DUKE ENERGY
FLORIDA

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

February 1, 2016

VIA ELECTRONIC DELIVERY

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

Re: Docket 150171-EI
Duke Energy Florida, LLC's Twelfth Request for Confidential Classification

Dear Ms. Stauffer:

Attached is Duke Energy Florida, LLC's ("DEF") Twelfth Request for Confidential Classification of certain information provided by DEF to the Bond Team in the above-referenced matter. This filing includes:

- Exhibit A (confidential slipsheet only)
- Exhibit B (2 sets of redacted information)
- Exhibit C (justification matrix)
- Exhibit D (Affidavit of Bryan Buckler)

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. If you have any questions, please feel free to contact me at (727) 820-4692.

Sincerely,

/s/ Dianne M. Triplett

Dianne M. Triplett

DMT:at
Attachments

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval to include in base rates the revenue requirement for the CR3 regulatory asset, by Duke Energy Florida, Inc.	DOCKET NO. 150148-EI
In re: Petition for issuance of nuclear asset-recovery financing order, by Duke Energy Florida, Inc. d/b/a Duke Energy.	DOCKET NO. 150171-EI DATED: February 1, 2016

DUKE ENERGY FLORIDA, LLC'S TWELFTH REQUEST FOR CONFIDENTIAL CLASSIFICATION

Duke Energy Florida, LLC ("DEF" or the "Company"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code (F.A.C.), submits this Twelfth Request for Confidential Classification concerning portions of DEF's documents provided to the Bond Team. Those confidential documents were filed in this docket on January 11, 2016 with DEF's Notice of Intent to request confidential classification. This request is timely. *See* Rule 25-22.006(3)(a)1., F.A.C. In support of this request, DEF states:

1. As further explained below, portions of documents provided to the Bond Team, contain "proprietary confidential business information" under section 366.093(3), F.S.

2. The following exhibits are included with this request:

(a) Sealed Composite Exhibit A is a package containing an unredacted 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 unredacted version, the information asserted to be confidential is highlighted in yellow.

(b) Composite Exhibit B encompasses 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 confidential communications between DEF and a representative of RBC Capital Markets ("RBC"). DEF has been engaging in discussions with RBC as to whether RBC is willing to participate as a joint book runner in the securitization bond transaction. RBC has requested, and DEF has agreed, that DEF maintain this information as confidential. The release of these confidential communications would violate DEF's agreement with RBC and adversely impact DEF's competitive business interests. *See* § 366.093(3)(d), F.S.; Affidavit of Bryan Buckler at ¶ 5. The disclosure of that information to the public would also adversely impact the competitive business interest of parties contracting with DEF. *See* § 366.093(3)(e), F.S.; Affidavit of Bryan Buckler 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 Bryan Buckler at ¶ 5-7. The information has not been disclosed to the public, and the Company has treated and continues to treat the documents at issue as confidential. *See* Affidavit of Bryan Buckler 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 Twelfth Request for Confidential Classification be granted.

RESPECTFULLY SUBMITTED this 1st day of February, 2016.

/s/ Dianne M. Triplett

MATTHEW R. BERNIER
Senior Counsel
Duke Energy Florida, LLC
106 East College Avenue
Suite 800
Tallahassee, FL 32301
Telephone: (850) 521-1428

DIANNE M. TRIPLETT
Associate General Counsel
Duke Energy Florida, LLC
299 First Avenue North
St. Petersburg, FL 33701
Telephone: (727) 820-4692

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail to the following this 1st day of February, 2016.

/s/ Dianne M. Triplett

____

Attorney

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

Exhibit A

CONFIDENTIAL

FILED UNDER SEPARATE COVER

Exhibit B

REDACTED

REDACTED

Triplett, Dianne

From:	Buckler, Bryan
Sent:	Friday, January 08, 2016 9:49 AM
To:	Triplett, Dianne
Subject:	FW: Duke FL - RBC proposal - Confidential
Attachments:	Performance Based Fees - 12-17-2015.docx

Dianne – please file the below email from RBC as confidential with the Commission. I may send another note on Monday that would also need to filed as confidential with the Commission.

