

Matthew R. Bernier
Senior Counsel
Duke Energy Florida, LLC

September 1, 2015

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. 150001-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 connection with the direct testimony of Christopher A. Menendez and Exhibit No. ___(CAM-3) filed on September 1, 2015. 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 A. 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,

MRB/mw Matthew R. Bernier
Enclosures Senior Counsel

Matthew.Bernier@duke-energy.com

cc: Certificate of Service

Duke Energy Florida, LLC

Docket No.: 150001

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 1st day of September, 2015 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. 150001-EI

Dated: September 1, 2015

DUKE ENERGY FLORIDA'S REQUEST FOR CONFIDENTIAL CLASSIFICATION

Duke Energy Florida ("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 Request for Confidential Classification for certain information contained in Exhibit No. __ (CAM-3), Part 3, Calculation of Projected Capacity Costs, Schedule E-12A, specifically page 1 of 2, to the direct testimony of Christopher A. Menendez filed on September 1, 2015. In support of this Request, DEF states:

- 1. Exhibit No. __ (CAM-3), Part 3, Calculation of Projected Capacity Costs, Schedule E-12A, page 1 of 2, 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 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 by yellow marker.

- (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. 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, to the determinant of DEF's competitive business interests. See § 366.093(3)(d), F.S.; Affidavit of Christopher A. Menendez at ¶ 5-6. Furthermore, the information at issue relates to the competitive interests of DEF and its power suppliers, the disclosure of which would impair their competitive businesses. See § 366.093(3)(e), F.S.; Affidavit of Christopher A. Menendez at ¶ 6. Finally, certain information under claim of confidentiality must be protected because the disclosure of that information would allow other parties and the public to compute the confidential information discussed above (e.g., specific costs, 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) & (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.

- 4. 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 ¶ 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 Christopher A. Menendez 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 1st day of September, 2015.

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 this 1st day of September, 2015 to all parties of record as indicated below.

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

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Exhibit A

"CONFIDENTIAL" (Filed under separate cover)

Exhibit B REDACTED

REDACTED

Duke Energy Florida Calculation Projected Capacity Costs For the Year 2016 Docket No. 150001-EI Exhibit__CAM-3, Part 3 Schedule E12-A Page 1 of 2

