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

March 21, 2014

#### VIA OVERNIGHT DELIVERY

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. 140001-EI

#### Dear Ms. Stauffer:

Please find enclosed for filing on behalf of Duke Energy Florida, Inc. ("DEF"), an original and (7) copies of DEF's Request for Confidential Classification for certain information in response to Staff's First Set of Interrogatories (Nos. 1-11) and Staff's First Request for Production of Documents (No. 1). The original includes Attachments A, B, C and D.

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,

MRB/mw Enclosures

Matthew R. Bernier

Sr. Counsel

Matthew.Bernier@duke-energy.com

AFD 2 + EXA PS
APA 1
ECO 1
ENG 1
GCL 1
IDM 1
TEL

CLK

#### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 21st day of March, 2014 to all parties of record as indicated below.

Matthew R Bernier

Martha Barrera, Esq.
Julia Gilcher
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
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mbarrera@psc.state.fl.us
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Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steven R. Griffin Beggs & Lane Law Firm P.O. Box 12950 Pensacola, FL 32591 srg@beggslane.com

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Florida Power & Light Co.
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Ms. Paula K. Brown Tampa Electric Company P.O. Box 111 Tampa, FL 33601 regdept@tecoenergy.com

Ms. Cheryl Martin Florida Public Utilities Company 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409 Cheryl martin@fpuc.com

Robert Scheffel Wright John T. LaVia, III c/o Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 Schef@gbwlegal.com

Robert L. McGee, Jr. One Energy Place Pensacola, FL 32520 rlmcgee@southernco.com

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J.R. Kelly/P. Christensen/J. McGlothlin Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32393 Kelly.Jr@leg.state.fl.us Rehwinkel.charles@leg.state.fl.us Mcglothlin.joseph@leg.state.fl.us

James W. Brew/F. Alvin Taylor Brickfield Law Firm 1025 Thomas Jefferson Street NW, 8th Floor Washington, DC 20007 jbrew@bbrslaw.com

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

incentive factor.

Docket No. 140001-EI

Dated: March 21, 2014

## DUKE ENERGY FLORIDA INC.'S REQUEST FOR CONFIDENTIAL CLASSIFICATION

Duke Energy Florida, Inc., ("DEF" or "Company"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code (F.A.C.), submits this Request for Confidential Classification for certain information provided in response to Staff's First Set of Interrogatories (Nos. 1-11) and Staff's First Request for Production of Documents (No. 1) propounded on DEF. In support of this Request, DEF states:

- 1. In response to Staff's First Set of Interrogatories (specifically Questions 1, 3, 6, and 8, Attachments A, C and D) and Staff's First Request for Production of Documents (No. 1, specifically Attachment A), DEF has provided responses containing information that is "proprietary 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 unreducted 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 unreducted 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, 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 competitively negotiated data, such as bid evaluations and fuel supply contracts, the disclosure of which would impair the efforts of the Company or its affiliates to negotiate fuel supply contracts on favorable terms. See § 366.093(3)(d), F.S.; Affidavits of Brett Phipps and Joseph McCallister at ¶ 5. Furthermore, the information at issue relates to the competitive interests of DEF and its fuel suppliers, the disclosure of which would impair their competitive businesses. *See* § 366.093(3)(e), F.S.; Affidavits of Brett Phipps and 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 Affidavits of Brett Phipps and Joseph McCallister, at ¶ 7. The information has not been disclosed to the public, and the Company has treated and continues to treat the information and contracts at issue as confidential. See Affidavits of Brett Phipps and Joseph McCallister, at ¶ 7.

5. DEF requests that the information identified in Exhibit A be classified as "proprietary confidential business information" within the meaning of section 366.093(3), F.S., that the information remain confidential for a period of at least 18 months as provided in section 366.093(4) F.S., and that the information be returned as soon as it is no longer necessary for the Commission to conduct its business.

WHEREFORE, for the foregoing reasons, DEF respectfully requests that this Request for Confidential Classification be granted.

RESPECTFULLY SUBMITTED this 21st day of March, 2014.

DIANNE M. TRIPLET

Associate General Counsel

MATTHEW R. BERNIER

Senior Counsel

Duke Energy Florida, Inc.

299 First Avenue North

St. Petersburg, FL 33701

Email: Dianne.Triplett@duke-energy.com

Email: Matthew.Bernier@duke-energy.com

Attorneys for

Duke Energy Florida, Inc.

#### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via email this 21<sup>st</sup> day of March, 2014 to all parties of record as indicated below.