From: Sconzo, Jack [mailto:Jack.Sconzo@rbccm.com]
Sent: Wednesday, January 06, 2016 12:21 PM
To: Buckler, Bryan
Cc: Heath, Tom; De May, Stephen G; McNutt, Paul; Pagano, Giuseppe; Botoff, Dan; Lawrence, Richard; Helwig, Keith; Kochanowski, Eric; Tuchfeld, Scott; Sconzo, Jack
Subject: RE: Duke FL

Bryan,

Following-up on the discussion thread below, the RBC team has met and believes [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Thanks for your consideration. We look forward to discussing.

Best regards,

The RBC Team

From: Buckler, Bryan [mailto:Bryan.Buckler@duke-energy.com]
Sent: Tuesday,January 05, 2016 6:12 PM
To: McNutt, Paul
Cc: Sconzo, Jack; Heath, Tom; De May, Stephen G
Subject: RE: Duke FL

Great – thanks Paul

From: McNutt, Paul [mailto:Paul.McNutt@rbc.com]
Sent: Tuesday, January 05, 2016 6:08 PM
To: Buckler, Bryan
Cc: Sconzo, Jack; Heath, Tom; De May, Stephen G
Subject: Re: Duke FL

[redacted]

Look forward to catching up tomorrow

Paul McNutt, Managing Director
Co-Head of Power, Utilities & Infrastructure
RBC Capital Markets
212.301.1442 (w)
917.816.0887 (c)

From: Buckler, Bryan [mailto:Bryan.Buckler@duke-energy.com]
Sent: Tuesday, January 05, 2016 06:04 PM
To: McNutt, Paul
Cc: Sconzo, Jack; Heath, Tom <Tom.Heath@duke-energy.com>; De May, Stephen G <Stephen.DeMay@duke-energy.com>
Subject: RE: Duke FL

[redacted]

Again, many thanks for partnering on this with us.

Bryan

From: McNutt, Paul [mailto:Paul.McNutt@rbc.com]
Sent: Tuesday, January 05, 2016 4:30 PM
To: De May, Stephen G; Buckler, Bryan
Cc: Sconzo, Jack
Subject: Duke FL

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

[redacted]

Paul McNutt, Managing Director
Co-Head Power, Utilities & Infrastructure
RBC Capital Markets
Three World Financial Center
200 Vesey Street - 10th Floor
New York, NY 10281
212.301.1442 (w)
917.816.0887 (c)

This E-Mail (including any attachments) may contain privileged or confidential information. It is intended only for the addressee(s) indicated above.

Duke Energy Florida Project Finance Co LLC

UNDERWRITER COMPENSATION

Goals of the Nuclear Asset-Recovery Bond Offering

1. Primary Goal: Lowest all-in cost of funds for the Nuclear Asset Recovery Bonds (the "Bonds").

2. Subsidiary Goals: BROADEST possible distribution, including non-traditional "buy-and-hold" investors and SUBSTANTIAL corporate and U.S. agency investors (crossover investors) to increase the diversity of investors, improve aftermarket liquidity and reduce primary market credit spreads. The objective is to price the Bonds closer to U.S. Agency securities and AAA corporate securities across all maturities versus bond issues such as, credit cards, auto loans or other structured securities.

Will Duke Energy and Saber (representing the Florida Public Service Commission) pay underwriters for broader distribution?

