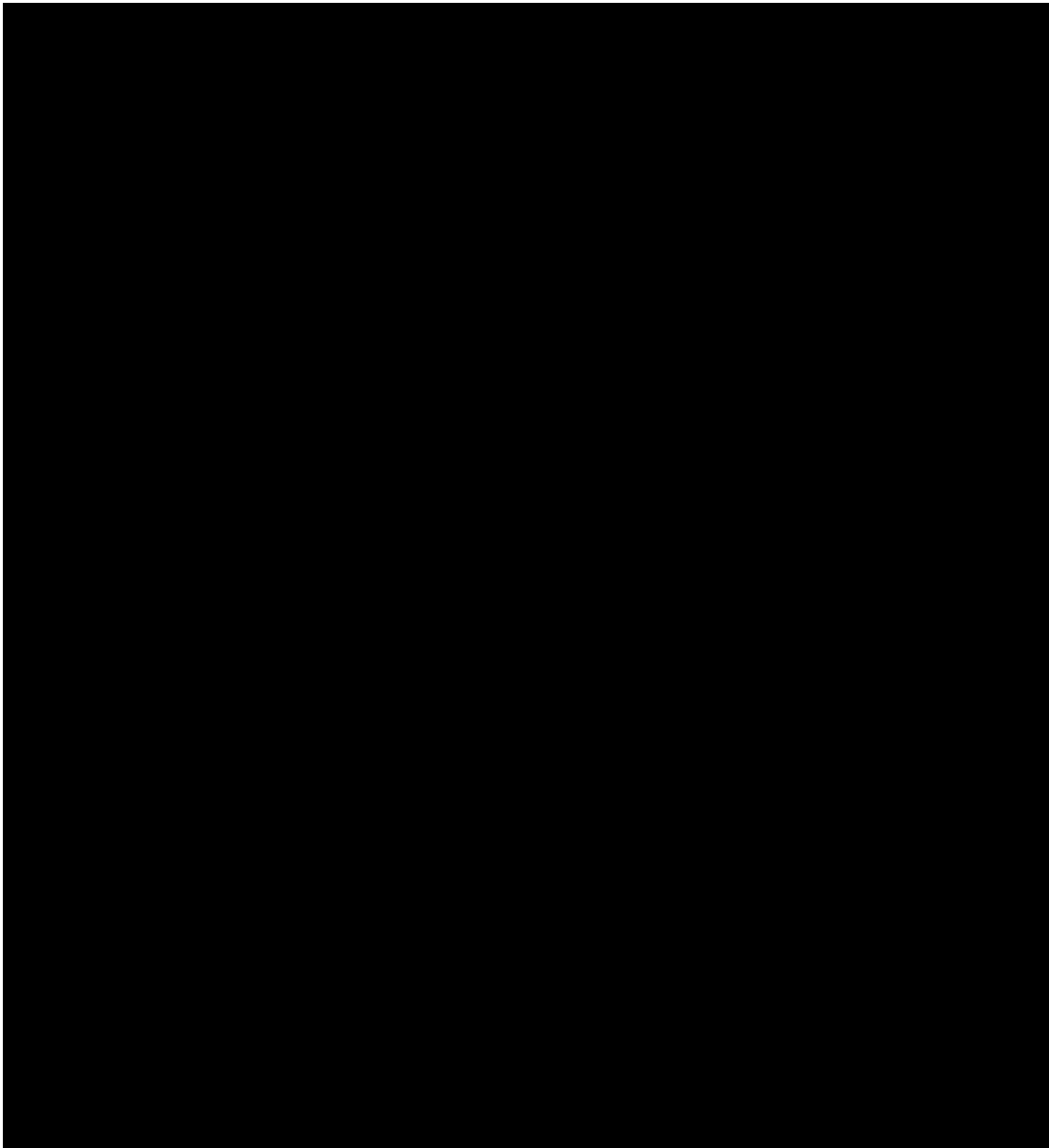
Appendix D

New Products/Business Activity Approval Process



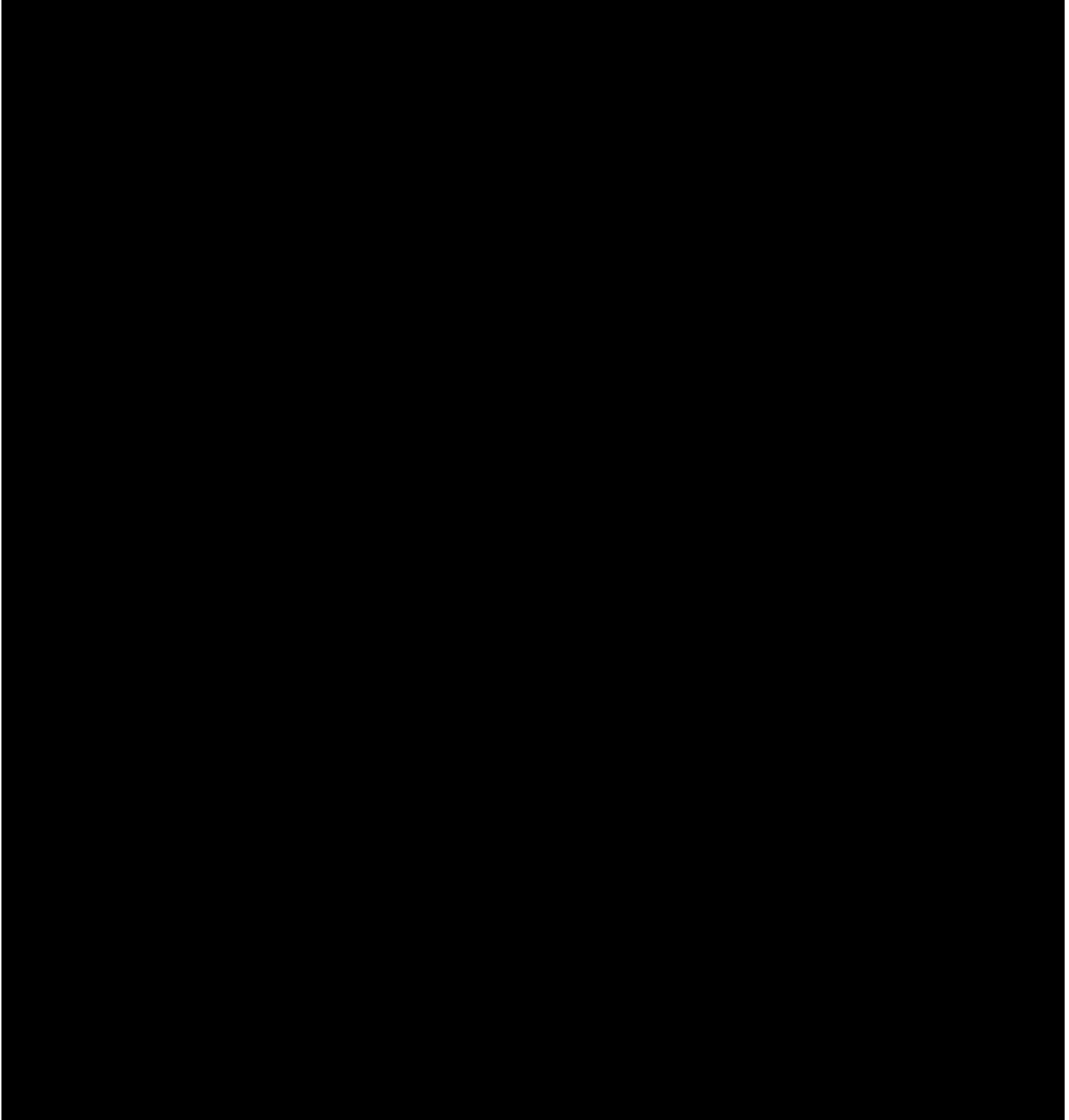
Appendix E

New Product Checklist



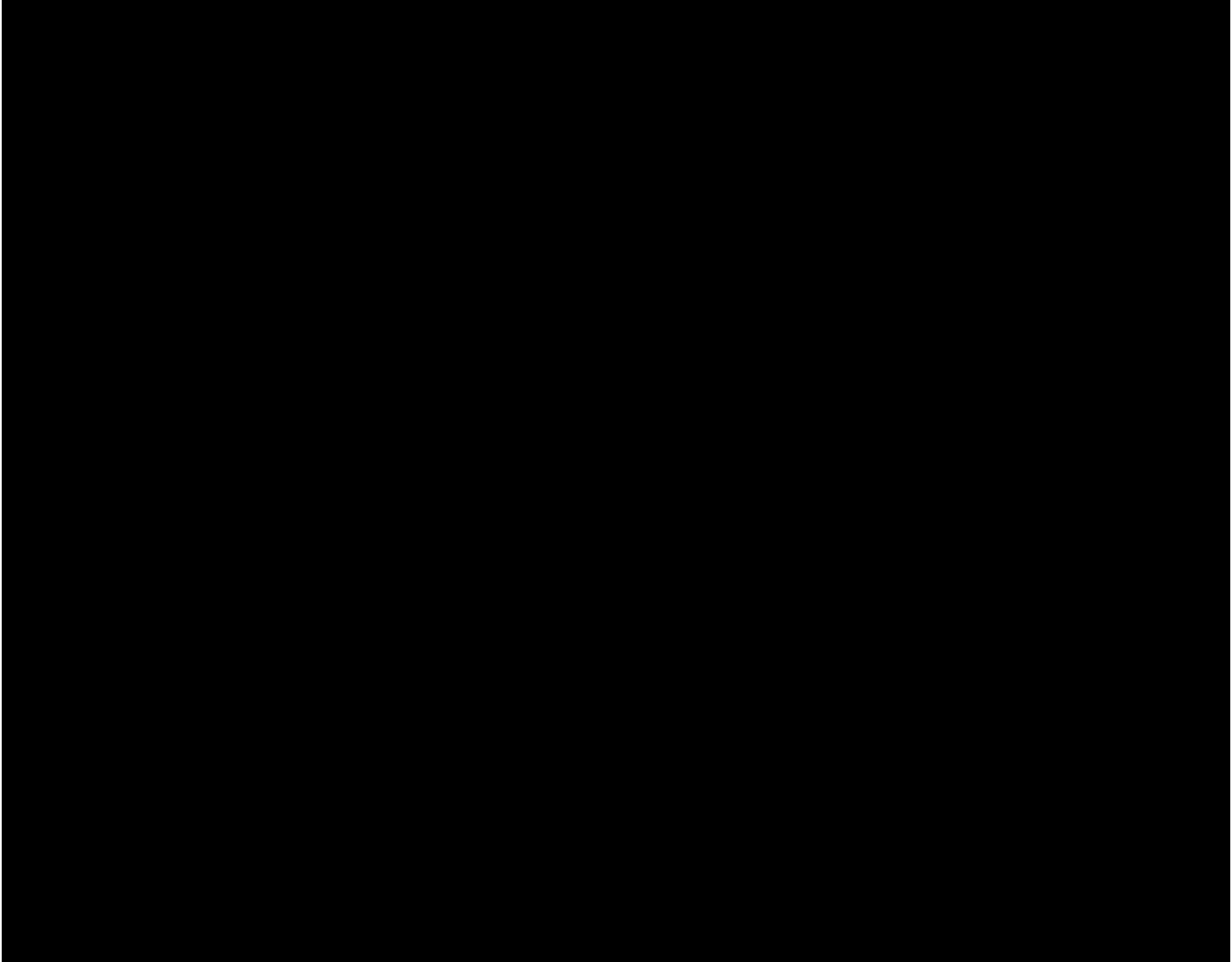
Appendix F

Potential Trade Exceptions



Appendix G

Potential Delivery Term Violations



Appendix H

Risk Management Employee Acknowledgment

Employee Name: _____
(Please print)

RISK MANAGEMENT EMPLOYEE ACKNOWLEDGMENT

Global Risk Management has a combination of Policies, Risk Limits, Guidelines and procedures referred to as the "Risk Documents" that contain certain information regarding the governance and procedures of certain Duke Energy activities. Please read and review the appropriate Risk Documents. If you have any questions regarding the Risk Documents, you are to