| | | EST Jan-16 | EST Feb-16 | EST Mar-16 | EST Apr-16 | EST May-16 | EST Jun-16 | EST Jul-16 | EST Aug-16 | EST Sep-16 | EST Oct-16 | EST Nov-16 | EST Dec-16 | TOTAL |
|----|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|-------------|
| 1 | Base Production Level Capacity Costs | our ro | 1 05 10 | Widi 10 | 7.01.10 | way 10 | oun 10 | 5 41 15 | riag 10 | 00p 10 | 000.10 | 1107 10 | 200 10 | 101712 |
| 2 | Orange Cogen (ORANGECO) | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 54,500,160 |
| 3 | Orlando Cogen Limited (ORLACOGL) | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 52,246,800 |
| 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 | 47,928,150 |
| 6 | Polk Power Partners, L.P. (MULBERRY/ROYSTER) | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 73,347,000 |
| 7 | Wheelabrator Ridge Energy, Inc. (RIDGEGEN) | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 9,385,200 |
| 8 | Southern Scherer | 1,759,878 | 1,759,878 | 1,759,878 | 1,759,878 | 1,759,878 | - | - | - | - | - | - | - | 8,799,391 |
| 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 | 3,256,789 | 3,256,789 | 3,256,789 | 3,256,789 | 3,784,589 | 3,784,589 | 3,784,589 | 3,784,589 | 3,784,589 | 3,784,589 | 3,784,589 | 42,776,062 |
| 15 | Schedule H Capacity Sales - NSB | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (192,960) |
| 16 | Subtotal - Intermediate Level Capacity Costs | 3,240,709 | 3,240,709 | 3,240,709 | 3,240,709 | 3,240,709 | 3,768,509 | 3,768,509 | 3,768,509 | 3,768,509 | 3,768,509 | 3,768,509 | 3,768,509 | 42,583,102 |
| 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 | 2,356,092 | 2,356,092 | 2,356,092 | 2,356,093 | 2,739,819 | 2,739,819 | 2,739,819 | 2,739,819 | 2,739,819 | 2,739,819 | 2,739,819 | 30,959,193 |
| 19 | Peaking Production Level Capacity Costs | | | | | | | | | | | | | |
| 20 | Chattahoochee | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | Shady Hills | 1,970,869 | 1,970,869 | 1,407,764 | 1,365,741 | 1,912,037 | 3,887,109 | 3,887,109 | 3,887,109 | 1,813,984 | 1,365,741 | 1,365,741 | 1,970,869 | 26,804,943 |
| 22 | Vandolah (NSG) | 2,779,771 | 2,795,377 | 2,003,534 | 1,981,239 | 2,701,738 | 5,570,731 | 5,554,010 | 5,509,420 | 2,636,711 | 1,942,223 | 1,986,813 | 2,795,377 | 38,256,944 |
| 23 | Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | Subtotal - Peaking Level Capacity Costs | 4,750,640 | 4,766,247 | 3,411,298 | 3,346,980 | 4,613,776 | 9,457,840 | 9,441,119 | 9,396,529 | 4,450,696 | 3,307,964 | 3,352,554 | 4,766,247 | 65,061,887 |
| 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 | 4,571,974 | 3,272,253 | 3,210,557 | 4,425,718 | 9,072,338 | 9,056,299 | 9,013,526 | 4,269,285 | 3,173,131 | 3,215,904 | 4,571,974 | 62,409,964 |
| 27 | Other Capacity Costs | | | | | | | | | | | | | |
| 28 | Retail Wheeling | (50,295) | (34,173) | (31,118) | (35,155) | (35,460) | (11,256) | (39,192) | (22,706) | (618) | (13,194) | (14,506) | (2,090) | (289,764) |
| 29 | Batch 19 Nuclear Fuel ¹ | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| 30 | Total Capacity Costs (line 12+18+26+28+29) | 29,968,158 | 29,999,248 | 28,702,582 | 28,636,849 | 29,851,707 | 33,271,595 | 33,227,619 | 33,201,332 | 28,479,180 | 27,370,450 | 27,411,911 | 28,722,338 | 358,842,970 |
| 31 | Estimated/Actual True-Up Provision - Jan - Dec 2015 | | | | | | | | | | | | | 38,643,256 |
| 32 | Total Capacity Costs w/ True-Up | | | | | | | | | | | | | 397,486,226 |
| 33 | Revenue Tax Multiplier | | | | | | | | | | | | _ | 1.00072 |
| 34 | Total Recoverable Capacity Costs | | | | | | | | | | | | | 397,772,416 |
| 35 | Nuclear Cost Recovery Clause | | | | | | | | | | | | | 56,469,745 |
| 36 | Revenue Tax Multiplier | | | | | | | | | | | | | 1.00072 |
| 37 | Total Recoverable Nuclear Costs | | | | | | | | | | | | _ | 56,510,403 |
| J1 | Total Necotorable Hudical Costs | | | | | | | | | | | | | 00,010,400 |
| 38 | Total Recov Capacity & Nuclear Costs (line 34+37) | | | | | | | | | | | | _ | 454,282,819 |

¹ Return on unrecovered Batch 19 nuclear fuel balance, per DEF Witness Olivier in Docket No. 150148-EI (now consolidated into Docket 150171-EI)

REDACTED

Duke Energy Florida Calculation Projected Capacity Costs For the Year 2016 Docket No. 150001-EI Exhibit__CAM-3, Part 3 Schedule E12-A Page 1 of 2

