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February 2, 2018

Hand Delivery

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

## REDACTED

# Re: DOCKET NO. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas.

Dear Ms. Stauffer:

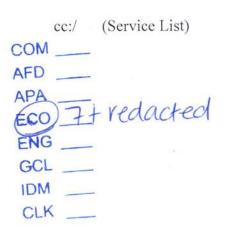
Attached for filing, please find the original and seven copies of Florida City Gas's Request for Confidential Classification for certain information provided in the Direct Testimonies of OPC Witnesses Dismukes and Willis. Also, consistent with Rule 25-22.006, F.A.C., one highlighted and two redacted copies of the subject material have been included.

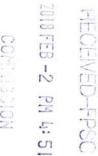
As always, please don't hesitate to let me know if you have any questions. Thank you for your assistance with this filing.

Kind regards,

Beth Keating

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





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#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida City Gas. DATED: February 2, 2018

> REQUEST FOR CONFIDENTIAL CLASSIFICATION AND REQUEST FOR PROTECTIVE ORDER

FLORIDA CITY GAS (FCG or the Company), by and through undersigned counsel, and pursuant to Rule 25-22.006, Fla. Admin. Code, requests that the Florida Public Service Commission (the Commission) enter an order protecting from public disclosure certain information identified in the Direct Testimonies of David E. Dismukes and Marshall W. Willis, submitted by the Office of Public Counsel on February 1, 2018. The Company seeks confidential classification of the highlighted information contained in Commission Document No. 00878-2018, as refined by the highlighted version included with this Request. The identified information is considered by FCG to be information that meets the definition of "proprietary confidential business information" as set forth in Section 366.093(3), Florida Statutes; thus, the Company asks that the Commission maintain this information as confidential. In support of this Request, FCG states:

 On October 23, 2017, FCG filed its Petition for Rate Increase, and *inter alia* the prefiled direct testimony and supporting exhibits of its witnesses and Minimum Filing Requirements.

2. On February 1, 2018, the Citizens of the State of Florida, through the Office of Public Counsel (OPC), filed the Direct Testimony and Exhibits of David Dismukes, as well as the Direct Testimony and Exhibits of Marshall Willis, on behalf of the Citizens of Florida.

Docket No. 20170179-GU

Within each of the referenced testimonies, there is certain information that FCG deems as confidential and is gleaned from testimony and discovery documents for which the Company has previously requested confidential treatment in this proceeding.

3. The information for which FCG seeks confidential classification is information

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.

4. The information in Witness Dismukes's testimony should be classified as proprietary confidential business information because its disclosure would impair the FCG's competitive interests by disclosing information provided in the context of contract negotiations, which would also impair FCG's ability to negotiate for goods and services on fair and reasonable terms. The identified information in Witness Willis's testimony should be classified as proprietary confidential business information, as the Company treats it as highly confidential. The information is derived from documents only provided for OPC's review at the Gunster Law Docket No. 20170179-GU

Firm's offices, namely FCG's response to OPC's Document Production Request No. 34.<sup>1</sup> These documents represent information shared in the context of Southern Company Gas board meetings and reflects Company goals and strategies that, if deemed public, could impair the Company's competitive interests.

Testimony	Page/Lines -Document	Rationale
Direct Testimony of Marshall	Highlighted information	Proprietary Confidential
Willis	at p. 16, lines 6, 7, 8, 10,	Business Information
	11, and 12	that is competitively
		sensitive and meets the
		definition in Section
		366.093(3)(e), F.S.
	Highlighted information	Proprietary Confidential
Dismukes	at page 14, lines 7, 8, 9,	Business Information that
	and 10; and page 58, line	is competitively sensitive
	22, and page 59, lines 1-2.	and meets the definition in
		Section 366.093(3)(d) and
		(e), F.S.

5. FCG seeks confidential classification as follows:

6. Release of any of this information would ultimately impair the Company's ability to provide services to its ratepayers.

<sup>&</sup>lt;sup>1</sup> FCG notes that in Mr. Willis' testimony, he references Interrogatory 34, but the referenced information was actually provided as a response to Document Request No. 34.

Submitted herewith, in substantial compliance with Rule 25-22.006, Florida
 Administrative Code, are one highlighted and two redacted versions the identified pages.

8. FCG further requests that the Commission issue a protective order, in accordance with Rule 25-22.006(6), Florida Administrative Code, to continue to protect this information as provided to the Office of Public Counsel, which is a party to this proceeding.

WHEREFORE, FCG respectfully requests that:

1. The Commission enter an order protecting the information in the following files, in its entirety, from public disclosure as proprietary confidential business information the identified, highlighted information in the testimonies of OPC Witnesses Dismukes and Willis, as described in the body of this Request.