contact your immediate supervisor. It is very important that you understand how the Risk Documents apply to your current position. After reading and understanding the appropriate Risk Documents, please check the Risk Documents read and understood below and sign the Risk Management Employee Acknowledgment as instructed in the last line below.

Check all that apply:

- Duke Energy Commodity Risk Policy (applies across all entities)
- Duke Energy Credit Policy (applies across all entities)
- Model Review and Approval Process (applies across all entities)
- Derivative Transaction Policy (applies across all entities)
- Duke Energy Regulated Utilities Risk Management Control Manual.....
- Duke Energy Forward Market Price and Volatility Curve Control Manual.....
- Duke Energy Carolinas & Duke Energy Progress Risk Limits
- Duke Energy Florida Electric Risk Limits
- Duke Energy Indiana Electric Risk Limits
- Duke Energy Kentucky Electric Risk Limits.....
- Duke Energy Ohio (Reg) Electric Risk Limits
- Duke Energy Credit Limits for DEC, DEP, DE-IN, DE-KY.....
- Duke Energy Florida Credit Limits.....
- Delegation of Authority – Fuels & Systems Optimization

I have read the Risk Documents as indicated above outlining Duke Energy’s expectations of me. I understand and acknowledge these Risk Documents apply to my

position. I acknowledge and agree that it is my responsibility to comply with all aspects of the Risk Documents as well as any future revisions made to the Risk Documents. If I encounter a situation in which I do not know how the Risk Documents applies, I will contact my immediate supervisor.

