



**Matthew R. Bernier**  
Senior Counsel  
Duke Energy Florida, LLC.

August 21, 2017

**VIA ELECTRONIC FILING**

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

Re: *Analysis of IOUs' Hedging Practices; Docket No. 20170057-EI*

Dear Ms. Stauffer:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's Request for Confidential Classification filed in connection its response to OPC's Second Set of Interrogatories filed on July 31, 2017.

The filing includes the following:

- 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 Joseph McCallister)

DEF's confidential Exhibit A that accompanies the above-referenced filing was filed with DEF's Notice of Intent to Request Confidential Classification (document no. 06403-2017) and remains on file with the Clerk.

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*

Matthew R. Bernier

[Matthew.Bernier@duke-energy.com](mailto:Matthew.Bernier@duke-energy.com)

MRB/mw  
Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Analysis of IOUs' Hedging Practices

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Docket No. 20170057-EI

Dated: August 21, 2017

**DUKE ENERGY FLORIDA, LLC'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 (F.A.C.), submits this Request for Confidential Classification (the "Request") for certain information provided in response to the Office of the Public Counsel's ("OPC") Second Set of Interrogatories (Nos. 11-18). The confidential documents were filed in this docket on July 31, 2017 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. DEF's response to OPC's Second Set of Interrogatories, specifically question 15, contains "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. As referenced above, Composite Exhibit A was submitted separately in a sealed envelope labeled "CONFIDENTIAL" on July 31, 2017 (document no. 06403-2017). 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 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 contains sensitive business information, such as storage capacity suppliers, storage quantities, firm injection quantities, and firm withdrawal quantity, the disclosure of which would impair the Company’s efforts or its affiliates to negotiate contracts on favorable terms. *See* § 366.093(3)(d), F.S.; Affidavit of Joseph McCallister at ¶¶ 5 and 6. Furthermore, the disclosure of the information would impair DEF’s competitive business interests. *See* § 366.093(3)(e), F.S.; Affidavits of Joseph McCallister at ¶¶ 4 and 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.

4. The information identified as Exhibit “A” is intended to be and is treated as confidential by the Company. *See* Affidavit of Joseph McCallister 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 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 21<sup>st</sup> day of August, 2017.

*s/Matthew R. Bernier*

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**Duke Energy Florida, LLC**  
Docket No.: 20170057-EI  
**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 21<sup>st</sup> day of August, 2017 to all parties of record as indicated below.

*s/Matthew R. Bernier*

\_\_\_\_\_  
Attorney

<p>Suzanne S. Brownless Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 <a href="mailto:sbrownle@psc.state.fl.us">sbrownle@psc.state.fl.us</a></p> <p>James D. Beasley J. Jeffry Wahlen Ausley McMullen P.O. Box 391 Tallahassee, FL 32302 <a href="mailto:jbeasley@ausley.com">jbeasley@ausley.com</a> <a href="mailto:jwahlen@ausley.com">jwahlen@ausley.com</a></p> <p>James W. Brew Laura A. Wynn Stone Matheis Xenopoulos &amp; Brew 1025 Thomas Jefferson Street, NW 8<sup>th</sup> Floor, West Tower Washington, DC 20007 <a href="mailto:jbrew@smxblaw.com">jbrew@smxblaw.com</a> <a href="mailto:law@smxblaw.com">law@smxblaw.com</a></p>	<p>Charles J. Rehwinkel / Erik Sayler J.R. Kelly / Patty Christensen Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:rehwinkel.charles@leg.state.fl.us">rehwinkel.charles@leg.state.fl.us</a> <a href="mailto:sayler.erik@leg.state.fl.us">sayler.erik@leg.state.fl.us</a> <a href="mailto:kelly.jr@leg.state.fl.us">kelly.jr@leg.state.fl.us</a> <a href="mailto:christensen.patty@leg.state.fl.us">christensen.patty@leg.state.fl.us</a></p> <p>Zachary M. Fabish Steven J. Goldstein Julie Kaplan Sierra Club 50 F Street NW, 8<sup>th</sup> Floor Washington, DC 20001 <a href="mailto:zachary.fabish@sierraclub.org">zachary.fabish@sierraclub.org</a> <a href="mailto:steve.goldstein@sierrclub.org">steve.goldstein@sierrclub.org</a> <a href="mailto:julie.kaplan@sierraclub.org">julie.kaplan@sierraclub.org</a></p> <p>Jon C. Moyle, Jr. Karen A. Putnal Moyle Law Firm, PA 118 North Gadsden Street Tallahassee, FL 32301 <a href="mailto:jmoyle@moylelaw.com">jmoyle@moylelaw.com</a> <a href="mailto:kputnal@moylelaw.com">kputnal@moylelaw.com</a></p>	<p>Ms. Paula K. Brown Manager, Regulatory Coordination Tampa Electric Company 702 North Franklin Street Tampa, FL 33602 <a href="mailto:regdept@tecoenergy.com">regdept@tecoenergy.com</a></p> <p>John T. Butler Maria Jose Moncada Florida Power &amp; Light Company 700 Universe Boulevard (LAW/JB) Juno Beach, FL 33408-0420 <a href="mailto:john.butler@fpl.com">john.butler@fpl.com</a> <a href="mailto:maria.moncada@fpl.com">maria.moncada@fpl.com</a></p> <p>Kenneth Hoffman, Vice President Regulatory Affairs Florida Power &amp; Light Company 215 S. Monroe Street, Suite 810 Tallahassee, FL 32301-1858 <a href="mailto:ken.hoffman@fpl.com">ken.hoffman@fpl.com</a></p>
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# **Exhibit A**

