

Matthew R. Bernier
Senior Counsel
Duke Energy Florida, LLC

February 29, 2016

VIA ELECTRONIC FILING

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. 160001-EI

Dear Ms. Stauffer:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF") DEF's Request for Confidential Classification for certain information provided in Attachment B, to DEF's Petition for Mid-Course Correction filed on February 8, 2016. This filing includes:

- DEF's Request for Confidential Classification
- Slipsheet for confidential Exhibit A
- Redacted Exhibit B (two copies)
- Exhibit C (justification matrix), and
- Exhibit D (affidavit of Christopher Menendez)

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. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,

s/Matthew R. Bernier

MRB/mw Enclosures Matthew R. Bernier Senior Counsel

Matthew.Bernier@duke-energy.com

cc: Certificate of Service

Duke Energy Florida, LLC

Docket No.: 160001

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 29th day of February, 2016 to all parties of record as indicated below.

<u>s/Matthew R. Bernier</u> Attorney

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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. 160001-EI

Dated: February 29, 2016

DUKE ENERGY FLORIDA, LLC'S FIRST 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 ("F.A.C."), submits its First Request for Confidential Classification for the confidential information contained in Attachment B, Schedule E12-A, Mid-course Calculation of Projected Capacity Costs, to DEF's Petition for Mid-Course Correction for Fuel and Capacity Cost Recovery Clauses ("Mid-Course Petition") filed in this docket on February 8, 2016. Concurrent with the Mid-Course Petition, DEF filed its Notice of Intent to Request Confidential Classification and on February 11, 2016, filed its Substitute Notice of Intent; accordingly, this Request is timely. In support of this Request, DEF states:

- 1. Portions of the information contained in Attachment B, Schedule E12-A, Midcourse Calculation of Projected Capacity Costs, to DEF's Mid-Course Petition contain 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 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 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.
- 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 contractual cost data pertaining to the Calpine Osprey power purchase agreement. Pursuant to contract, DEF is obligated to maintain the confidentiality of this information, and therefore it qualifies for confidential classification. *See* § 366.093(3)(d), F.S.; Affidavit of Christopher A. Menendez at ¶5. If DEF cannot assure contracting parties that it can maintain the confidentiality of contractual terms, those parties and other similarly situated parties may forego entering contracts with DEF, which would adversely impact DEF's competitive business interests. *See* § 366.093(3)(d), F.S.; Affidavit of Christopher A. Menendez at ¶5-7.
- 4. Furthermore, the information at issue relates to the competitive interests of DEF, its power suppliers, and third parties purchasing DEF's assets (i.e., Batch 19 Nuclear Fuel), the

disclosure of which would impair their competitive businesses. *See* § 366.093(3)(e), F.S.; Affidavit of Christopher A. Menendez at ¶7. Finally, certain information under claim of confidentiality must be protected because disclosure of that information would allow other parties and the public to compute the confidential information discussed above (e.g., cost subtotals and totals), and therefore that information must be protected from public disclosure in order to protect the contractual information at issue. *See* § 366.093(3)(d) and (e), F.S.; Affidavit of Christopher A. Menendez at ¶5. 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.

- 5. The information identified as Exhibit "A" is intended to be and is treated as confidential by the Company. *See* Affidavit of Christopher A. Menendez at ¶8. 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 Christopher A. Menendez at ¶8.
- 6. 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 First Request for Confidential Classification be granted.

s/Matthew R. Bernier

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Duke Energy Florida, LLC

Docket No.: 160001

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I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 29th day of February, 2016 to all parties of record as indicated below.

s/Matthew R. Bernier

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Exhibit A "CONFIDENTIAL"