I further acknowledge and agree that I will contact my immediate supervisor should my responsibilities at Duke Energy change and questions arise regarding the application of the Risk Documents to my new position and/or responsibilities.

I understand and acknowledge that my failure to comply with the Risk Documents will result in corrective action, up to and including termination.

I ACKNOWLEDGE AND UNDERSTAND THAT NEITHER THE RISK DOCUMENTS EMPLOYEE ACKNOWLEDGMENT NOR ANY OF DUKE ENERGY'S POLICIES OR PROCEDURES, INDIVIDUALLY OR TOGETHER, CONSTITUTE A GUARANTEE OF CONTINUED EMPLOYMENT, CREATE A CONTRACT OF EMPLOYMENT OR ALTER THE AT-WILL NATURE OF MY EMPLOYMENT IN ANY WAY.

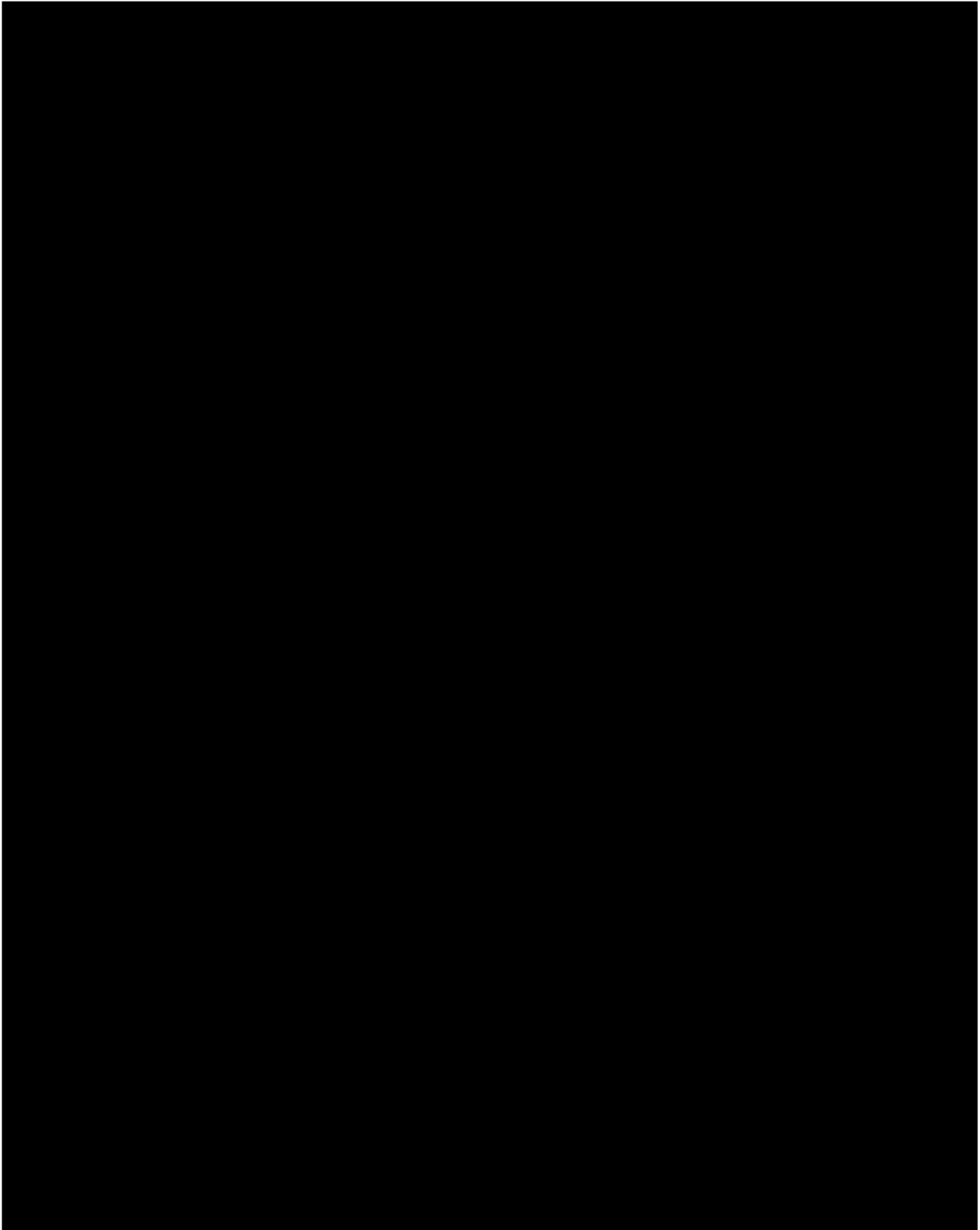
_____/_____
Employee Signature / Date

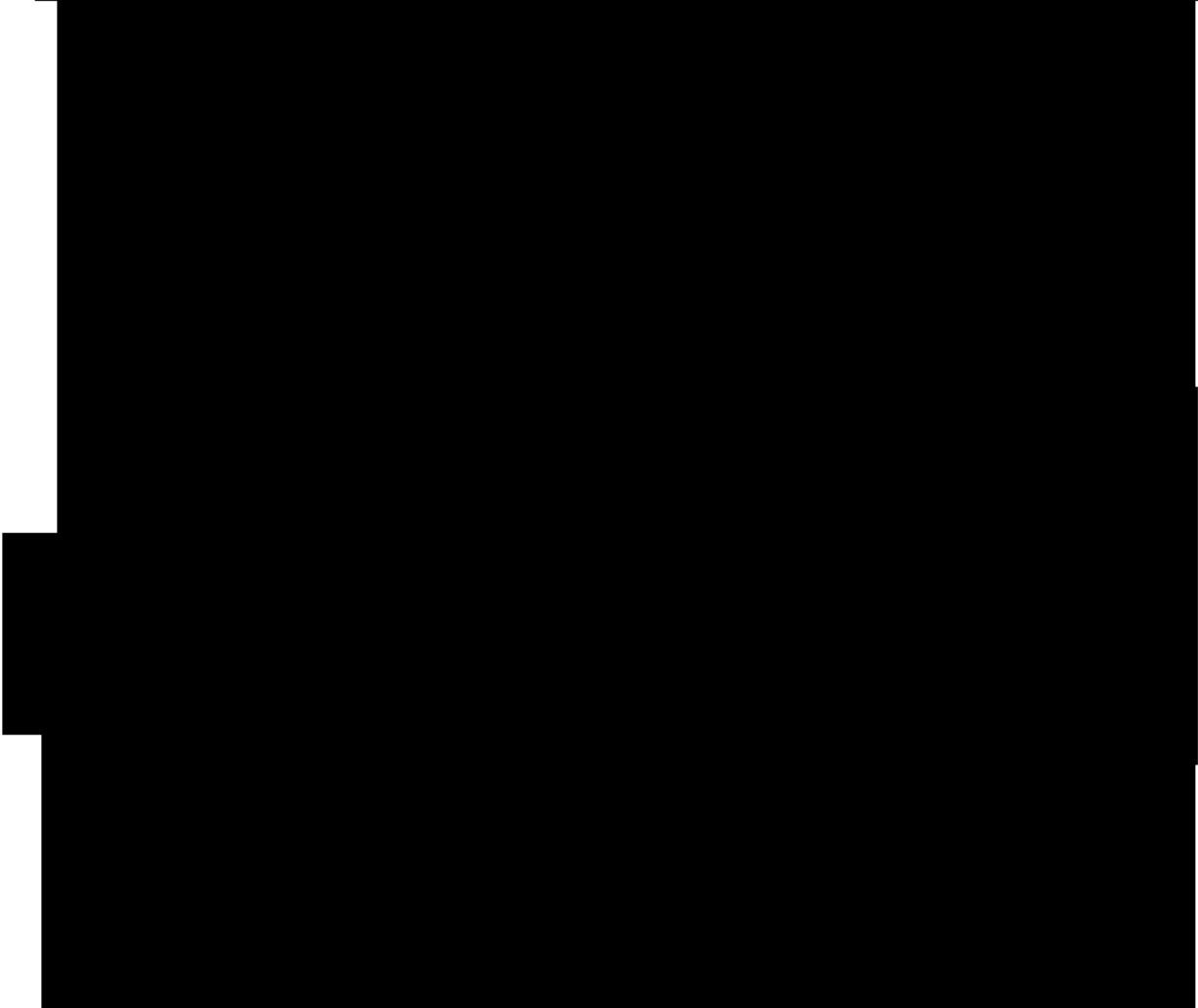
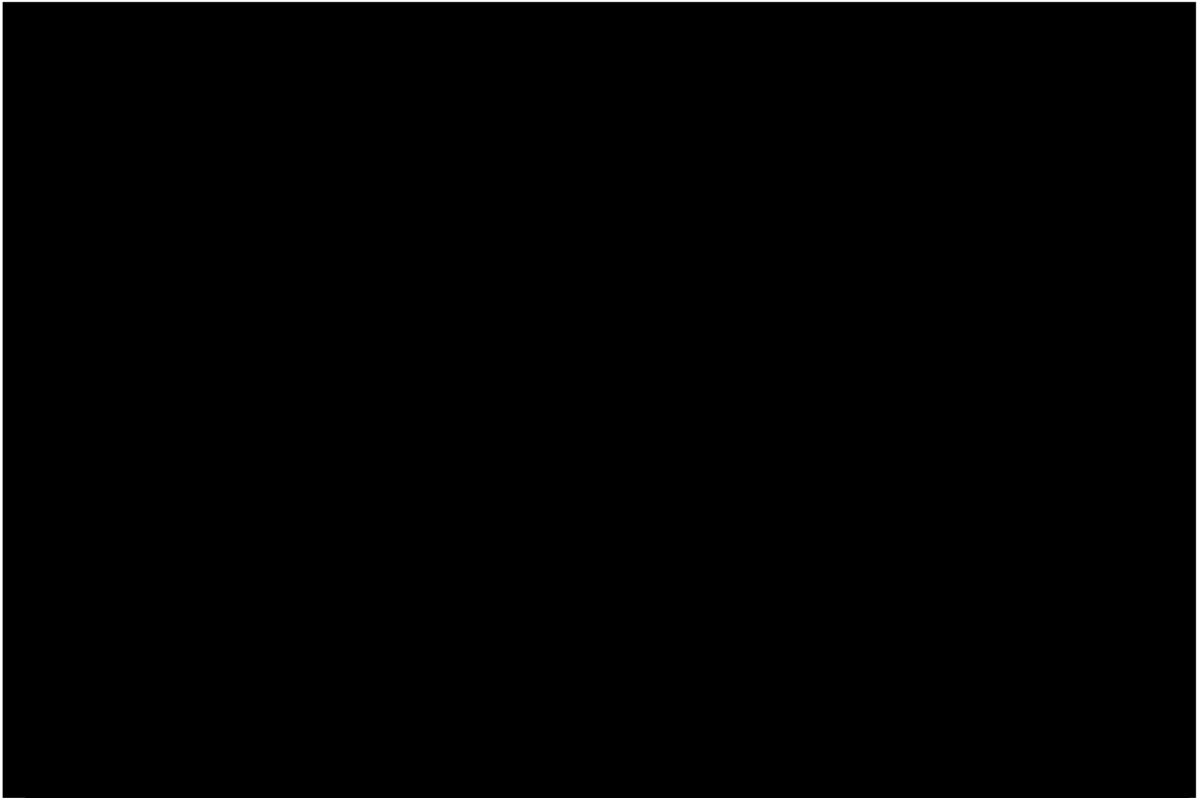
Employee Title