**“CONFIDENTIAL”**

Submitted under separate cover on July 31, 2017  
Document No. 06403-2017

# **Exhibit B**

**Copy-1**

**REDACTED**

15. Please describe how much natural gas storage the Company has out of state and how many days' supply it represents. **REDACTED**

**Answer:**

DEF currently has storage capacity agreements with [REDACTED]. If both facilities were 100% full, DEF contractual rights provide for the ability to withdrawal [REDACTED] during [REDACTED] and [REDACTED] during [REDACTED]. The details of each are outlined in the table below.

**REDACTED**

	[REDACTED]
Storage Quantity	[REDACTED]
Firm Injection Quantity	[REDACTED]
Firm Withdrawal Quantity	[REDACTED]



# **Exhibit B**

**Copy-2**

**REDACTED**

15. Please describe how much natural gas storage the Company has out of state and how many days' supply it represents. **REDACTED**

**Answer:**

DEF currently has storage capacity agreements with [REDACTED]. If both facilities were 100% full, DEF contractual rights provide for the ability to withdrawal [REDACTED] during [REDACTED] and [REDACTED] during [REDACTED]. The details of each are outlined in the table below.

**REDACTED**

	[REDACTED]
Storage Quantity	[REDACTED]
Firm Injection Quantity	[REDACTED]
Firm Withdrawal Quantity	[REDACTED]

**DUKE ENERGY FLORIDA  
Confidentiality Justification Matrix**

<b>DOCUMENT/RESPONSES</b>	<b>PAGE/LINE</b>	<b>JUSTIFICATION</b>
<p>DEF's Response to OPC's Second Rogs (Nos. 11-18)</p>	<p><b>Question 15:</b> All information after "with" and before "If", after "withdrawal" and before "during", after "during" and before "and", after "and" and before "during" and before "The". All information contained in the table except, "Storage Quantity", "Firm Injection Quantity", and "Firm Withdrawal Quantity".</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 JOSEPH MCCALLISTER**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Analysis of IOUs' Hedging Practices.

Docket No. 20170057-EI

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Dated: August 21, 2017

**AFFIDAVIT OF JOSEPH McCALLISTER 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 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 "Request"). 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.

3. 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 certain information provided in response to the Office of the Public Counsel’s (“OPC”) Second Set of Interrogatories (Nos.11-18), specifically question 15, filed on July31, 2017 in this docket. The confidential information at issue is contained in confidential Exhibit A filed on July 31, 2017 with DEF’s Notice of Intent to Request Confidential Classification 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 competitive business interests.

5. The confidential information at issue relates to DEF’s storage capacity suppliers, storage quantities, firm injection quantities, and firm withdrawal quantities. DEF negotiates with potential capacity suppliers to obtain competitive contracts for gas storage that provide economic value to DEF and its customers. In order to obtain such contracts, however, DEF must be able to assure suppliers that sensitive business information, such as quantities of gas and duration of contract, 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 capacity contracts. Absent such measures, market competitors and suppliers would have access to sensitive business information DEF uses to plan and execute its fuel procurement processes and 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 trade information and terms in contracts between DEF and suppliers, the Company's efforts to obtain competitive contracts could be undermined.


6. Additionally, the disclosure of confidential information 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 contracts 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, 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 information in question has the Company publicly disclosed that information. The Company has treated and continues to treat the information at issue as confidential.

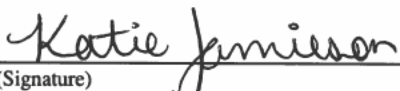
8. This concludes my affidavit.

Further affiant sayeth not.

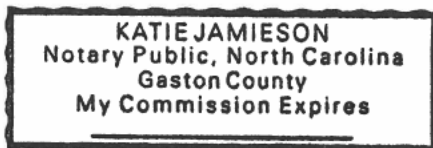
Dated the 14 day of August, 2017.

  
 \_\_\_\_\_  
 (Signature)  
 Joseph McCallister  
 Director – Natural Gas, Oil and Emissions  
 Fuels Procurement Department  
 Duke Energy  
 526 South Church  
 Charlotte, NC 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 14 day of August, 2017 by Joseph McCallister. He is personally known to me, or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.

  
 \_\_\_\_\_  
 (Signature)  
 Katie Jamieson  
 \_\_\_\_\_  
 (Printed Name)  
 NOTARY PUBLIC, STATE OF NC  
 \_\_\_\_\_  
June 14, 2021  
 \_\_\_\_\_  
 (Commission Expiration Date)

(AFFIX NOTARIAL SEAL)



\_\_\_\_\_  
 (Serial Number, If Any)