



Matthew R. Bernier
ASSOCIATE GENERAL COUNSEL

August 9, 2019

VIA ELECTRONIC FILING

Adam J. Teitzman, 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 2019001-EI

Dear Mr. Teitzman:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC (DEF), DEF's Request for Confidential Classification in connection with Exhibit __ (JM-1P), to the Direct Testimony of James McClay. The filing includes the following:

- DEF's Request for Confidential Classification
- Exhibit A (slipsheet only);
- Redacted Exhibit B (two copies);
- Exhibit C (justification matrix); and
- Exhibit D (Affidavit of James McClay).

DEF's confidential Exhibit A related to 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 (850) 521-1428.

Sincerely,

/s/ Matthew R. Bernier

Matthew R. Bernier

MRB/cmkn
Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 20190001-EI

Dated: August 9, 2019

**DUKE ENERGY FLORIDA'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Duke Energy Florida, LLC (“DEF” or “Company”), pursuant to Section 366.093, Florida Statutes (F.S.) and Rule 25-22.006, Florida Administrative Code, submits this Request for Confidential Classification for certain information contained in Exhibit ___(JM-1P), to the Direct Testimony of James McClay, filed on August 9, 2019, in the above-referenced docket. In support of this Request, DEF states:

1. Exhibit ___(JM-1P), DEF’s Supplemental Hedging Report for the period January 2019 through March 2019, contains 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 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 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 basis 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 the actual hedging data such as forecasted hedging percentages, hedging amounts, volumes, hedging costs, and hedging gains/losses, the disclosure of which would impair the efforts of the Company or its affiliates to negotiate on favorable terms. *See* § 366.093(3)(d), F.S.; Affidavit of James McClay at ¶ 5. Furthermore, the information at issue relates to the competitive interests of DEF and its natural gas suppliers, the disclosure of which would impair their competitive businesses. § 366.093(3)(e), F.S.; Affidavit of James McClay at ¶¶ 5 and 6. Accordingly, such information constitutes “proprietary confidential business information” which is exempt from disclosure under the Public Records Act pursuant to § 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 James McClay at ¶ 7. The information has not been disclosed to the public, and the Company has treated and continues to treat the information at issue as confidential. *See* Affidavit of James McClay at ¶ 7.

5. DEF requests that the information identified in Exhibit A be classified as “proprietary confidential business information” within the meaning of § 366.093(3), F.S., that the information remain confidential for a period of at least 18 months as provided in

§ 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 9th day of August, 2019.

/s/ Matthew R. Bernier
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 9th day of August, 2019.

/s/ Matthew R. Bernier

Attorney

<p>Suzanne Brownless Office of General Counsel FL Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 sbrownle@psc.state.fl.us</p> <p>J. Beasley / J. Wahlen / M. Means Ausley McMullen P.O. Box 391 Tallahassee, FL 32302 jbeasley@ausley.com jwahlen@ausley.com mmeans@ausley.com</p> <p>Steven Griffin Beggs & Lane P.O. Box 12950 Pensacola, FL 32591 srg@beggslane.com</p> <p>Russell A. Badders Gulf Power Company One Energy Place Pensacola, FL 32520 russell.badders@nexteraenergy.com</p> <p>Holly Henderson Gulf Power Company 215 S. Monroe St., Ste. 618 Tallahassee, FL 32301 holly_henderson@nexteraenergy.com</p> <p>Kenneth A. Hoffman Florida Power & Light Company 134 W. Jefferson Street Tallahassee, FL 32301-1713 ken_hoffman@fpl.com</p> <p>Jon C. Moyle, Jr. Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com mqualls@moylelaw.com</p>	<p>J.R. Kelly / P. Christensen / T. David / S. Morse Office of Public Counsel 111 W. Madison St., Room 812 Tallahassee, FL 32399-1400 kelly.jr@leg.state.fl.us christensen.patty@leg.state.fl.us david.tad@leg.state.fl.us morse.stephanie@leg.state.fl.us</p> <p>Ms. Paula K. Brown Tampa Electric Company P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com</p> <p>Maria Moncada / Joel Baker Florida Power & Light Company 700 Universe Blvd. (LAW/JB) Juno Beach, FL 33408-0420 maria.moncada@fpl.com joel.baker@fpl.com</p> <p>James Brew / Laura Wynn Stone Law Firm 1025 Thomas Jefferson St., N.W. Suite 800 West Washington, DC 20007 jbrew@smxblaw.com law@smxblaw.com</p> <p>Robert Scheffel Wright / John T. LaVia, III c/o Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com jlavia@gbwlegal.com</p> <p>Mike Cassel Florida Public Utilities Company 1750 S. 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com</p> <p>Beth Keating Gunster, Yoakley & Stewart, P.A. 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 bkeating@gunster.com</p>
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Exhibit A