Print Full Name

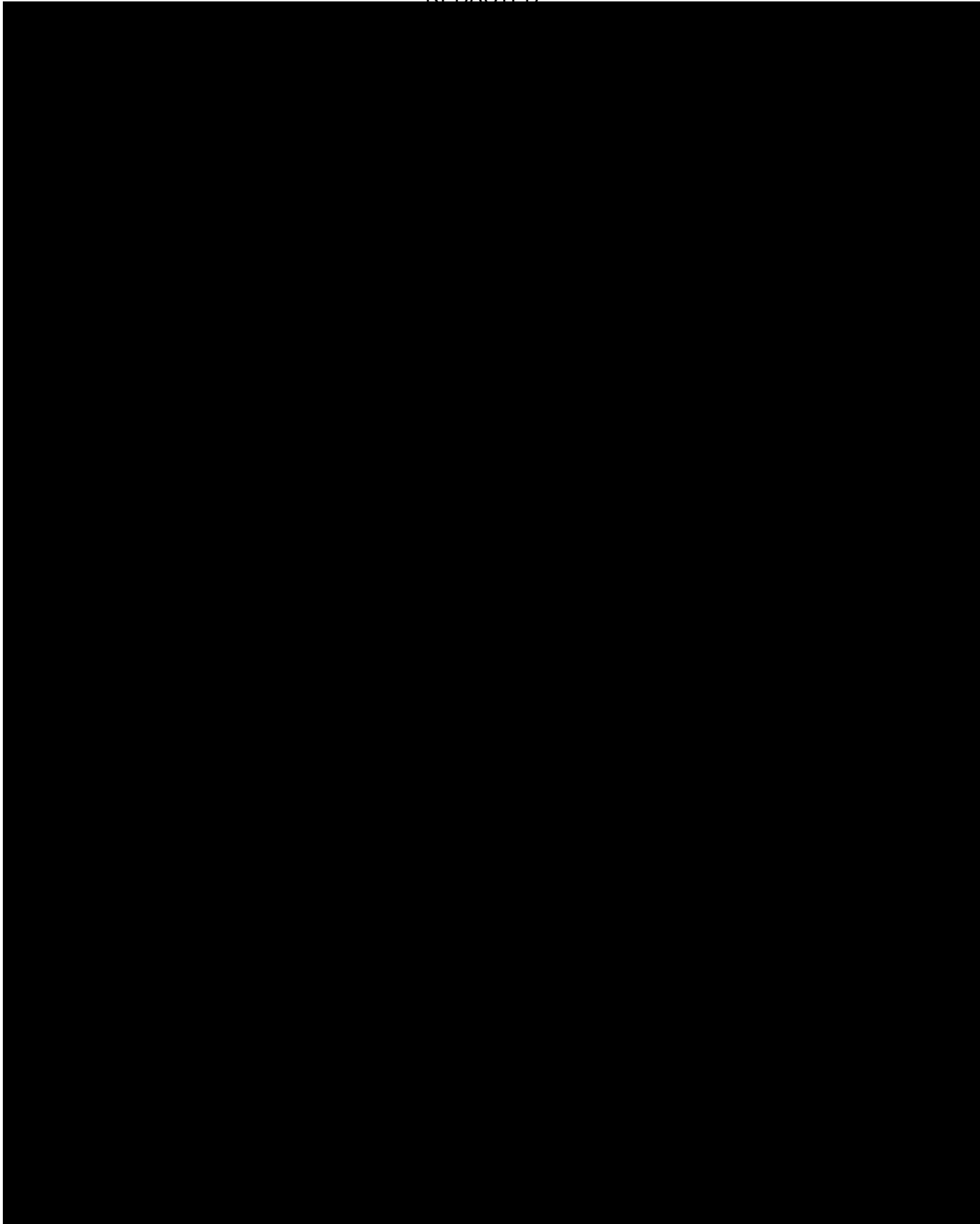
Appendix I

FERC 741 Officer Certification Process





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FERC Order 741 Certification Process

