

Writer's E-Mail Address: bkeating@gunster.com

March 2, 2015

REDACTED

HAND DELIVERY

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

RECEIVED-FPSC
15 MAR -2 PM 3:17
COMMISSION
CLERK

Re: **Docket 150031-GU -- Petition for approval of transportation service agreement with the Florida Division of Chesapeake Utilities Corporation by Peninsula Pipeline Company, Inc.**

Dear Ms. Stauffer:

Enclosed for filing, please find the original and seven copies of the Request of the Florida Division of Chesapeake Utilities Corporation for Confidential Classification of information contained in its responses to Commission Staff's Second Data Requests to the Company. Also included with this Request are the required highlighted and redacted copies of the referenced pages containing confidential information.

As always, please do not hesitate to contact me if you have any questions whatsoever regarding this filing.

Sincerely,



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

COM _____
AFD _____
APA _____
ECO 4 + Redacted
ENG _____
GCL 3
IDM _____
TEL _____
CLK _____

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of transportation) Docket No. 150031-GU
service agreement with the Florida Division of)
Chesapeake Utilities Corporation by Peninsula) Filed: March 2, 2015
Pipeline Company, Inc.)
_____)

**REQUEST OF THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES
CORPORATION FOR CONFIDENTIAL CLASSIFICATION**

The Florida Division of Chesapeake Utilities Corporation (“CFG” or “Company”) by and through the undersigned counsel, pursuant to Section 366.093, Florida Statutes, and consistent with Rule 25-22.006(4), Florida Administrative Code, hereby submit its Request for Confidential Classification for information contained in the Company’s responses to Commission Staff’s Second Data Requests, issued to the Company on February 23, 2015, as well as information contained in Attachment A to the Responses. In support thereof, the Company hereby states:

1. The Company seek confidential classification of the highlighted rates and terms in the Company’s responses to the Staff’s Data Requests, which represent information that CFG treats as proprietary confidential business information consistent with the definition of that term in Section 366.093, Florida Statutes, as well as cost information that CFG’s contract partner, Peninsula, also considers proprietary confidential business information.

2. The information for which the Company seeks confidential classification is information that both treat 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, the Company seeks confidential classification of the highlighted information in its response to Data Request 1 (c) (page 3, highlighted amounts in paragraphs 1, 2, and 3 of section (c)) and Data Request 3 (page 4, highlighted percentages in first paragraph of response to Data Request 3), as well as Attachment A. With regard to Attachment A, the Company seeks confidential classification of the highlighted information in the line “Haines City Total Cost,” as well as the highlighted information and amounts in rows 7 – 10 for all identified columns. The information represents costs and allocation information that could be used by competitors to extrapolate contractual terms, along with related earnings information is not yet final or publicly disclosed. If disclosed, this non-final earnings information could improperly impact corporate filings and impair financing, which could result in harm, ultimately, to CFG’s ratepayers. The information at issue, therefore, falls within Section 366.093(3)(d) and (e), Florida Statutes.

4. Included with this Request are highlighted copies of the Company’s responses, including Attachment A, reflecting the confidential information. Also enclosed are two redacted copies of the referenced information.

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

WHEREFORE, CFG respectfully requests that the highlighted information contained in CFG's responses to Commission Staff's Second Set of Data Requests, including Attachment A thereto, be classified as "proprietary confidential business information," and thus, exempt from Section 119.07, Florida Statutes.

RESPECTFULLY SUBMITTED this 2nd day of March, 2015.

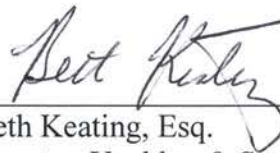


Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

CERTIFICATE OF SERVICE

I HEREBY ATTEST that a true and correct copy of the foregoing Request has been served upon the following by U.S. Mail this 2nd day of March, 2015:

Honorable J.R. Kelly
Office of Public Counsel
c/o the Florida Legislature
111 West Madison Street, Rm 812
Tallahassee, FL 32399-1400

A handwritten signature in cursive script, reading "Beth Keating", written over a horizontal line.

Beth Keating, Esq.
Gunster, Yoakley & Stewart, P.A.
215 S. Monroe St., Ste 601
(850) 521-1706

Central Florida Gas Company's
Response to Staff's Second Data Request
FPSC Docket No. 150031-GU

across all customers currently subject to the PGA and the TTS Pools. Thereafter, in phase two, which the Company anticipates will be filed by the end of the third quarter of 2015, the Companies will propose further re-allocation of non-released capacity costs, to include those commercial and industrial customers that are deriving benefit from such capacity. The Company anticipates that the transportation service administration tariff consolidation would take a similar path as the Company's recent consolidation of its conservation programs approved by the Commission in Docket No. 140004-GU.