“CONFIDENTIAL”

(submitted under separate cover)

Exhibit B

REDACTED

(two copies)

CONFIDENTIAL

Duke Energy Florida
Natural Gas Hedging Detail

Natural Gas	Savings/(Cost) on Hedges			Hedged Volumes (MMBtu's)			Actual Burn (Generation & Tolling)	Hedged Burns	% Hedged with Financial	% Hedged with Physical
	Financial	Physical	Total	Financial	Physical	Total Hedged				
Year										
Jan-19							19,812,300			
Feb-19							18,424,800			
Mar-19							17,991,900			
YTD	\$100,700	\$0	\$100,700	3,150,000	0	3,150,000	56,229,000	6%	100%	0%

REDACTED

DEF Gas Hedging Status
CONFIDENTIAL

As of March 31, 2019

Physical/ Financial	Instrument	Put/Call	Month	Trade Number	Counterparty	Market	Location	Volume	Fixed Price (\$/MMBtu)	Settlement (\$/MMBtu)	Savings/Cost on Hedge	Actual/Projected Burns	% Hedged
Financial	Financial Swap		1/1/2019	3413590	BKMONTREAL	IFERC	Henry Hub			\$3.6500			
Financial	Financial Swap		1/1/2019	3407033	BKMONTREAL	IFERC	Henry Hub			\$3.6500			
Financial	Financial Swap		1/1/2019	3415207	Citigroup Energy E	IFERC	Henry Hub			\$3.6500			
Financial	Financial Swap		1/1/2019	3407887	Citigroup Energy E	IFERC	Henry Hub			\$3.6500			
Financial	Financial Swap		1/1/2019	3409077	JPMorganChase Bank E	IFERC	Henry Hub			\$3.6500			
Financial	Financial Swap		1/1/2019	3411171	Merrill LynchCom E EM	IFERC	Henry Hub			\$3.6500			
Financial	Financial Swap		1/1/2019	3412832	Scotia Bank	IFERC	Henry Hub			\$3.6500			
			1/1/2019 Total									19,812,300	
Financial	Financial Swap		2/1/2019	3413590	BKMONTREAL	IFERC	Henry Hub			\$2.9500			
Financial	Financial Swap		2/1/2019	3407033	BKMONTREAL	IFERC	Henry Hub			\$2.9500			
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Financial	Financial Swap		2/1/2019	3412832	Scotia Bank	IFERC	Henry Hub			\$2.9500			
			2/1/2019 Total									18,424,800	
Financial	Financial Swap		3/1/2019	3413590	BKMONTREAL	IFERC	Henry Hub			\$2.8600			
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Financial	Financial Swap		3/1/2019	3412832	Scotia Bank	IFERC	Henry Hub			\$2.8600			
			3/1/2019 Total									17,991,900	

CONFIDENTIAL

Duke Energy Florida
Natural Gas Hedging Detail

Natural Gas	Savings/(Cost) on Hedges			Hedged Volumes (MMBtu's)			Actual Burn (Generation & Tolling)	Hedged Burns	% Hedged with Financial	% Hedged with Physical
	Financial	Physical	Total	Financial	Physical	Total Hedged				
Year										
Jan-19							19,812,300			
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YTD	\$100,700	\$0	\$100,700	3,150,000	0	3,150,000	56,229,000	6%	100%	0%

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DEF Gas Hedging Status
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As of March 31, 2019