Exhibit B REDACTED

	I													
		EST												
		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	TOTAL
1	Base Production Level Capacity Costs													
2	Orange Cogen (ORANGECO)	4,541,680	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	57,630,089
3	Orlando Cogen Limited (ORLACOGL)	4,353,900	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	57,748,714
4	Pasco County Resource Recovery (PASCOUNT)	1,677,850	1,677,850	1,677,850	1,677,850	1,677,850	1,677,850	1,677,850	1,677,850	1,677,850	1,677,850	1,677,850	1,677,850	20,134,200
5	Pinellas County Resource Recovery (PINCOUNT)	3,994,013	3,994,013	3,994,013	3,994,013	3,994,013	3,994,013	3,994,013	3,994,013	3,994,013	3,994,013	3,994,013	3,994,013	47,928,156
6	Polk Power Partners, L.P. (MULBERRY/ROYSTER)	6,112,250	6,627,741	6,627,741	6,627,741	6,627,741	6,627,741	6,627,741	6,627,741	6,627,741	6,627,741	6,627,741	6,627,741	79,017,401
7	Wheelabrator Ridge Energy, Inc. (RIDGEGEN)	782,100	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	9,592,506
8	Southern Scherer	1,759,878	1,766,610	1,766,610	1,766,610	1,766,610	-	-	-	-	-	-	-	8,826,318
9	Calpine Osprey													
10	Subtotal - Base Level Capacity Costs													
11	Base Production Jurisdictional Responsibility	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	
12	Base Level Jurisdictional Capacity Costs													
13	Intermediate Production Level Capacity Costs													
14	Southern Franklin	3,256,789	3,288,628	3,288,628	3,288,628	3,288,628	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	44,646,347
15	Schedule H Capacity Sales - NSB	(16,080)	-	-	-	-	-	-	-	-	-	-	-	(16,080)
16	Subtotal - Intermediate Level Capacity Costs	3,240,709	3,288,628	3,288,628	3,288,628	3,288,628	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	44,630,267
17	Intermediate Production Jurisdict. Responsibility	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	
18	Intermediate Level Jurisdict. Capacity Costs	2,356,092	2,390,931	2,390,931	2,390,931	2,390,932	2,932,532	2,932,532	2,932,532	2,932,532	2,932,532	2,932,532	2,932,532	32,447,543
19	Peaking Production Level Capacity Costs													
20	Chattahoochee	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Shady Hills	1,970,869	1,970,868	1,407,765	1,365,741	1,912,038	3,887,109	3,887,109	3,887,109	1,813,983	1,365,741	1,365,741	1,970,868	26,804,941
22	Vandolah (NSG)	2,779,771	2,792,868	2,001,752	1,979,480	2,699,316	5,565,668	5,548,960	5,504,412	2,634,348	1,940,500	1,985,048	2,792,868	38,224,991
23	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Subtotal - Peaking Level Capacity Costs	4,750,640	4,763,736	3,409,517	3,345,221	4,611,354	9,452,777	9,436,069	9,391,521	4,448,331	3,306,241	3,350,789	4,763,736	65,029,932
25	Peaking Production Jurisdictional Responsibility	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	
26	Peaking Level Jurisdictional Capacity Costs	4,557,004	4,569,566	3,270,545	3,208,870	4,423,395	9,067,482	9,051,455	9,008,723	4,267,017	3,171,479	3,214,211	4,569,566	62,379,312
27	Other Capacity Costs													
28	Retail Wheeling	(50,295)	(51,556)	(22,630)	(17,044)	(28,893)	(20,294)	(25,120)	(20,904)	(9,191)	(4,756)	(22,021)	(14,539)	(287,244)
29	Batch 19 Nuclear Fuel													
30	January 2016 True-Up Balance Adjustment (Note A)	14,191,484												
31	Total Capacity Costs (Line 12+18+26+28+29+30)	44,159,642	31,245,749	29,975,654	29,919,565	31,122,243	34,675,614	34,654,761	34,616,245	29,886,252	28,795,149	28,820,616	30,125,394	387,996,884
32	Final True-Up Provision - Jan - Dec 2015												_	35,762,070
33	Total Capacity Costs w/ True-Up													423,758,954
34	Revenue Tax Multiplier													1.00072
35	Total Recoverable Capacity Costs													424,064,061
36	Nuclear Cost Recovery Clause													56,469,745
37	Revenue Tax Multiplier													1.00072
37	Total Recoverable Nuclear Costs - as approved in												_	1.00072
38	Order No. PSC-15-0586-FOF-EI													56,510,403
39	Total Recov Capacity & Nuclear Costs (Line 35+38)												_	480,574,464
40	Total Recov Capacity & Nuclear Costs - as approved in Order No. PSC-15-0586-FOF-EI												_	454,282,819
41	Proposed Adjustment (Line 39 - Line 40)													26,291,645
														, . ,

	I													
		EST												
		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	TOTAL
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2	Orange Cogen (ORANGECO)	4,541,680	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	4,826,219	57,630,089
3	Orlando Cogen Limited (ORLACOGL)	4,353,900	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	4,854,074	57,748,714
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7	Wheelabrator Ridge Energy, Inc. (RIDGEGEN)	782,100	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	9,592,506
8	Southern Scherer	1,759,878	1,766,610	1,766,610	1,766,610	1,766,610	-	-	-	-	-	-	-	8,826,318
9	Calpine Osprey													
10	Subtotal - Base Level Capacity Costs													
11	Base Production Jurisdictional Responsibility	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	
12	Base Level Jurisdictional Capacity Costs													
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14	Southern Franklin	3,256,789	3,288,628	3,288,628	3,288,628	3,288,628	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	44,646,347
15	Schedule H Capacity Sales - NSB	(16,080)	-	-	-	-	-	-	-	-	-	-	-	(16,080)
16	Subtotal - Intermediate Level Capacity Costs	3,240,709	3,288,628	3,288,628	3,288,628	3,288,628	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	4,033,578	44,630,267
17	Intermediate Production Jurisdict. Responsibility	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	
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19	Peaking Production Level Capacity Costs													
20	Chattahoochee	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Shady Hills	1,970,869	1,970,868	1,407,765	1,365,741	1,912,038	3,887,109	3,887,109	3,887,109	1,813,983	1,365,741	1,365,741	1,970,868	26,804,941
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41	Proposed Adjustment (Line 39 - Line 40)													26,291,645
														, . ,