| | | EST Jan-16 | EST Feb-16 | EST Mar-16 | EST Apr-16 | EST May-16 | EST Jun-16 | EST Jul-16 | EST Aug-16 | EST Sep-16 | EST Oct-16 | EST Nov-16 | EST Dec-16 | TOTAL |
|----|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|-------------|
| 1 | Base Production Level Capacity Costs | our ro | 1 05 10 | Widi 10 | 7.01.10 | way 10 | oun 10 | 5 41 15 | riag 10 | 00p 10 | 000.10 | 1107 10 | 200 10 | 101712 |
| 2 | Orange Cogen (ORANGECO) | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 4,541,680 | 54,500,160 |
| 3 | Orlando Cogen Limited (ORLACOGL) | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 4,353,900 | 52,246,800 |
| 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 | 47,928,150 |
| 6 | Polk Power Partners, L.P. (MULBERRY/ROYSTER) | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 6,112,250 | 73,347,000 |
| 7 | Wheelabrator Ridge Energy, Inc. (RIDGEGEN) | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 782,100 | 9,385,200 |
| 8 | Southern Scherer | 1,759,878 | 1,759,878 | 1,759,878 | 1,759,878 | 1,759,878 | - | - | - | - | - | - | - | 8,799,391 |
| 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 | 3,256,789 | 3,256,789 | 3,256,789 | 3,256,789 | 3,784,589 | 3,784,589 | 3,784,589 | 3,784,589 | 3,784,589 | 3,784,589 | 3,784,589 | 42,776,062 |
| 15 | Schedule H Capacity Sales - NSB | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (16,080) | (192,960) |
| 16 | Subtotal - Intermediate Level Capacity Costs | 3,240,709 | 3,240,709 | 3,240,709 | 3,240,709 | 3,240,709 | 3,768,509 | 3,768,509 | 3,768,509 | 3,768,509 | 3,768,509 | 3,768,509 | 3,768,509 | 42,583,102 |
| 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 | 2,356,092 | 2,356,092 | 2,356,092 | 2,356,093 | 2,739,819 | 2,739,819 | 2,739,819 | 2,739,819 | 2,739,819 | 2,739,819 | 2,739,819 | 30,959,193 |
| 19 | Peaking Production Level Capacity Costs | | | | | | | | | | | | | |
| 20 | Chattahoochee | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | Shady Hills | 1,970,869 | 1,970,869 | 1,407,764 | 1,365,741 | 1,912,037 | 3,887,109 | 3,887,109 | 3,887,109 | 1,813,984 | 1,365,741 | 1,365,741 | 1,970,869 | 26,804,943 |
| 22 | Vandolah (NSG) | 2,779,771 | 2,795,377 | 2,003,534 | 1,981,239 | 2,701,738 | 5,570,731 | 5,554,010 | 5,509,420 | 2,636,711 | 1,942,223 | 1,986,813 | 2,795,377 | 38,256,944 |
| 23 | Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | Subtotal - Peaking Level Capacity Costs | 4,750,640 | 4,766,247 | 3,411,298 | 3,346,980 | 4,613,776 | 9,457,840 | 9,441,119 | 9,396,529 | 4,450,696 | 3,307,964 | 3,352,554 | 4,766,247 | 65,061,887 |
| 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 | 4,571,974 | 3,272,253 | 3,210,557 | 4,425,718 | 9,072,338 | 9,056,299 | 9,013,526 | 4,269,285 | 3,173,131 | 3,215,904 | 4,571,974 | 62,409,964 |
| 27 | Other Capacity Costs | | | | | | | | | | | | | |
| 28 | Retail Wheeling | (50,295) | (34,173) | (31,118) | (35,155) | (35,460) | (11,256) | (39,192) | (22,706) | (618) | (13,194) | (14,506) | (2,090) | (289,764) |
| 29 | Batch 19 Nuclear Fuel ¹ | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| 30 | Total Capacity Costs (line 12+18+26+28+29) | 29,968,158 | 29,999,248 | 28,702,582 | 28,636,849 | 29,851,707 | 33,271,595 | 33,227,619 | 33,201,332 | 28,479,180 | 27,370,450 | 27,411,911 | 28,722,338 | 358,842,970 |
| 31 | Estimated/Actual True-Up Provision - Jan - Dec 2015 | | | | | | | | | | | | | 38,643,256 |
| 32 | Total Capacity Costs w/ True-Up | | | | | | | | | | | | | 397,486,226 |
| 33 | Revenue Tax Multiplier | | | | | | | | | | | | _ | 1.00072 |
| 34 | Total Recoverable Capacity Costs | | | | | | | | | | | | | 397,772,416 |
| 35 | Nuclear Cost Recovery Clause | | | | | | | | | | | | | 56,469,745 |
| 36 | Revenue Tax Multiplier | | | | | | | | | | | | | 1.00072 |
| 37 | Total Recoverable Nuclear Costs | | | | | | | | | | | | _ | 56,510,403 |
| J1 | Total Necotorable Hudical Costs | | | | | | | | | | | | | 00,010,400 |
| 38 | Total Recov Capacity & Nuclear Costs (line 34+37) | | | | | | | | | | | | _ | 454,282,819 |