Matthew R. Bernier

Martha Barrera, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
mbarrera@psc.state.fl.us

James D. Beasley, Esq./J. Wahlen, Esq./ A. Daniels, Esq. Ausley & McMullen Law Firm P.O. Box 391 Tallahassee, FL 32302 jbeasley@ausley.com

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J.R. Kelly/P. Christensen/J. McGlothlin Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32393 Kelly.Jr@leg.state.fl.us Rehwinkel.charles@leg.state.fl.us Mcglothlin.joseph@leg.state.fl.us

## Exhibit A "CONFIDENTIAL"

# Exhibit B REDACTED

#### DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF Response to Staff's First Set of Interrogatories (Nos. 1- 11)	Question 1, Attachment A: list of coal bids, tonnage, supplier, delivered price & evaluations, confidential in its entirety (Bates Nos. DEF-14FL-00095).	§366.093(3)(d), F.S. The document in question contains confidential contractual and bid information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.
	Question 3, Attachment D:list of contractual monthly demurrage amounts and counterparty names (Bates No. DEF-14FL-000096)	§366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which
	Question 6: All information after the first instance of "DEF" on the second line of the response and before "during"; all information after the second instance of "DEF" on the second line; all information on the third line of the response; and all information preceding "In summary" on the fourth line of the response.	interests, the disclosure of which would impair the competitive business of the provider/owner of the information.
	Question 8, Attachment C: natural gas bids & evaluations, confidential in its entirety (Bates Nos. DEF-14FL-00107 thru DEF-14FL-00109)	

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF Response to Staff's First Request for Production of Documents (No. 1)	Attachment A: 2013 coal supply contracts/amendments, confidential in their entirety. Bates Nos. DEF-14FL-000001 thru DEF-14FL-000087	§366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.  §366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.

## Exhibit D

## AFFIDAVIT OF JOSEPH MCCALLISTER

### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 140001-EI

Dated: March 21, 2014

#### 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 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.
- As the Director of Natural Gas, Oil and Emissions, I am responsible, along with the other members of the section, for the management of the gas and oil

procurement, transportation, hedging activities and administration of gas and oil contracts with various suppliers for DEI's, DEK's, DEC's, DEF's and DEP's electrical power generation facilities.

- 4. DEF is seeking confidential classification for certain responses to Staff's First Set of Interrogatories (Nos. 1-11), specifically Question 1, 6, and 8 and Attachments A and C thereto and to Staff's First Request for Production of Documents, specifically No. 1, Attachment A, submitted on March 21, 2014. A detailed description of the confidential information at issue is contained in confidential Exhibit A to DEF's Request for Confidential Classification 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, DEF must be able to assure fuel suppliers that sensitive business information, such as bid evaluations, pricing, and quantities of fuel, will be kept confidential. With respect to the information at issue in this Request, DEF has kept confidential and has not publicly disclosed confidential information pertaining to the RFP bid evaluations for natural gas and light oil. Absent such measures, suppliers would run the risk that sensitive business information that they provided in their bids/contracts with DEF would be made available to the public and, as a result, end up in possession of potential competitors. Faced with that risk, persons or companies who

otherwise would contract with DEF might decide not to do so if DEF did not keep specific information confidential. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and fuel suppliers, the Company's efforts to obtain competitive fuel supply contracts could be undermined.

- 6. Additionally, the disclosure of confidential information in the RFP bid evaluations, could adversely impact DEF's competitive business interests. If such information was disclosed to DEF's competitors, DEF's efforts to obtain competitive fuel supply options that provide economic value to both DEF and its ratepayers could be compromised by DEF's competitors changing their consumption or purchasing behavior within the relevant markets.
  - 7. Upon receipt of confidential information from fuel suppliers, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information. At no time since receiving the bid/contract 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.
    - This concludes my affidavit.

Further affiant sayeth not.

Dated the 14th day of March, 2014.

/diapatura

Joseph McCallister

Director - Natural Gas, Oil and Emissions

Fuels Procurement Department

Duke Energy

526 South Church St.

Charlotte, NC 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 14th day of March, 2014 by Joseph McCallister. He is personally known to me, or has produced his North Carolina driver's license, or his \_\_\_\_\_\_ as identification.



Kita & X

(Signature)

Rita G Kale

(Printed Name)

NOTARY PUBLIC, STATE OF NC

June 17, 2017

(Commission Expiration Date)

(Serial Number, If Any)

# Exhibit D AFFIDAVIT OF

**BRETT PHIPPS** 

### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 140001-EI

Dated: March 21, 2014

#### AFFIDAVIT OF BRETT PHIPPS 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 Brett Phipps, who being first duly sworn, on oath deposes and says that:

- 1. My name is Brett Phipps. 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 Fuel Procurement in the Fuels and Power

  Optimization Department. This section is responsible for fuel acquisition for the Duke