- (b) CFG does not anticipate increasing the charges in Rate Schedules SABS and SAS to recover any payments related to this specific project.
- (c) If the entire [REDACTED] PPC Haines City Pipeline annual charge was recovered from the current [REDACTED] CFG TTS Pool customers, the monthly per customer charge would be approximately [REDACTED] per month.

As noted above, the Company is preparing a filing to propose the consolidation of its tariff transportation service administration provisions. Under the proposal the annual intrastate and LDC to LDC transportation costs for CFG, FPUC, Indiantown and Ft. Meade would be combined. The total current cost is approximately \$[REDACTED]. The addition of the \$[REDACTED] PPC Haines City cost would result in a total of approximately [REDACTED] in annual costs.

The CFG TTS Pool annual volume is approximately 4.7 million therms. The Indiantown TTS Pool annual volume is approximately 200,000 therms. The FPU (including Ft. Meade) PGA annual volume is approximately 44.6 million therms. Recovery of \$[REDACTED] over 44.6 million therms results in a per therm rate of \$[REDACTED] therm. Multiply the \$[REDACTED] rate by the 4.7 million CFG TTS Pool annual therms and the result is approximately \$[REDACTED] per year. Dividing \$[REDACTED] by [REDACTED] CFG TTS Pool customers results in an annual charge per customer of \$[REDACTED]. Divide by 12 to get \$[REDACTED] per month for CFG customers.

The incremental cost increase for FPU customers resulting from the combined methodology would be approximately \$1.71 per month.

The ultimate allocation of an appropriate portion of the intrastate and LDC to LDC transportation costs to third party Shippers would significantly reduce the PGA and TTS Pool costs.

Central Florida Gas Company's
Response to Staff's Second Data Request
FPSC Docket No. 150031-GU

2. **Has CFG communicated to its shippers that shippers may incur additional costs as a result of this project?**

Response:

CFG is currently updating previous communications with Shippers relative to the re-allocation of capacity costs including non-released capacity from intrastate and LDC to LDC interconnections. Shippers have been notified that Chesapeake intends to file a joint petition to consolidate transportation service administration procedures across its distribution systems. Shippers have been informed that CFG will file with the Commission in March 2015 a proposal to consolidate the PGA and TTS Pool cost recovery methodology related to intrastate and LDC capacity charges. As noted above, the proposed consolidation methodology would retain non-released intrastate and LDC to LDC capacity costs within the combined PGA and TTS Pools for 18 months from the date of the Commission order. The Shippers have also been notified that at the end of 18 months the Company would reallocate a portion of such costs to commercial and industrial customers, subject to approval by the Commission of the Company's filing. The 18 month period would provide adequate time for Shippers to notify customers and adjust terms of their commercial agreements, if needed. The Company's annual Shippers meeting is scheduled for May 2015. During this meeting the Company will provide a detailed overview of its proposed phase 2 allocation methodology and receive input from Shippers on the proposed methodology and implementation time period.

3. **Please refer to CFG's response to Question 12 of Staff's First Data Request. Please elaborate in greater detail and provide support, if any, for the statement that "CFG believes taking on this project on its own would result in the need for a rate case or limited proceeding."**

Response:


If CFG were to undertake this project on its own, the significant additional capital costs and operating costs incurred would result in a reduction to the return on its investments. Using the December 2014 surveillance report, adjusted for the proforma annual impact of this investment and related increased operating costs, would reduce CFG's expected overall rate of return to [REDACTED] on a mid-point allowable ROR of [REDACTED]. As such, CFG anticipates that its board of directors would require the Company seek rate relief. In addition, a rate proceeding would cost in excess of \$600,000.

Moreover, the Company believes that this type of transmission-related investment, and related contract, most appropriately belong with the intrastate transmission company. PPC, as an intrastate transmission company, is authorized by Florida law to undertake

**Haines City Cost Allocation
TTS Pool Allocation**

Haines City Total Cost



| | TTS Customers | No. of Customers | Yearly Impact | Monthly Impact |
|--|---------------|------------------|---------------|----------------|
|  | | | | |