

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

July 27, 2015

**BY HAND DELIVERY**

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

**REDACTED**

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COMMISSION CLERK

Re: Petition of the Florida Division of Chesapeake Utilities Corporation for Approval of Amendments to Special Contracts with Polk Power Partners, L.P.

Dear Ms. Stauffer:

Enclosed for filing, please find the original and 7 copies of the Florida Division of Chesapeake Utilities Corporation's Request for Confidential Classification of certain information in the exhibits to its Petition for Approval of Amendments to Special Contracts with Polk Power Partners, L.P., which has also been submitted under separate cover today. Included with this Request are one highlighted and two redacted copies of the referenced documents for which confidential classification is sought.

As always, thank you for your assistance with this filing. If you have any questions whatsoever, please do not hesitate to contact me.

Kind regards,



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

Cc: ECO for Redacted Office of Public Counsel

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of the Florida Division of Chesapeake Utilities Corporation for Approval of Amendments to Special Contracts with Polk Power Partners, L.P.	Docket No. Filed: July 27, 2015
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**THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION**  
**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

The Florida Division of Chesapeake Utilities Corporation (“CHPK” 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 for information contained in Exhibit A to Amendment No. 3 to its Gas Transportation Service Special Contract with Polk Power Partners, L.P. (“Polk”), as well corresponding information in its Petition for Approval of Amendments to Special Contracts (“Petition”) and in the Cost of Service Study attached thereto. In support of this request, CHPK hereby states:

1. CHPK seeks confidential classification of the highlighted information in Exhibit A to Amendment No. 3 to the Gas Transportation Service Special Contract (“Amendment No. 3”) (page 5), in the line identifying the Transportation Rate. CHPK likewise seeks confidential classification of the same information as it is identified in the second to the last line of page three (p. 3) of the Petition. In addition, CHPK seeks confidential classification of the corresponding information in the Cost of Service Study attached to the Petition, on the sheet identified as “Calculation of Other Taxes,” in the line “Estimated Sales Revenue,” which is information from which the information at page 5 of Amendment No. 3, and page 3 of the Petition, could be extrapolated. The information is directly related to the negotiated rate, which both CHPK and

Polk treat as proprietary confidential business information consistent with the definition of that term in Section 366.093, Florida Statutes.

2. The information for which CHPK seeks confidential classification is information that meets the definition of “proprietary confidential business information” as set forth in Section 366.093(3)(d), 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. Release of the referenced information as a public record would reveal the specific rate included in a competitive contract. Disclosure of this information would impair CHPK’s ability to compete for goods and services and provide its competitors with an unfair competitive advantage. As such, CHPK requests that the Commission protect this information consistent with Rule 25-22.006, Florida Administrative Code. To the extent of CHPK’s knowledge, this information is not otherwise available in the public domain.

4. Included with this Request are highlighted copies of: (1) Exhibit A to Amendment No. 3 to the Gas Transportation Service Special Contract; (2) page 3 of the Petition; and (3)

Incremental Cost of Service Study – Calculation of Other Taxes. In addition, two redacted copies of the documents are enclosed.

5. CHPK 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, CHPK respectfully requests that the confidential information be returned to the Company.

WHEREFORE, CHPK respectfully requests that the highlighted information contained in Exhibit A to Amendment No. 3 to the Gas Transportation Service Special Contract with Polk Power Partners, L.P., as well as highlighted information on page 3 of its Petition for Approval of Amendments to Special Contracts and on the Calculation of Other Taxes sheet of the Incremental Cost of Service Study attached thereto, be classified as “proprietary confidential business information,” and thus, exempt from Section 119.07, Florida Statutes.

RESPECTFULLY SUBMITTED this 27th day of July, 2015.



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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 27th Day of July, 2015, along with redacted copies of the referenced documents:

Office of the Public Counsel c/o The Florida Legislature 111 West Madison St., Rm. 812 Tallahassee, FL 32399-1400	
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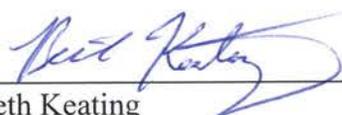
  
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Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

EXHIBIT A

**REDACTED**

TO

AMENDMENT NO. 3

TO

GAS TRANSPORTATION AGREEMENT

BETWEEN

CHESAPEAKE UTILITIES CORPORATION

AND

POLK POWER PARTNERS, L.P.

FGT's Delivery Points: Interconnection between pipeline and Transporter at the Bartow B delivery point on CFG's system.

MDTQ: 4,512 dekatherms/day\*

Transporter's Delivery Point: The outlet side of the measuring equipment of the distribution facilities at Shipper's cogeneration facility located at Noralyn Industrial Park, Polk County, Florida.

Transportation Rate: ██████████ per Month\*

Term: Through and including August 8, 2024.†

Delivery Pressure: Within a range of 350 to 375 p.s.i.g.

\* Shipper shall pay Transporter an additional transportation charge of \$0.20 per dekatherm for all quantities in excess of 4,512 dekatherms per day up to 5,640 dekatherms per day. In the event actual gas quantities received by Shipper as recorded on Transporter's measurement equipment located at Shipper's facility, which equipment shall not include measurement equipment associated with the ARC Delivery Point, exceeds 5,460 dekatherms per day on any given day, Shipper shall pay Transporter an additional transportation charge of \$0.025 per dekatherm for all quantities in excess of 5,460.

† Consistent with any extension or renewal under Section 7.1 of the Gas Transportation Agreement, as amended.

Polk likely could obtain sufficient quantities of FGT FTS-2 capacity to enable it to entirely bypass CHPK at a rate that made that option attractive to Polk. Thus, in spite of the lengthy business relationship between the Parties, the economic incentive for Polk to remain with CHPK was marginal. In contrast, the impact to CHPK if Polk were to leave CHPK's system would be significant. As the Commission has recognized:

Having industrial customers on the system greatly benefits all users, particularly the residential customers. Customers benefit because large load users are able to absorb a greater portion of the fixed cost necessary to provide the service; as a result, rates are lower, especially for small load users. Conversely, losing industrial customers who have alternative fuel sources or viable bypass options would pose a greater burden on all ratepayers, and could result in higher rates.

Order No. PSC-10-0029-PAA-GU, issued January 14, 2010, in Docket No. 090125-GU.

7. The changes for which CHPK seeks approval are straight-forward. Specifically, the changes to the DPL are minimal in that the Amendment simply extends the term of the DPL to August 31, 2024. Likewise, the Amendment to the CRA extends the expiration date for that agreement, while also modifying the release commitments to reflect a range, rather than a specific amount, modifying the language to be more consistent with Federal Energy Regulatory Commission ("FERC") requirements for noticing capacity releases. These changes are not inconsistent with CHPK's current tariff. The GTA is likewise modified to extend the effective date of the agreement between the Parties, and also includes a modest reduction in charges, which properly recognizes the value of Polk as a customer on CHPK's system, as well as the risk of harm to CHPK and its remaining customer base if Polk were to bypass CHPK. The new rate, which is set forth in Exhibit A to the GTA, will now be set at [REDACTED] per month, which better reflects the current use of capacity for Polk.

**Incremental Cost of Service Study - redacted**  
**Polk Power Partners**  
**Calculation of Other Taxes**

2004 Property Tax	\$	541,704
2003 Plant	\$	29,900,183
Average Tax Rate	\$	0
x Gross Plant	\$	1,243,036
Property Taxes	\$	<u>22,499</u>

Estimated Sales Revenue



Revenue Related Taxes

\$ 2,100

Total Other Taxes

\$ 24,599