  Energy Indiana ("DEI"), Duke Energy Kentucky ("DEK"), Duke Energy Carolina

  ("DEC"), and Duke Energy Progress (DEP), and DEF systems.
- As the Director of Fuel Procurement, I participate in all aspects of the overall strategic direction and commercial management of the purchase, delivery and

storage of fossil fuels that the Duke Energy regulated utilities use for the generation of electricity. As part of this activity, I monitor and provide guidance in the various areas of fuel markets, including feedback regarding supply and demand, price, quality, availability, economics and deliverability. These fuel reviews cover both existing and potential future supply sources. I also supervise the Company's fuel procurement activity, including the negotiation and administration of long-term and spot purchase contracts. In addition to fuels, I also supervise procurement of reagents (products used by environmental control systems), optimization emission allowances, commercial strategy for coal combustion products and byproducts, and the overall fuel inventories for the regulated fossil generation fleet.

- 4. DEF is seeking confidential classification for certain responses to Staff's First Set of Interrogatories (Nos. 1-11), specifically Questions 1, 3, 6, 7, Attachments A & D, and to Staff's First Request for Production of Documents (No. 1) submitted on March 21, 2014. A detailed description of the confidential information at issue is contained in confidential Exhibit A to DEF's Request for Confidential Classification 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, DEF must be able to assure fuel suppliers that

sensitive business information, such as bid evaluations and coal supply contracts, will be kept confidential. With respect to the information at issue in this Request, DEF has kept confidential and has not publicly disclosed confidential information pertaining to the 2013 coal supply contracts. Absent such measures, suppliers would run the risk that sensitive business information that they provided in their bids/contracts with DEF would be made available to the public and, as a result, end up in possession of potential competitors. Faced with that risk, persons or companies who otherwise would contract with DEF might decide not to do so if DEF did not keep specific information confidential. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and fuel suppliers, the Company's efforts to obtain competitive fuel supply contracts could be undermined.

- 6. Additionally, the disclosure of confidential information in the coal 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 ratepayers could be compromised by DEF's competitors changing their consumption or purchasing behavior within the relevant markets.
- 7. Upon receipt of confidential information from fuel suppliers, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information. At no time since receiving the contract 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.	
Furth	ner affiant sayeth not.	
Date	d the 13th day of March, 2014.  Signature) Brett Phipps Director – Fuel Procurement Fuels and Power Optimization Department Duke Energy 526 South Church Street Charlotte, NC 28202	
THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of March, 2014 by Brett Phipps. He is personally known to me, or has produced his driver's license, or his as identification.		
Do	NOTARIAL SEAL)  IOTARIAL SEAL)  IOTARIAL SEAL)  IOTARIAL SEAL)  IOTARIAL SEAL)  IOTARIAL SEAL)  IOTARY PUBLIC, STATE OF NC  IOTARY Public, 2019  (Coyumission Expiration Date)  (Serial Number, If Any)	

# Exhibit B REDACTED

(entire document)

## Attachment A

Bates Nos. DEF-14FL-000088 through DEF-14FL-000095

(entire document)

## Attachment A

Bates Nos. DEF-14FL-000088 through DEF-14FL-000095

(entire document)

## Attachment C

Bates Nos. DEF-14FL-000107 through DEF-14FL-000109

## **REDACTED** (entire document)

## Attachment C

Bates Nos. DEF-14FL-000107 through DEF-14FL-000109

(entire document)

## Attachment D

Bates Nos. DEF-14FL-000096

## **REDACTED** (entire document)

## Attachment D

Bates Nos. DEF-14FL-000096

 In 2013, did Duke participate in any capacity discussions or bid for any firm pipeline capacity during "open season"? Please explain your response and identify the pipeline companies.

Answer:

#### **REDACTED**

DEF engages in ongoing discussions with s	suppliers and pipelines to stay abreast of
developments. DEF	during 2013. DEF
	. In summary, this agreement supports
DEF's on-going strategy to access onshore	natural gas supply to meet its existing natural
gas generation needs.	

6. In 2013, did Duke participate in any capacity discussions or bid for any firm pipeline capacity during "open season"? Please explain your response and identify the pipeline companies.

Answer:

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	Question 6: All information after the first instance of "DEF" on the second line of the response and before "during"; all information after the second instance of "DEF" on the second line; all information on the third line of the response; and all information preceding "In summary" on the fourth line of the response.	would impair the competitive business of the provider/owner of the information.
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## Exhibit D

## AFFIDAVIT OF BRETT PHIPPS

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 140001-EI

Dated: March 21, 2014

#### AFFIDAVIT OF BRETT PHIPPS IN SUPPORT OF DUKE ENERGY FLORIDA'S REQUEST FOR CONFIDENTIAL CLASSIFICATION

STATE OF NORTH CAROLINA

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

- 1. My name is Brett Phipps. 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 Fuel Procurement in the Fuels and Power

