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COMMISSION  
CLERK

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

March 28, 2014

**VIA OVERNIGHT MAIL**

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

**REDACTED**

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 (15) copies of DEF's 2013 Hedging Activity True-up Report. The filing includes the following:

- Direct Testimony of James McClay with Exhibit No. \_\_\_\_ (JM-1T);

Also enclosed for filing is an original and (7) copies of DEF's Request for Confidential Classification for portions of Exhibit No. \_\_\_\_ (JM-1T) to the direct testimony of James McClay and the Affidavit of James McClay in Support of DEF's Request for Confidential Classification.

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,

A handwritten signature in blue ink, appearing to read "Matthew R. Bernier", written over a horizontal line.

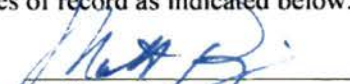
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MRB/mw  
Enclosures

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 28<sup>th</sup> day of March, 2014 to all parties of record as indicated below.

  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 140001-EI

Dated: March 28, 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 the direct testimony of James McClay and Exhibit No. \_\_\_ (JM-1T) dated March 28, 2014. In support of this Request, DEF states:

1. The direct testimony of James McClay, specifically Pages 3 and 4, and Exhibit No. \_\_\_ (JM-1T) contains "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 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.

ADM \_\_\_\_\_  
AFD 2  
APA 1  
ECO 1  
ENG 1  
GCL 1  
IDM 1  
TEL \_\_\_\_\_  
CLK \_\_\_\_\_

(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 hedging percentages, hedging savings/costs and volumes, 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.; Affidavit of James McClay 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.; Affidavit of James McClay 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 James McClay 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* 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 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 28<sup>th</sup> day of May, 2014.



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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via email this 28<sup>th</sup> day of March, 2014 to all parties of record as indicated below.

  
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# **Exhibit A**

**“CONFIDENTIAL”**

# **Exhibit B**

**REDACTED**



**DUKE ENERGY FLORIDA  
Confidentiality Justification Matrix**

<b>DOCUMENT/RESPONSES</b>	<b>PAGE/LINE</b>	<b>JUSTIFICATION</b>
Direct Testimony of James McClay	<p>Page 3 (Lines 11, 12, 14, 16, &amp; 20): hedging target &amp; actual range percentages; and Line 26: estimated and actual hedging percentages for 2013.</p> <p>Page 4 (Line 1): estimated and actual hedging percentages for 2013</p>	<p>§366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Exhibit No. ____ (JM-1T) to the direct testimony of James McClay	<p>Page 1: Monthly breakdown of hedging savings/costs &amp; volumes by commodity for 2013.</p> <p>Pages 2-17: Hedging details by month for January – December 2013, specifically volumes, fixed prices (\$/MMBtu), and hedging savings/costs.</p>	<p>§366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

# **Exhibit D**

## **AFFIDAVIT OF JAMES MCCLAY**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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Docket No. 140001-EI

Dated: March 28, 2014

**AFFIDAVIT OF JAMES MCCLAY 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 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 facts attested to in my affidavit are based  
upon my personal knowledge.

2. I am the Manager of Gas Trading in the Gas, Oil and Emissions Section of  
Fuel Procurement. This section is responsible for natural gas procurement and  
scheduling needed to support the gas generation needs for Duke Energy Indiana (DEI),  
Duke Energy Kentucky (DEK), Duke Energy Carolinas (DEC), Duke Energy Progress  
(DEP), and DEF Systems.

3. As the Manager of Gas Trading, I am responsible, along with the other members of the section for natural gas and oil procurement, scheduling, hedging activities in the Fuel Procurement Section of the Systems Optimization Department for the Duke Energy regulation fleet for DEI, DEK, DEC, DEF and DEP.

4. DEF is seeking confidential classification for portions of the direct testimony of James McClay, specifically Pages 3 and 4, and for portions of Exhibit No. \_\_\_ (JM-1T) to the direct testimony of James McClay dated March 28, 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 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 25 day of March, 2014.

James McClay  
(Signature)  
James McClay  
Manager – Gas Trading, Fuel Procurement

Duke Energy  
526 South Church  
Charlotte, NC 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 25 day of March, 2014 by James McClay. He is personally known to me, or has produced his North Carolina driver's license, or his N/A as identification.



Rita G Kale  
(Signature)  
Rita G Kale  
(Printed Name)  
NOTARY PUBLIC, STATE OF \_\_\_\_\_  
6/17/2017  
(Commission Expiration Date)  
\_\_\_\_\_  
(Serial Number, If Any)