Physical/ Financial	Instrument	Put/Call	Month	Trade Number	Counterparty	Market	Location	Volume	Fixed Price (\$/MMBtu)	Settlement (\$/MMBtu)	Savings/Cost on Hedge	Actual/Projected Burns	% Hedged
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Financial	Financial Swap		3/1/2019	3412832	Scotia Bank	IFERC	Henry Hub			\$2.8600			
			3/1/2019 Total									17,991,900	

Exhibit C

DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
Exhibit __ (JM-1P), to the Direct Testimony of James McClay, “Attachment A”- January 2019 – March 2019 Hedging Data	Page 1 of 2 Hedging Summary: Natural Gas-entire rows titled: January through March 2019, section titled Hedging Volumes (MMBtu’s)-entire rows titled January through March 2019. All information under columns titled Hedged burns, % Hedged with Financial, and % Hedged with Physical.	<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>
Exhibit __ (JM-1P), to the Direct Testimony of James McClay -January 2019 through March 2019 Hedging Data	“DEF Gas Hedging Status Details”- Page 2 of 2 : entire column titled: volume, fixed price (\$/MMBtu), savings/costs on hedges, and % hedged for months January 2019 through March 2019 by counterparty.	<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>

Exhibit D

AFFIDAVIT OF JAMES MCCLAY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 20190001-EI

Dated: August 9, 2019

**AFFIDAVIT OF JAMES McCLAY IN SUPPORT OF
DUKE ENERGY FLORIDA, LLC'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

1. My name is James McClay. 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 Trading in the Fuel Procurement Department. I manage the natural gas group procurement, scheduling and hedging activities in the Fuel Procurement Section of the Fuels and Systems Optimization Department for the Duke Energy regulated generation fleet.

3. As the Director Trading, I am responsible, along with the other members of the section, for natural gas procurement, scheduling and financial hedging for the natural gas activities

needed to support the generation needs for DEI, DEK, DEC, DEF, and DEP electrical power generation facilities.

4. DEF is seeking confidential classification information contained in Exhibit___ (JM-1P), to my direct testimony, DEF's Hedging Report for the period of January 2019 through March 2019, filed on August 9, 2019. The confidential information at issue is contained in confidential Exhibit A to DEF's Request and is outlined in DEF's Justification Matrix that is attached to DEF's Request as Exhibit C. DEF is requesting confidential classification of this information because it contains sensitive business information, the disclosure of which would impair the Company's efforts to contract for goods or services on favorable terms.

5. DEF negotiates with potential fuel suppliers to obtain competitive contracts for fuel options that provide economic value to DEF and its customers. In order to obtain such contracts, however, sensitive business information, such as volumes, hedging percentages, and hedging costs, 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 volumes, hedging costs and itemized hedging gains/losses. Absent such measures, suppliers would run the risk that sensitive business information that they provided in their bids/contracts with DEF would be made available to the public and, as a result, end up in possession of potential competitors and suppliers and market competitors would have access to sensitive business information DEF uses to plan and execute its fuel procurement processes. With this non-public information, those suppliers or market competitors could alter their behavior to the detriment of DEF and its customers. Faced with that risk, persons or companies who otherwise would contract with DEF might decide not to do so if DEF did not keep specific information confidential. Without DEF's

measures to maintain the confidentiality of sensitive terms in contracts between DEF and fuel suppliers, the Company's efforts to obtain competitive fuel supply contracts could be undermined.

6. Additionally, the disclosure of confidential information in DEF's fuel supply contracts, 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 customers could be compromised by DEF's competitors changing their consumption or purchasing behavior within the relevant markets.

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

8. This concludes my affidavit.

Further affiant sayeth not.

Dated the 9th day of August, 2019.

James McClay
(Signature)
James McClay
Director Trading
Fuels Procurement Department
Duke Energy
526 South Church
Charlotte, NC 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 9 day of August, 2019 by James McClay. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

Mary B Vicknair
(Signature)
Mary B Vicknair
(Printed Name)
NOTARY PUBLIC, STATE OF _____
North Carolina
(Commission Expiration Date)
09/21/2022
(Serial Number, If Any)