Exhibit C

DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
Attachment B, Schedule E12-	Entire Rows titled "Calpine	§366.093(3)(d), F.S.
A	Osprey" "Subtotal-Base	The document in question
	Level Capacity Costs", and	contains confidential
	"Batch 19 Fuel" contain	information, the disclosure of
	specific contractual costs.	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 CHRISTOPHER A. MENENDEZ

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 160001-EI

Dated: February 29, 2016

AFFIDAVIT OF CHRISTOPHER A. MENENDEZ IN SUPPORT OF DUKE ENERGY FLORIDA'S FIRST REQUEST FOR CONFIDENTIAL CLASSIFICATION

STATE OF FLORIDA

COUNTY OF PINELLAS

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

- 1. My name is Christopher A. Menendez. I am over the age of 18 years old and I have been authorized by Duke Energy Florida, LLC (hereinafter "DEF" or the "Company") to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's First Request for Confidential Classification (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.
- I am the Rates and Regulatory Strategy Manager within the Regulatory Planning Projects Department. This department is responsible for regulatory planning and cost recovery for DEF.
- 3. As the Rates and Regulatory Strategy Manager, I am responsible, along with the other members of the section, for the production and review of the regulatory

financial reports of DEF and analysis of state, federal and local regulations and their impact on DEF.

- 4. DEF is seeking confidential classification for information contained in Attachment B, Schedule E12-A, Mid-course Calculation of Projected Capacity Costs, to DEF's Petition for Mid-Course Correction for Fuel and Capacity Cost Recovery Clauses. 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 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. DEF negotiates with potential capacity suppliers to obtain competitive contracts for capacity purchase options that provide economic value and system reliability to DEF and its ratepayers. In order to obtain such contracts, however, DEF must be able to assure capacity suppliers such as Calpine that sensitive business information, such as the amounts paid for MWs purchased, will be kept confidential. DEF enters into contracts that require the information will be protected from disclosure. In order to protect this confidential information, it is also necessary to keep additional information that could be used to compute the confidential information at issue if made public; for example, if costs relating to one contract were held confidential but all other contractual costs and the resulting subtotal were public, the confidential information would become apparent. For this reason, DEF has held confidential the remaining

information on the subject exhibits that could be used to compute to the confidential information in need of protection.

- Additionally, portions of the information in Attachment B contain б. competitive confidential business information of both DEF and third-party companies that contractually purchased nuclear fuel. DEF negotiates with potential nuclear fuel buyers to obtain competitive contracts to sell the CR3 nuclear fuel that in turn, provides economic value to DEF and its customers. In order to obtain such contracts, however, DEF must be able to assure companies purchasing nuclear fuel that sensitive business information, such as the pricing terms of their 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 contract terms such as pricing and similar competitive information. Absent such measures, purchasing companies would run the risk that sensitive business information that they provided in their 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, companies who would otherwise contract with DEF might not do so if DEF did not keep the terms of their contracts confidential. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and capacity suppliers or purchasers of nuclear fuel, the Company's efforts to obtain competitive contracts could be undermined.
- 7. Additionally, the disclosure of confidential contractual information between DEF and its capacity suppliers or information contained in DEF's nuclear fuel contracts, proposals, and other such documents could adversely impact DEF's competitive business interests. If such information was disclosed to DEF's competitors

or prospective buyers in the marketplace, DEF's efforts to obtain competitive nuclear fuel sales contracts or capacity purchase options that provide economic value to both DEF and its customers could be compromised by DEF's competitors and/or potential buyers changing their position or purchasing behavior within the relevant markets.

- 8. Upon receipt of confidential information from capacity 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 or contracts. The Company has treated and continues to treat the information and contracts at issue as confidential.
 - 9. This concludes my affidavit.

Further affiant sayeth not.

Dated the 26 day of February, 2016.

Christopher A. Menendez
Rates and Regulatory Strategy Manager
Regulatory Planning Projects Department
Duke Energy Florida, LLC
299 1st Avenue North
St. Petersburg, FL 33701

THE FOREGOING INSTRUMENT day of February, 2016, by Christopher A or has produced his	was sworn to and subscribed before me this A. Menendez. He is personally known to me, driver's license, or his
as identification.	To define the control of the the state of the transfer of the control of the cont
(AFFIX NOTARIAL SEAL)	(Signature) Sarah Hirschman L. 6g (Printed Name) NOTARY PUBLIC, STATE OF FLORIDA 3/23/2018
Sarah Hirschman Libes NOTARY PUBLIC STATE OF FLORIDA Comm# FF105231 Expires 3/23/2018	(Connhission Expiration Date) FF 105231 (Serial Number, If Any)