Yes. Underwriters who demonstrate that they have introduced and educated more investors who have not previously purchased securitized utility bonds ("non-traditional and "buy-and-hold" investors") and have educated more of these investors, and have received orders from them will be compensated (i.e., an allocation will be made if those investors stay in the order book at the tight end of the announced pricing talk or repricing). Large institutional orders have great appeal to us. However, underwriter compensation for those orders may reflect that these accounts are easier to access. Importantly, we wish to receive many orders from smaller "buy and hold" investors to create a larger, diverse base of investors that is less subject to pricing leverage. Lack of order book diversification driven by over-reliance on large institutional orders results in pricing vulnerability and may inhibit achieving a lowest cost transaction under then current market conditions. Underwriter success in achieving broader distribution will be a significant consideration in performance compensation and bond allocation decisions.

Will Duke Energy and Saber pay in Bond yield for distribution?

No.

Fees for Underwriters: 70% of Total Fees Performance-based

Total fees are estimated to be 25-70 basis points on the principal amount, plus certain expenses. (i.e., standard fees based on the weighted-average life of each Series, with lower fees on the shorter-dated Series and higher fees on the longer-dated Series).

The underwriting discount for each Series will be comprised of:

- 70% selling concession
- 30% management and incentive compensation

The portion of underwriting compensation awarded based on performance for any particular Series might be greater than or less than 70% of total underwriter compensation for that Series as described below. But 70% of aggregate underwriting compensation for the Bonds will be allocated based on performance.

Syndicate Structure

There will be two bookrunning underwriters. Each bookrunner will be guaranteed compensation of at least 15% of total underwriting fees paid i.e., 30% of total economics will be split between the joint bookrunning managers – selling concession and management/incentive compensation fee. The fees for underwriter's counsel will be treated as a transaction cost and not part of the compensation to underwriters.

In addition to the joint bookrunners, there will be 3-6 senior co-managers. Each senior co-manager will be compensated based entirely on sales and performance. Co-managers will be awarded full selling concessions and also eligible for a portion of the management fee/incentive. The 70% performance-based compensation will be allocated among the bookrunners and the senior co-managers based entirely on performance as further described below.

Per Series Underwriting Fees

Final per Series underwriting fees are subject to market conditions at the time based on precedents of other corporate underwritings of similarly rate bonds with similar maturities. Compensation to underwriters may be increased if the underwriters can demonstrate that their extraordinary efforts resulted in a decrease in the all in net present value cost of the transaction substantially in excess of the increase in underwriters' compensation.

The current estimate of total underwriting fees under current market conditions is as follows (subject to change as principal balances in total and by Series are not currently known):

	Weighted Average Life (WAL)	Estimated Principal	Underwriter Compensation – Basis Points of Principal Amount
Series 2018	2	$135,000,000	25-35
Series 2021	5	190,000,000	40-45
Series 2026	10	412,000,000	45-55
Series 2033	17	557,000,000	55-70
		$1,294,000,000	

Performance Defined:

Distribution of the 70% of fees to underwriters will be based on performance, as determined solely in the discretion of Duke Energy and Saber (representing the Commission) jointly, so that all members of the underwriting syndicate are:

- Treated fairly for their efforts and cooperation in achieving our goals as stated above despite the absence of a fiduciary relationship, and
- Rewarded economically for their efforts in producing the lowest cost transaction under then-current market conditions.

The offering plan will be a combination of an "institutional pot" and "retention."

- "Institutional pot orders" are those received from any underwriter for allocation from the total amount of Bonds up for sale, less the Bonds given to any underwriter for retention.
- "Retention Bonds" are those Bonds of each Series requested and given to syndicate members for which they can fill orders of their customers subject to the agreed upon pricing of each Series.

Performance is a combination of sales effort and confirmed sales. Each underwriter will be judged and compensated on individual performance by the same standard. All underwriters, including senior co-managers, will receive the full selling concession fees for all orders received and accepted from the institutional pot and for sales of their Retention Bonds if any.

The following additional factors will be used to assess the performance of each underwriter for additional allocation of the management/incentive compensation:

1. How well your sales force 1) markets the relative value of the Bonds to, and receives orders from, crossover investors, such as traditional buyers of U.S. Agency securities and AAA Corporates such as Johnson & Johnson and Exxon and 2) brings in new crossover investors to the securitized utility bond sector at tight spreads. Our objective is to price the Bonds closer to U.S. Agency securities and AAA corporates across all maturities versus lesser quality ABS credit cards, auto loans or other securities.