  Optimization Department. This section is responsible for fuel acquisition for the Duke

  Energy Indiana ("DEI"), Duke Energy Kentucky ("DEK"), Duke Energy Carolina

  ("DEC"), and Duke Energy Progress (DEP), and DEF systems.
- As the Director of Fuel Procurement, I participate in all aspects of the overall strategic direction and commercial management of the purchase, delivery and

storage of fossil fuels that the Duke Energy regulated utilities use for the generation of electricity. As part of this activity, I monitor and provide guidance in the various areas of fuel markets, including feedback regarding supply and demand, price, quality, availability, economics and deliverability. These fuel reviews cover both existing and potential future supply sources. I also supervise the Company's fuel procurement activity, including the negotiation and administration of long-term and spot purchase contracts. In addition to fuels, I also supervise procurement of reagents (products used by environmental control systems), optimization emission allowances, commercial strategy for coal combustion products and byproducts, and the overall fuel inventories for the regulated fossil generation fleet.

- 4. DEF is seeking confidential classification for certain responses to Staff's First Set of Interrogatories (Nos. 1-11), specifically Questions 1, 3, 6, 7, Attachments A & D, and to Staff's First Request for Production of Documents (No. 1) submitted on March 21, 2014. A detailed description of the confidential information at issue is contained in confidential Exhibit A to DEF's Request for Confidential Classification 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.
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- 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. At no time since receiving the contract 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.

confidential.		
8.	This concludes my affidavit.	
Furthe	er affiant sayeth not.	
Dated	the <u>/3</u> day of March, 2014.	(Signature) Brett Phipps Director – Fuel Procurement Fuels and Power Optimization Department Duke Energy 526 South Church Street Charlotte, NC 28202
13 day of M	March, 2014 by Brett Phipps. He driver's license	was sworn to and subscribed before me this e is personally known to me, or has produced, or his as
Donna Nota Wak North	TARIAL SEAL)  a J. Sears  ary Public  ke County  th Carolina  Expires Jan. 16, 2019	(Signature)  DONNA J. SEARS  (Printed Name)  NOTARY PUBLIC, STATE OF NC    Lanuary 16, 2019  (Commission Expiration Date)

## 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. 140001-EI

Dated: March 21, 2014

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- I am the Director of Natural Gas, Oil and Emissions in the Fuel
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   (DEK), Duke Energy Carolinas (DEC), Duke Energy Progress (DEP), and DEF Systems.
- As the Director of Natural Gas, Oil and Emissions, I am responsible, along with the other members of the section, for the management of the gas and oil

procurement, transportation, hedging activities and administration of gas and oil contracts with various suppliers for DEI's, DEK's, DEC's, DEF's and DEP's electrical power generation facilities.

- 4. DEF is seeking confidential classification for certain responses to Staff's First Set of Interrogatories (Nos. 1-11), specifically Question 1, 6, and 8 and Attachments A and C thereto and to Staff's First Request for Production of Documents, specifically No. 1, Attachment A, submitted on March 21, 2014. A detailed description of the confidential information at issue is contained in confidential Exhibit A to DEF's Request for Confidential Classification 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, DEF must be able to assure fuel suppliers that sensitive business information, such as bid evaluations, pricing, and quantities of fuel, will be kept confidential. With respect to the information at issue in this Request, DEF has kept confidential and has not publicly disclosed confidential information pertaining to the RFP bid evaluations for natural gas and light oil. Absent such measures, suppliers would run the risk that sensitive business information that they provided in their bids/contracts with DEF would be made available to the public and, as a result, end up in possession of potential competitors. Faced with that risk, persons or companies who

otherwise would contract with DEF might decide not to do so if DEF did not keep specific information confidential. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and fuel suppliers, the Company's efforts to obtain competitive fuel supply contracts could be undermined.

- 6. Additionally, the disclosure of confidential information in the RFP bid evaluations, could adversely impact DEF's competitive business interests. If such information was disclosed to DEF's competitors, DEF's efforts to obtain competitive fuel supply options that provide economic value to both DEF and its ratepayers could be compromised by DEF's competitors changing their consumption or purchasing behavior within the relevant markets.
- 7. Upon receipt of confidential information from fuel suppliers, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information. At no time since receiving the bid/contract 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 14th day of March, 2014. seph McCallister Director - Natural Gas, Oil and Emissions Fuels Procurement Department Duke Energy 526 South Church St. Charlotte, NC 28202 THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 14th day of March, 2014 by Joseph McCallister. He is personally known to me, or has produced his North Carolina driver's license, or his \_\_\_\_\_\_ as identification. (Signature) Rita G Kale (Printed Name) NOTARY PUBLIC, STATE OF NC June 17, 2017 (Commission Expiration Date) (Serial Number, If Any)