



Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

August 19, 2014

Hand Delivery

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

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COMMISSION CLERK

REDACTED

Re: Docket No. 140003-GU - **Purchased gas adjustment (PGA) true-up.**

Dear Ms. Stauffer:

Enclosed for filing, please find the original and seven (7) copies of Florida Public Utilities Company's Request for Confidential Classification of portions of the Direct Testimony of Michelle Napier, submitted in the referenced Docket on behalf of Florida Public Utilities Company. Also enclosed with this Request are one highlighted and two redacted copies of the referenced pages of Ms. Napier's testimony.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK
cc: Parties of Record

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AFD _____
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ECO 4 *Redacted*
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment) Docket No. 140003-GU
(PGA) True-Up)
_____) Filed: August 19, 2014

**FLORIDA PUBLIC UTILITIES COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION OF PORTIONS OF THE
DIRECT TESTIMONY OF MICHELLE D. NAPIER**

Florida Public Utilities Company ("FPUC" or "Company"), by and through its undersigned counsel, pursuant to Section 366.093, Florida Statutes, and consistent with Rule 25-22.006(4), Florida Administrative Code, hereby submits its Request for Confidential Classification of information contained in the Direct Testimony of Michelle D. Napier, addressing the Company's Actual/Estimated Projections. In support of this Request, FPUC states that:

1. FPUC requests confidential classification of the highlighted rates, terms and related information regarding potential agreements with another party for extending service in two areas of the Company's service territory. The information pertains to contracts that have not yet been executed or approved, which, if disclosed, would reveal contractual negotiations that the parties involved treat as proprietary confidential business information consistent with the definition of that term in Section 366.093, Florida Statutes.
2. The information for which FPUC seeks confidential classification is information that the Company treats as confidential, and that meets the definition of "proprietary confidential business information" as set forth in Section 366.093(3), Florida Statutes, which provides:

(3) Proprietary confidential business information means information, regardless of form or characteristics, which is owned or controlled by the person or company, is intended to be and is treated by the person or company as private in that the disclosure of the information would cause harm to the ratepayers or the person's or company's business operations, and has not been

disclosed unless disclosed pursuant to a statutory provision, an order of a court or administrative body, or private agreement that provides that the information will not be released to the public. Proprietary confidential business information includes, but is not limited to:

- (a) Trade secrets.
- (b) Internal auditing controls and reports of internal auditors.
- (c) Security measures, systems, or procedures.
- (d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms.
- (e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.
- (f) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities.

3. Specifically, FPUC seeks confidential classification of the highlighted information on the following (lines/pages) of witness Napier's Direct Testimony addressing the Company's PGA Actual/Estimated Projections:

Page 4, lines 3 – 7, 11 - 13, 14 - 15, and 20 – 24; and Page 5, lines 1 – 10.

4. The information set forth in these identified sections is proprietary competitive information that falls squarely under Section 366.093(3)(d) and (e), Florida Statutes. Release of the referenced information as a public record would harm FPUC's business operations and ratepayers by impairing the Company's ability to effectively negotiate for goods and services. As such, FPUC requests that the Commission deem afford this information confidential treatment and exempt from Section 119.07, Florida Statutes. Included with this Request is a highlighted copy of the referenced pages of witness Napier's testimony. Also enclosed are two redacted copies of the same information.

5. FPUC asks that confidential classification be granted for a period of at least 18 months. Should the Commission no longer find that it needs to retain the information, FPU respectfully requests that the confidential information be returned to the Company.

WHEREFORE, FPUC respectfully requests that the highlighted information contained in the Direct Testimony of Michelle D. Napier be classified as "proprietary confidential business information," and thus, exempt from Section 119.07, Florida Statutes.

RESPECTFULLY SUBMITTED this 19th day of August, 2014.



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for FPUC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of foregoing (redacted attachments only) in Docket No. 140003-GU has been furnished by Electronic Mail to the following parties of record this 19th day of August, 2014:

Florida Public Utilities Company Cheryl Martin 911 South 8th Street Fernandina Beach, FL 32034	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Keino Young Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399	Office of Public Counsel J.R. Kelly/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Peoples Gas System Paula Brown/Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf* P.O. Box 549 Port St. Joe, FL 32457-0549
Florida City Gas Carolyn Bermudez 933 East 25 th Street Hialeah, FL 33013-3498	AGL Resources Inc. Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

REDACTED

1 Beach gate station. [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED] and give
8 FPUC the opportunity to serve future customers. [REDACTED]
9 [REDACTED]
10 [REDACTED]

11 Q. Are the pipeline capacity and supply costs associated with expansions appropriate for
12 recovery in the PGA docket?

13 A. Yes. Historically, the Commission has allowed recovery, through the clause, of
14 upstream transmission pipeline capacity, transportation and related supply costs
15 associated with service expansions to new areas. The Commission reviewed and
16 approved the Company's agreements with both PPC and TECO/PGS to bring natural
17 gas service to Nassau County.

18 Q. Have the appropriate related costs been included in the Projections for 2015?

19 A. Yes, as more specifically reflected in Schedule E-1 and E-3 of Exhibit MDN-2, the
20 Company has included the costs of existing interstate and intrastate capacity
21 agreements, as well as the costs for gas supply to serve the new customers in Nassau
22 and Palm Beach Counties as described above.

23 Q. What is the appropriate PGA recovery (cap) factor for the period January through
24 December 2015?

25 A. As shown on Schedule E-1, the PGA recovery (cap) factor is 98.747¢ per therm for
26 the period January through December 2015.

REDACTED

1 Q. Please describe the additional planned expansion opportunities in Nassau County.

2 A. The existing PPC/TECO jointly owned transmission pipeline runs north from Duval
3 County on SR 17, intersecting SR 200 and then east onto Amelia Island. [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED] which would

8 enable the Company to capture existing commercial businesses in the area and a

9 planned large multi-use development. This pipeline will position FPUC to grow its

10 distribution system as the area grows. Many of these customers are currently using

11 propane and switching to natural gas would result in significant cost savings. [REDACTED]

12 [REDACTED]

13 [REDACTED] and has an agreement with TECO/PGS for upstream interstate pipeline

14 capacity. [REDACTED]

15 [REDACTED]

16 Q. Are there other areas of expansion that will affect the Company's PGA?

17 A. The Company is currently constructing a distribution expansion into the City of

18 Okeechobee and plans to begin serving customers in August 2014. Gas supply costs

19 for Okeechobee customers are included in the 2015 projections. Customer growth has

20 also been accounted for in the Company's projections. [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED] but, given the FPUC system configuration, is not

25 sufficient to meet demand without negatively impacting other customers. The FPUC

26 interconnection with PPC also enabled FPUC to avoid a major upgrade at its Riviera