2. Number and diversity of buyers, particularly traditional buyers from the U.S. Agency and corporate sectors. In general, investors that accept lower yields/credit spreads will be preferred (i.e., orders that are at the tight end of the announced talk and stick through any announced repricing); however, we will allocate bonds to non-traditional investors if we believe them to be "buy and hold" investors and not potential "flippers" who may sell quickly in the aftermarket. If an underwriter provides a few large orders versus many smaller orders at the same price, fees paid for the larger order may likely be reduced (i.e., credit for such order will likely be spread across multiple underwriters) while compensation for the smaller orders maintained or increased.

3. How well you keep Duke Energy and Saber informed *on a confidential basis* of your efforts and results in soliciting institutional pot orders.

4. Whether an underwriter's efforts helped drive the transaction's final pricing tighter by creating additional demand and competition even if the underwriter's effort did not result in any confirmed sales for the underwriter.

5. It is important there be cooperative participation in the transaction for investor education and orders, i.e., we do not want investment bankers fighting over designations, allocations or other matters versus getting the greatest number of orders in the book at the tightest possible spread for each Series. Nor do we want syndicate "protocols" to prevent the free flow of information to Duke Energy and Saber from co-managers. Consequently, each underwriter is encouraged (and will be compensated accordingly) to keep the bond team informed *on a timely and a confidential basis* of its efforts and results in soliciting institutional pot orders. This will allow us to determine performance and what is in the best interests of the deal, when evaluating the recommendations of the underwriters.

Bond Allocations to Investors

Allocations from the institutional pot are subject to Duke Energy and Saber approval. Duke Energy and Saber will make allocations from the institutional pot orders. When evaluating any allocation recommendations by the book-running managers, Duke Energy and Saber will judge performance based on what will achieve the lowest cost of funds and what will assist in developing a liquid secondary market for the Bonds.

Duke Energy and Saber will direct the allocation of performance-based portion of fees with the goal of firms being rewarded appropriately and fairly for their efforts solely with respect to this transaction, within the 90-day settlement procedures, in accordance with a standard agreement among underwriters.

SEC Registration

Duke plans to file documents with the SEC related to the Bonds and provide continuing disclosure in accordance with a 2007 SEC legal interpretation and no-action letter issued to MP Environmental Funding and to PE Environmental Funding, so that the issuer is not an asset-backed issuer and the Nuclear Asset-Recovery Bonds are not asset-backed securities under applicable SEC regulations.

Financing Order

The Financing Order was the result of extensive discussions with the Commission and all of Duke Energy's customer groups. It was a unanimous settlement of the issues and is an important transaction for Duke Energy and the Commission. The Financing Order contains important parameters for this transaction and is available at the http://www.psc.state.fl.us/library/filings/15/07364-15/07364-15.pdf.

Exhibit B

REDACTED

(2nd copy)

REDACTED

Triplett, Dianne

From:	Buckler, Bryan
Sent:	Friday, January 08, 2016 9:49 AM
To:	Triplett, Dianne
Subject:	FW: Duke FL - RBC proposal - Confidential
Attachments:	Performance Based Fees - 12-17-2015.docx

Dianne – please file the below email from RBC as confidential with the Commission. I may send another note on Monday that would also need to filed as confidential with the Commission.

From: Sconzo, Jack [mailto:Jack.Sconzo@rbccm.com]
Sent: Wednesday, January 06, 2016 12:21 PM
To: Buckler, Bryan
Cc: Heath, Tom; De May, Stephen G; McNutt, Paul; Pagano, Giuseppe; Botoff, Dan; Lawrence, Richard; Helwig, Keith; Kochanowski, Eric; Tuchfeld, Scott; Sconzo, Jack
Subject: RE: Duke FL

Bryan,

Following-up on the discussion thread below, the RBC team has met and believes [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Thanks for your consideration. We look forward to discussing.

