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September 14, 2015

#### VIA HAND DELIVERY

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

REDACTED

15 SEP 14 PM 3: 28

Re:

Docket No. 150001-EI

Dear Ms. Stauffer:

I enclose for filing in the above docket the original and seven (7) copies of FPL's Request for Confidential Classification of Certain Information Provided in Response to Staff's Seventh Set of Interrogatories Nos. 47 and 54. The original includes Exhibits A, B (two copies), C and D. The seven copies do not include copies of the Exhibits.

Exhibit A consists of the confidential documents, and all the information that FPL asserts is entitled to confidential treatment has been highlighted. Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. Exhibit C is a justification table in support of FPL's Request for Confidential Classification. Exhibit D contains the affidavit in support of FPL's Request for Confidential Classification. Also included in this filing is a compact disc containing FPL's Request for Confidential Classification and Exhibit C, in Microsoft Word format.

Please contact me if you or your Staff has any questions regarding this filing.

Enclosures
cc: parties of record, (Request for Confidential Classification w/o exhibits)

Sincerely,

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#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No: 150001-EI Date: September 14, 2015

## FLORIDA POWER & LIGHT COMPANY'S REQUEST FOR CONFIDENTIAL CLASSIFICATION OF INFORMATION PROVIDED IN RESPONSE TO STAFF OF THE FLORIDA PUBLIC SERVICE COMMISSION'S SEVENTH SET OF INTERROGATORIES (Nos. 47 AND 54)

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of certain information provided in response to the Staff of the Florida Public Service Commission's ("Staff") Seventh Set of Interrogatories (Nos. 47 and 54) ("Confidential Discovery Responses"). In support of its Request, FPL states as follows:

- 1. On August 25, 2015, Staff served its Seventh Set of Interrogatories (Nos. 47-60) on FPL. FPL's Response to Staff's Seventh Set of Interrogatories (Nos. 47 and 54) contain information of a confidential nature, which is proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes.
- 2. FPL served its responses to Staff's Seventh Set of Interrogatories (Nos. 47-60) on September 14, 2015. This request is being filed contemporaneously with the service of FPL's responses to Staff's discovery in order to request confidential classification of the Confidential Discovery Responses consistent with Rule 25-22.006, Florida Administrative Code.
  - 3. The following exhibits are included with and made a part of this request:
- a. Exhibit A consists of a copy of the Confidential Discovery Responses on which all information that FPL asserts is entitled to confidential treatment is highlighted.

- b. Exhibit B consists of an edited version of the Confidential Discovery Responses on which all information that FPL asserts is entitled to confidential treatment is redacted.
- c. Exhibit C is a table containing an identification of the information highlighted in Exhibit A by page and line and a brief description of the Confidential Information. Exhibit C also references the specific statutory bases for the claim of confidentiality and identifies the affiant who supports of the requested classification.
- d. Exhibit D is the affidavit of Gerard J. Yupp, Senior Director of Wholesale Operation in the Energy Marketing and Trading Division.
- 4. FPL submits that the highlighted information in Exhibit A is proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes. This information is intended to be and is treated by FPL as private, and its confidentiality has been maintained. Pursuant to Section 366.093, such information is entitled to confidential treatment and is exempt from the disclosure provisions of the public records law. Thus, once the Commission determined that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the hard of disclosure against the public interest in access to the information.
- 5. As the description included in Exhibit C and the affidavit included in Exhibit D indicate, the Confidential Discovery Responses provided by FPL contains information related to contractual data, the disclosure of which would impair FPL's ability to contract for goods or services on favorable terms. This information is protected by Section 366.093(3)(d), Fla. Stat.

6. In addition, the Confidential Discovery Responses also relate to competitive interests, the disclosure of which would impair the competitive business of FPL or its suppliers. This information is protected by Section 366.093(3)(e), Fla. Stat.

7. Upon a finding by the Commission that the Confidential Information remains proprietary and confidential business information, the information should not be declassified for at least an additional eighteen (18) month period and should be returned to FPL as soon as it is no longer necessary for the Commission to conduct its business. See § 366.093(4), Fla. Stat.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials and affidavits included herewith, Florida Power & Light Company respectfully requests that its Request for Confidential Classification be granted.

Respectfully submitted,

John T. Butler
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By:

Maria J. Moncada

Florida Bar No. 0773301

### CERTIFICATE OF SERVICE Docket No. 150001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing\* has been furnished by electronic mail on this 14th day of September 2015 to the following:

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Paula K. Brown, Manager Tampa Electric Company Regulatory Coordinator Post Office Box 111 Tampa, Florida 33601-0111 regdept@tecoenergy.com

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jmoyle@moylelaw.com

By:

viaria J/Moncada

Florida Bar No. 0773301

<sup>\*</sup> The exhibits to this Request are not included with the service copies, but copies of Exhibits B, C and D are available upon request.

## **EXHIBIT A**

# CONFIDENTIAL FILED UNDER SEPARATE COVER

## EXHIBIT B

## **REDACTED COPIES**



### AUGUST 1, 2014 - JULY 31, 2015 HEDGING PROGRAM - NATURAL GAS SWAP TRANSACTIONS

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<sup>(\*)</sup> Note: These deals were originally executed as 12-month (January 2015-December 2015) strip transactions. The April-December component was transferred to another counterparty, with the same terms and conditions as originally executed, prior to settlement. The fixed price vs. NYMEX closing price calculations use closing values from the dates on which the transactions were originally executed.

Florida Power & Light Company Docket No. 150001-EI Staff's 7th Set of Interrogatories Interrogatory No. 54 Page 1 of 1

Q. Regarding hedging activities, how does FPL assess and evaluate counter-party credit risk?

An initial, formal credit review is performed prior to entering into a new counterparty relationship. Based on the credit analysis, a credit rating is assigned using a scale identical to that used by Standard & Poor's. Annual credit reviews are performed for counterparties with ratings below and for counterparties that are not externally rated. A credit review is performed every two years for those counterparties with ratings of and above. Credit risk is assessed in accordance with an established risk policy approved by senior management. All counterparties are subject to the same review procedures.

In addition to formal periodic credit reviews, credit personnel monitor the credit quality of counterparties on a continuous basis. If a question arises regarding the credit quality of a counterparty, they are placed on a "watch list", along with details of the specific limitation.

cases of increased credit concern, a summary of the credit exposure to a counterparty is reported to management on a daily basis and alternatives to manage the exposure down to a more acceptable level, where necessary, are actively explored.

5

Credit management will approve a credit request after an acceptable review has been completed. Approval authority for setting credit limits is determined based on a preset delegated approval authority matrix, which takes into consideration the credit rating of the counterparty and the proposed limit size. Approval from the Exposure Management Committee (EMC) is required if the aggregated exposure to a counterparty family for all standard and nonstandard contracts exceeds the FPL Credit Matrix limits.