¹ Return on unrecovered Batch 19 nuclear fuel balance, per DEF Witness Olivier in Docket No. 150148-EI (now consolidated into Docket 150171-EI)

DUKE ENERGY FLORIDA Confidentiality Justification Matrix

| DOCUMENT/RESPONSES | PAGE/LINE | JUSTIFICATION |
|-----------------------------|-------------------------------------|----------------------------------|
| Exhibit No(CAM-3) | Line 9 : Calpine Osprey: all | §366.093(3)(d), F.S. |
| Schedule E12-A, page 1 of 2 | costs for January 2016 | The document in question |
| | through December 2016 to | contains confidential |
| | include the total. | information, the disclosure of |
| | | which would impair DEF's |
| | Line 10: Subtotal Base | efforts to contract for goods or |
| | Level Capacity Costs: all | services on favorable terms. |
| | costs for January 2016 | |
| | through December 2016 to | §366.093(3)(e), F.S. |
| | include the total. | The document in question |
| | | contains confidential |
| | Line 12: Base Level | information relating to |
| | Jurisdictional Capacity | competitive business interests, |
| | Costs: all costs for January | the disclosure of which would |
| | 2016 through December | impair the competitive |
| | 2016 to include the total. | business of the provider/owner |
| | | of the information. |
| | Line 29: Batch 19 Nuclear | |
| | Fuel: all costs for January | |
| | 2016 through December | |
| | 2016 to include the total. | |
| | | |

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. 150001-EI

Dated: September 1, 2015

AFFIDAVIT OF CHRISTOPHER A. MENENDEZ IN SUPPORT OF DUKE ENERGY FLORIDA'S 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 (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 Rates and Regulatory Strategy Manager within the Rates and Regulatory Strategy 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 certain information contained in Exhibit No. ____ (CAM-3), Part 3, Calculation of Projected Capacity Costs, Schedule E-12A, specifically page 1 of 2, to my direct testimony filed on September 1, 2015 in this docket. The confidential information at issue is contained in confidential Exhibit A to DEF's Request and is outlined in DEF's Justification Matrix attached to DEF's Request as Exhibit C. DEF is requesting confidential classification of this information because it contains competitively sensitive contractual confidential business information of capacity suppliers DEF contracts with.
- 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 customers. In order to obtain such contracts, however, DEF must be able to assure capacity suppliers that sensitive business information, such as the contractual terms, will be kept confidential and 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 information on the subject exhibits that could be used to compute to the confidential information in need of protection.

- 6. Absent such measures, suppliers 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, persons or companies who otherwise would contract with DEF might decide not to do so if DEF did not keep those terms confidential. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and capacity suppliers, the Company's efforts to obtain competitive capacity contracts could be undermined. Additionally, the disclosure of confidential information in DEF's capacity purchases could adversely impact DEF's competitive business interests. If such information was disclosed to DEF's competitors, DEF's efforts to obtain competitive capacity purchase 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 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.
 - This concludes my affidavit.

Further affiant sayeth not.

Christopher A. Menendez
Rates and Regulatory Strategy Manager
Rates and Regulatory Strategy
Duke Energy Florida
Post Office Box 14042
St. Petersburg, FL 33733

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this

28 day of August, 2015, by Christopher A. Menendez. He is personally known to me, or has produced his ________ driver's license, or his _______ as identification.

(Signature)

(Printed Name)

NOTARY PUBLIC, STATE OF FLORIDA

MONQUE WEST

MY COMMISSION FF 244727

EXPIRES: June 28, 2019

Bonded Thru Notary Public Independent

(Serial Number, If Any)