Best regards,

The RBC Team

From: Buckler, Bryan [mailto:Bryan.Buckler@duke-energy.com]
Sent: Tuesday,January 05, 2016 6:12 PM
To: McNutt, Paul
Cc: Sconzo, Jack; Heath, Tom; De May, Stephen G
Subject: RE: Duke FL

Great – thanks Paul

From: McNutt, Paul [mailto:Paul.McNutt@rbc.com]
Sent: Tuesday, January 05, 2016 6:08 PM
To: Buckler, Bryan
Cc: Sconzo, Jack; Heath, Tom; De May, Stephen G
Subject: Re: Duke FL

[redacted]

Look forward to catching up tomorrow

Paul McNutt, Managing Director
Co-Head of Power, Utilities & Infrastructure
RBC Capital Markets
212.301.1442 (w)
917.816.0887 (c)

From: Buckler, Bryan [mailto:Bryan.Buckler@duke-energy.com]
Sent: Tuesday, January 05, 2016 06:04 PM
To: McNutt, Paul
Cc: Sconzo, Jack; Heath, Tom <Tom.Heath@duke-energy.com>; De May, Stephen G <Stephen.DeMay@duke-energy.com>
Subject: RE: Duke FL

[redacted]

Again, many thanks for partnering on this with us.

Bryan

From: McNutt, Paul [mailto:Paul.McNutt@rbc.com]
Sent: Tuesday, January 05, 2016 4:30 PM
To: De May, Stephen G; Buckler, Bryan
Cc: Sconzo, Jack
Subject: Duke FL

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

[redacted]

Paul McNutt, Managing Director
Co-Head Power, Utilities & Infrastructure
RBC Capital Markets
Three World Financial Center
200 Vesey Street - 10th Floor
New York, NY 10281
212.301.1442 (w)
917.816.0887 (c)

Duke Energy Florida Project Finance Co LLC

UNDERWRITER COMPENSATION

Goals of the Nuclear Asset-Recovery Bond Offering

1. Primary Goal: Lowest all-in cost of funds for the Nuclear Asset Recovery Bonds (the "Bonds").

2. Subsidiary Goals: BROADEST possible distribution, including non-traditional "buy-and-hold" investors and SUBSTANTIAL corporate and U.S. agency investors (crossover investors) to increase the diversity of investors, improve aftermarket liquidity and reduce primary market credit spreads. The objective is to price the Bonds closer to U.S. Agency securities and AAA corporate securities across all maturities versus bond issues such as, credit cards, auto loans or other structured securities.

Will Duke Energy and Saber (representing the Florida Public Service Commission) pay underwriters for broader distribution?

Yes. Underwriters who demonstrate that they have introduced and educated more investors who have not previously purchased securitized utility bonds ("non-traditional and "buy-and-hold" investors") and have educated more of these investors, and have received orders from them will be compensated (i.e., an allocation will be made if those investors stay in the order book at the tight end of the announced pricing talk or repricing). Large institutional orders have great appeal to us. However, underwriter compensation for those orders may reflect that these accounts are easier to access. Importantly, we wish to receive many orders from smaller "buy and hold" investors to create a larger, diverse base of investors that is less subject to pricing leverage. Lack of order book diversification driven by over-reliance on large institutional orders results in pricing vulnerability and may inhibit achieving a lowest cost transaction under then current market conditions. Underwriter success in achieving broader distribution will be a significant consideration in performance compensation and bond allocation decisions.

Will Duke Energy and Saber pay in Bond yield for distribution?

No.

Fees for Underwriters: 70% of Total Fees Performance-based

Total fees are estimated to be 25-70 basis points on the principal amount, plus certain expenses. (i.e., standard fees based on the weighted-average life of each Series, with lower fees on the shorter-dated Series and higher fees on the longer-dated Series).