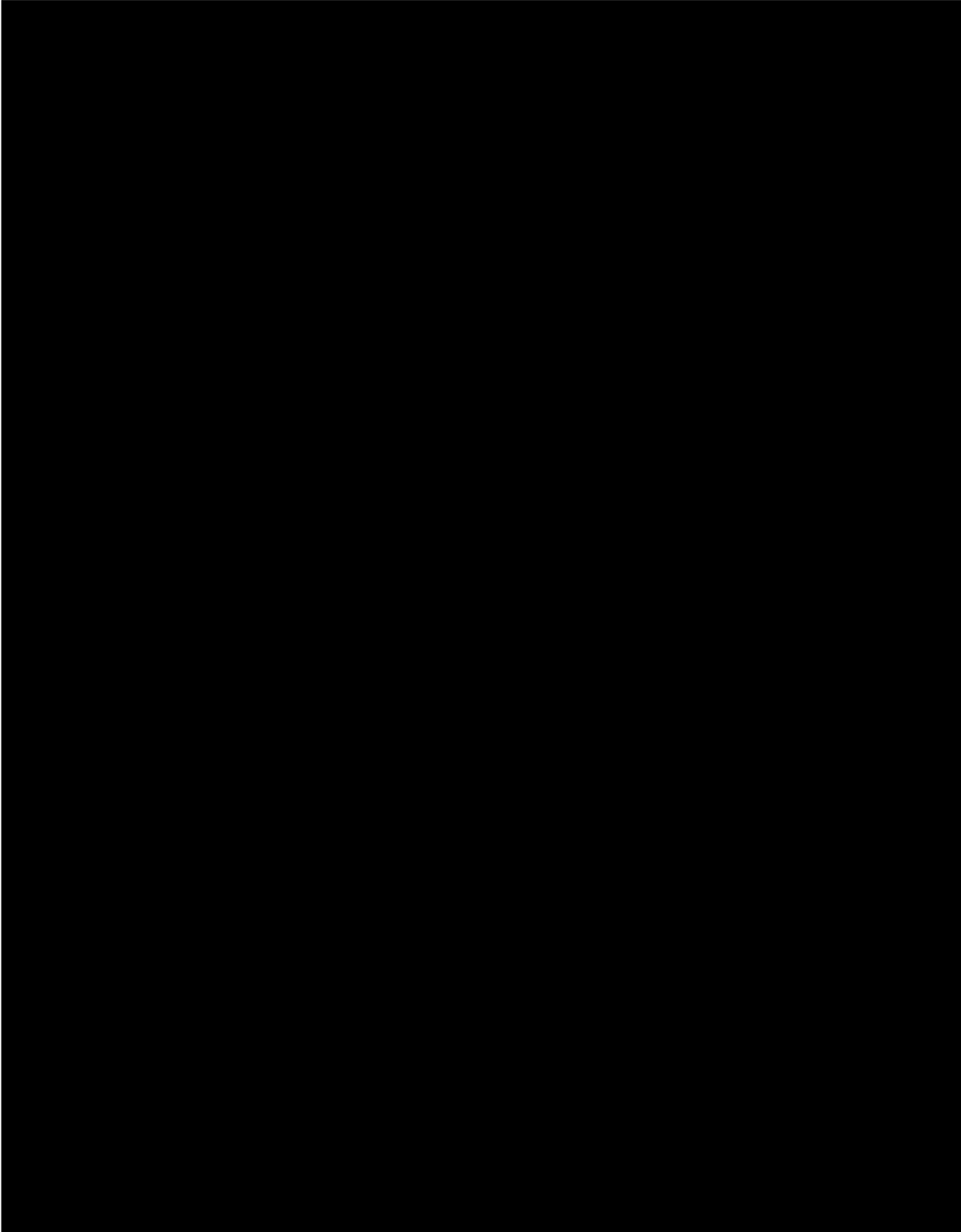


Exhibit C

DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
2016 Risk Management Plan	<p>Page 1: 2016 projected burn volumes of coal & light oil.</p> <p>Page 2: 2016 projected burn volumes of natural gas & 2016 projected economy power purchases.</p> <p>Page 3: rolling hedge percentages and hedging percentage targets for Natural Gas.</p> <p>Page 4: Estimated fuel surcharge hedging target percentages</p> <p>Attachment A- "Regulated Utilities Risk Limits" (entire document): internal risk control guidelines.</p> <p>Attachment B- "Collateral Summary" (entire document): summary of collateral held and margin thresholds.</p> <p>Attachment C- "Authority Limit Matrix" (entire document): internal approval authority thresholds and guidelines.</p> <p>Attachment D- Duke Energy's "Commodity Risk Policy" (entire document): internal risk control guidelines.</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>Attachment E- Duke Energy's "Credit Policy" (entire document): internal credit related risk control guidelines.</p> <p>Attachment F - "Regulated Utilities Credit Limits" (entire document): internal guidelines.</p> <p>Attachment G- "Delegation of Authority Matrix" (entire document): internal guidelines.</p> <p>Attachment H- "Duke Energy Corporation Regulated Utilities Risk Management Control Manual April 2015": All information on Pages 5 through 26 exclusive of section headings; All information on pages 27 through 36: Appendix A through Appendix G, exclusive of headings; Appendix I: all information exclusive of headings on pages 39 through 42.</p>	
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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: August 4, 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 information contained on certain pages and attachments in the 2016 Risk Management Plan submitted on August 4, 2015. A detailed description of 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 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 or services on favorable terms.

5. 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, sensitive business information, such as forecasted volumes, hedging percentages, internal policies and guidelines, collateral summaries and unrealized forecasted hedge values, must be kept confidential. With respect to the information at issue in this Request, DEF has kept confidential and has not publicly disclosed confidential information such as forecasted costs, hedging volumes, hedging percentages, internal policies and guidelines, collateral summaries and unrealized forecasted hedge values. Without DEF's measures to maintain the confidentiality of sensitive terms, the Company's efforts to obtain competitive fuel supply contracts could be undermined, because potential fuel suppliers could simply offer the highest prices that

would allow them to maintain marginally competitive position against the disclosed volumes and percentages.

6. Additionally, the disclosure of confidential information in DEF's forecasted fuel volumes and hedging percentages, 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 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 31 day of July, 2015.

Joseph McCallister
(Signature)
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 31 day of July, 2015 by Joseph McCallister. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

Katie Jamieson
(Signature)
Katie Jamieson
(Printed Name)
NOTARY PUBLIC, STATE OF NC
June 14, 2016
(Commission Expiration Date)

(AFFIX NOTARIAL SEAL)



(Serial Number, If Any)