The underwriting discount for each Series will be comprised of:

- 70% selling concession
- 30% management and incentive compensation

The portion of underwriting compensation awarded based on performance for any particular Series might be greater than or less than 70% of total underwriter compensation for that Series as described below. But 70% of aggregate underwriting compensation for the Bonds will be allocated based on performance.

Syndicate Structure

There will be two bookrunning underwriters. Each bookrunner will be guaranteed compensation of at least 15% of total underwriting fees paid i.e., 30% of total economics will be split between the joint bookrunning managers – selling concession and management/incentive compensation fee. The fees for underwriter's counsel will be treated as a transaction cost and not part of the compensation to underwriters.

In addition to the joint bookrunners, there will be 3-6 senior co-managers. Each senior co-manager will be compensated based entirely on sales and performance. Co-managers will be awarded full selling concessions and also eligible for a portion of the management fee/incentive. The 70% performance-based compensation will be allocated among the bookrunners and the senior co-managers based entirely on performance as further described below.

Per Series Underwriting Fees

Final per Series underwriting fees are subject to market conditions at the time based on precedents of other corporate underwritings of similarly rate bonds with similar maturities. Compensation to underwriters may be increased if the underwriters can demonstrate that their extraordinary efforts resulted in a decrease in the all in net present value cost of the transaction substantially in excess of the increase in underwriters' compensation.

The current estimate of total underwriting fees under current market conditions is as follows (subject to change as principal balances in total and by Series are not currently known):

	Weighted Average Life (WAL)	Estimated Principal	Underwriter Compensation – Basis Points of Principal Amount
Series 2018	2	$135,000,000	25-35
Series 2021	5	190,000,000	40-45
Series 2026	10	412,000,000	45-55
Series 2033	17	557,000,000	55-70
		$1,294,000,000	

Performance Defined:

Distribution of the 70% of fees to underwriters will be based on performance, as determined solely in the discretion of Duke Energy and Saber (representing the Commission) jointly, so that all members of the underwriting syndicate are:

- Treated fairly for their efforts and cooperation in achieving our goals as stated above despite the absence of a fiduciary relationship, and
- Rewarded economically for their efforts in producing the lowest cost transaction under then-current market conditions.

The offering plan will be a combination of an "institutional pot" and "retention."

- "Institutional pot orders" are those received from any underwriter for allocation from the total amount of Bonds up for sale, less the Bonds given to any underwriter for retention.
- "Retention Bonds" are those Bonds of each Series requested and given to syndicate members for which they can fill orders of their customers subject to the agreed upon pricing of each Series.

Performance is a combination of sales effort and confirmed sales. Each underwriter will be judged and compensated on individual performance by the same standard. All underwriters, including senior co-managers, will receive the full selling concession fees for all orders received and accepted from the institutional pot and for sales of their Retention Bonds if any.

The following additional factors will be used to assess the performance of each underwriter for additional allocation of the management/incentive compensation:

1. How well your sales force 1) markets the relative value of the Bonds to, and receives orders from, crossover investors, such as traditional buyers of U.S. Agency securities and AAA Corporates such as Johnson & Johnson and Exxon and 2) brings in new crossover investors to the securitized utility bond sector at tight spreads. Our objective is to price the Bonds closer to U.S. Agency securities and AAA corporates across all maturities versus lesser quality ABS credit cards, auto loans or other securities.

2. Number and diversity of buyers, particularly traditional buyers from the U.S. Agency and corporate sectors. In general, investors that accept lower yields/credit spreads will be preferred (i.e., orders that are at the tight end of the announced talk and stick through any announced repricing); however, we will allocate bonds to non-traditional investors if we believe them to be "buy and hold" investors and not potential "flippers" who may sell quickly in the aftermarket. If an underwriter provides a few large orders versus many smaller orders at the same price, fees paid for the larger order may likely be reduced (i.e., credit for such order will likely be spread across multiple underwriters) while compensation for the smaller orders maintained or increased.

3. How well you keep Duke Energy and Saber informed *on a confidential basis* of your efforts and results in soliciting institutional pot orders.

4. Whether an underwriter's efforts helped drive the transaction's final pricing tighter by creating additional demand and competition even if the underwriter's effort did not result in any confirmed sales for the underwriter.

5. It is important there be cooperative participation in the transaction for investor education and orders, i.e., we do not want investment bankers fighting over designations, allocations or other matters versus getting the greatest number of orders in the book at the tightest possible spread for each Series. Nor do we want syndicate "protocols" to prevent the free flow of information to Duke Energy and Saber from co-managers. Consequently, each underwriter is encouraged (and will be compensated accordingly) to keep the bond team informed *on a timely and a confidential basis* of its efforts and results in soliciting institutional pot orders. This will allow us to determine performance and what is in the best interests of the deal, when evaluating the recommendations of the underwriters.

Bond Allocations to Investors

Allocations from the institutional pot are subject to Duke Energy and Saber approval. Duke Energy and Saber will make allocations from the institutional pot orders. When evaluating any allocation recommendations by the book-running managers, Duke Energy and Saber will judge performance based on what will achieve the lowest cost of funds and what will assist in developing a liquid secondary market for the Bonds.

Duke Energy and Saber will direct the allocation of performance-based portion of fees with the goal of firms being rewarded appropriately and fairly for their efforts solely with respect to this transaction, within the 90-day settlement procedures, in accordance with a standard agreement among underwriters.

SEC Registration

Duke plans to file documents with the SEC related to the Bonds and provide continuing disclosure in accordance with a 2007 SEC legal interpretation and no-action letter issued to MP Environmental Funding and to PE Environmental Funding, so that the issuer is not an asset-backed issuer and the Nuclear Asset-Recovery Bonds are not asset-backed securities under applicable SEC regulations.

Financing Order

The Financing Order was the result of extensive discussions with the Commission and all of Duke Energy's customer groups. It was a unanimous settlement of the issues and is an important transaction for Duke Energy and the Commission. The Financing Order contains important parameters for this transaction and is available at the http://www.psc.state.fl.us/library/filings/15/07364-15/07364-15.pdf.

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

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF documents provided to the Bond Team	Attachment bearing Bates number CR3BondTeam00106, the text of the email dated January 06, 2016 beginning with the fourteenth word of the first sentence.	§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.
DEF documents provided to the Bond Team	Attachment bearing Bates number CR3BondTeam00107, first two sentences at the top of the page; the first sentence of the January 05, 2016 email from Paul McNutt to Bryan Buckler; the first two sentences of the January 05, 2016 06:04 PM email from Bryan Buckler to Paul McNutt	§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.

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF documents provided to the Bond Team	Attachment bearing Bates number CR3BondTeam00108, the January 05, 2016 4:30 PM email message from Paul McNutt to Stephen De May and Bryan Buckler.	§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 BRYAN BUCKLER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval to include in base rates the revenue requirement for the CR3 regulatory asset, by Duke Energy Florida, Inc.	DOCKET NO. 150148-EI
In re: Petition for issuance of nuclear asset-recovery financing order, by Duke Energy Florida, Inc. d/b/a Duke Energy.	DOCKET NO. 150171-EI DATED: February 1, 2016

AFFIDAVIT OF BRYAN BUCKLER IN SUPPORT OF DUKE ENERGY FLORIDA'S TWELFTH REQUEST FOR CONFIDENTIAL CLASSIFICATION

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

BEFORE ME, the undersigned authority duly authorized to administer oaths, personally appeared Bryan Buckler, who being first duly sworn, on oath deposes and says that:

1. My name is Bryan Buckler. I am over the age of 18 years old and I have been authorized by Duke Energy Florida (hereinafter "DEF" or the "Company") to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's Request for Confidential Classification. The facts attested to in my affidavit are based upon my personal knowledge.

2. I am the Director of Regulated Accounting for Duke Energy Business Services, LLC, a service company affiliate of DEF.

3. Effective August 15, 2015, I became the Director of Regulated Accounting for Duke Energy Corporation ("Duke Energy"). In this role I am responsible for accounting and financial reporting for all of Duke Energy's regulated subsidiaries, including Duke Energy Florida. However, I will still serve as DEF's Treasury witness in this proceeding, and will continue to report to Stephen De May, Senior Vice President and Treasurer of Duke Energy and DEF, for purposes of the nuclear asset-recovery bond transaction.

4. DEF is seeking confidential classification for portions of DEF's documents provided to the Bond Team. The confidential information at issue is contained in confidential Exhibit A to this Request and is outlined in DEF's Justification Matrix that is attached to DEF's Request for Confidential Classification as Exhibit C. DEF is requesting confidential classification of this information because it contains sensitive business information, the disclosure of which would impair the Company's efforts to contract for goods and services on favorable terms.

5. Portions of the documents provided to the Bond Team (specifically Bates numbers CR3BondTeam000106 through CR3BondTeam000108), contain sensitive business information including communications between DEF and a representative of RBC Capital Markets ("RBC"). DEF has been engaging in discussions with RBC as to whether RBC is willing to participate as a joint book runner in the securitization bond transaction. RBC is experienced in such transactions and can assist DEF in obtaining the lowest all-in cost of funds for the Nuclear Asset Recovery Bonds. Portions of these Bond Team documents contain negotiations concerning underwriter compensation for joint book runners that would adversely impact DEF's competitive business interests if disclosed to the public. In order to obtain specialized book runner assistance, DEF must

be able to assure financial institutions that sensitive business information, such as compensation awarded to bookrunners will be kept confidential. With respect to the information at issue in this request, DEF has kept confidential and has not publicly disclosed confidential compensation rates and similar competitive information. Absent such measures, financial marketing firms who otherwise would contract with DEF might decide not to do so if DEF did not keep the compensation negotiations confidential. If other third parties are made aware of confidential compensation negotiations that DEF has with other parties, they may offer DEF less competitive contractual compensation rates in the future. Without DEF's measures to maintain the confidentiality of sensitive negotiations in these communications between DEF and third parties, the Company's efforts to obtain competitive prices for its financial needs could be compromised by competitors changing their position or behavior in future contractual negotiations.

6. Additionally, the above-referenced Bates numbered attachments contain sensitive business information which could adversely impact competitive business interests of the financial marketing firms providing financial services to DEF for the securitization project. RBC has requested, and DEF has agreed, that DEF maintain this information as confidential. If RBC and other similarly situated potential business partners could not be assured that DEF abided by its agreements to maintain information as confidential, RBC and other potential third parties may be unwilling to participate in this transaction. Absent such confidentiality measures, third party financial marketing firms would run the risk that sensitive business information that they provided in their communications with DEF would be made available to the public and, as a result, end up in possession of potential competitors. Faced with that risk, the efforts to competitively

negotiate financial service agreements with companies such as DEF could be undermined.

7. Upon receipt of confidential information from financial marketing firms working with DEF, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the documents and information provided, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information and documents. At no time since receiving the emails in question has the Company publicly disclosed this information. The Company has treated and continues to treat the documents at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated the 28 day of January, 2016.

Bryan Buckler

(Signature)

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

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 28th day of January, 2016 by BRYAN BUCKLER. He is personally known to me, or has produced his North Carolina driver's license, or his ____________________ as identification.

Heather M. Schleicher

(Signature)

Heather M. Schleicher

(Printed Name)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF North Carolina

2/23/2020

(Commission Expiration Date)

____

(Serial Number, If Any)

HEATHER M. SCHLEICHER
NOTARY PUBLIC
MECKLENBURG COUNTY
NORTH CAROLINA
MY COMMISSION EXPIRES 2/3/2020