The Commission issue a protective order, in accordance with Rule 25 22.006(6), Florida Administrative Code, to protect this information as provided to the Office of
 Public Counsel; and

2. The Commission grant confidential classification for this information for a period of at least 18 months.

Respectfully submitted this 2nd day of February, 2018, by:

Beth Keating, Esquire Florida Bar No. 0022756 Gunster Law Firm 215 South Monroe Street Suite 601 Tallahassee, FL 32301 *Attorneys for Florida City Gas* 

#### CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing filing has been served by Hand Delivery or Electronic Mail (w/o confidential attachments) this 2 nd day of February, 2018,

upon the following:

Walter Trierweiler Florida Public Service Commission General Counsel's Office 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Virginia Ponder Office of the Public Counsel c/o The Florida Legislature 111 West Madison St., Rm 812 Tallahassee, FL 32399-1400

A.J. Unsicker/L.L. Zieman/N.A. Cepak/R.K. Moore c/o AFLOA/JACE-ULFSC 139 Barnes Drive, Suite 1 Tyndall AFB FL 32403 (850) 283-6347 andrew.unsicker@us.af.mil ULFSC.Tyndall@US.AF.MIL lanny.zieman.1@us.af.mil natalie.cepak.2@us.af.mil ryan.moore.5@us.af.mil Andrew.Jernigan.3@us.af.mil ebony.payton.ctr@us.af.mil

By: Jet Kel

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

one sentence explanation for each position but gave no further detail as to excess 1 overtime, new compliance work or new work requirements. 2 3 I also reviewed FCG's discovery responses to OPC Interrogatory No. 34, specifically 4 those related to Operation Goals of the Company. ##BEGIN CONFIDENTIAL## 1 5 specifically reviewed the documents labeled 6 7 which contains Company goal targets as well as actual results. The 8 periods included were from August 2016 through July 2017. I found only one goal, 9 shown on Bates Stamp No. 16755, which did not meet or exceed the target goals. 10 11 12 No other metrics were provided for that period which demonstrated or indicated any 13 problem that needed to be resolved with additional employees.##END 14 **CONFIDENTIAL##** 15 16 I further reviewed Attachment 2-75 which was the Company's response to OPC 17 Interrogatory No. 75. This interrogatory asked for the number of customers by year 18 from 2006 to the base year 2016. A review of the document shows that customers have 19 only increased by 4.07% from 2006 to the base year 2016 while, according to the 20 Company's response to OPC Interrogatory No. 1(b), employees have increased 16.08% 21 from 2013 to the base year of 2016, far outpacing customer growth. This clearly does 22 not demonstrate the need for more employees. 23

## CONFIDENTIAL

1		despite the fact that the Company characterizes its proposed LNG facility as the
2		"cornerstone" of its capacity-related solutions.47
3		
4	Q	HOW MUCH IS THE COMPANY ANTICIPATING PAYING FOR THIS
5		ADDITIONAL FGT TRANSMISSION CAPACITY?
6	А.	##BEGIN CONFIDENTIAL##The Company states that its quoted reservation cost
7		for incremental capacity on the FGT pipeline is a second state of the the Company
8		also states that on an annualized basis, this translates to total amount of
9		<sup>49</sup> This implies that the total cost associated with the
10		proposed reservation of an incremental 20,000 Dth/d will be
11		##END CONFIDENTIAL##.
12	Q.	HAS THE COMPANY PROVIDED AN ESTIMATE OF THE COSTS
13		ASSOCIATED WITH THE CONSTRUCTION OF THE LNG FACILITY?
14	А.	Yes. The Company estimates that the proposed facility will cost \$58 million. <sup>50</sup> Exhibit
15		DED-1 presents a detailed breakdown of the total cost and individual cost components.
16		The current cost estimate importantly does not include any contingency, which is
17		commonly included in estimates of major capital projects. The Company, however,
18		notes that its current cost estimate is not fixed and that the accuracy of the cost estimate
19		will improve as the project gets closer to completion. <sup>51</sup>

<sup>&</sup>lt;sup>47</sup> Petition for Approval of Rate Increase, Request for Approval of Depreciation Study, and Request for Interim Rate Relief by Florida City Gas, ¶12.
<sup>48</sup> Direct Testimony of Gregory Becker, Exhibit GB-2.
<sup>49</sup> Direct Testimony of Gregory Becker, Exhibit GB-2.
<sup>50</sup> Direct Testimony of Stephen Wassell, 9:1-9.
<sup>51</sup> Direct Testimony of Stephen Wassell, 9:12-13.

## CONFIDENTIAL

3 4

1

2

#### 5 Q. DID THE COMPANY PROVIDE A COMPARISON OF THE POTENTIAL

6

## COSTS ASSOCIATED WITH DIFFERENT SUPPLY ALTERNATIVES?

Day study. That most recent study is provided in the Company's

response to POD 72. The comparison of the available options were

described and provided in witness Becker's testimony and exhibits.<sup>193</sup>

Yes, as part of its filing, the Company provided what it characterizes as a comparison 7 Α. of the potential costs associated with different potential supply alternatives.<sup>194</sup> This 8 analysis compares four potential supply options to provide the Company with an 9 incremental 10,000 Dth/d of supply capability. The first three potential supply options 10 examined by the Company were the annual reservation costs on the (1) Gulfstream 11 pipeline, (2) Sabal Trail and FSC pipelines, and (3) FGT pipeline. The fourth potential 12 supply option examined by the Company was the annual revenue requirement 13 associated with the proposed LNG storage facility.<sup>195</sup> It should be noted that the 14 Company's analysis is of limited value because it does not include costs associated 15 with establishing connections to pipelines to which it is not currently interconnected. 16

17

#### 18 Q. WHAT DID THIS LIMITED SCOPE COST COMPARISON SHOW?

A. The Company's analysis finds that incremental reservations on the Gulfstream pipeline
 would result in the lowest cost for incremental capacity. Indeed, the Company
 calculated that an additional 10,000 Dth/d of capacity would only cost \$2.59 million
 per year to reserve on this pipeline.<sup>196</sup> ##BEGIN CONFIDENTIAL##

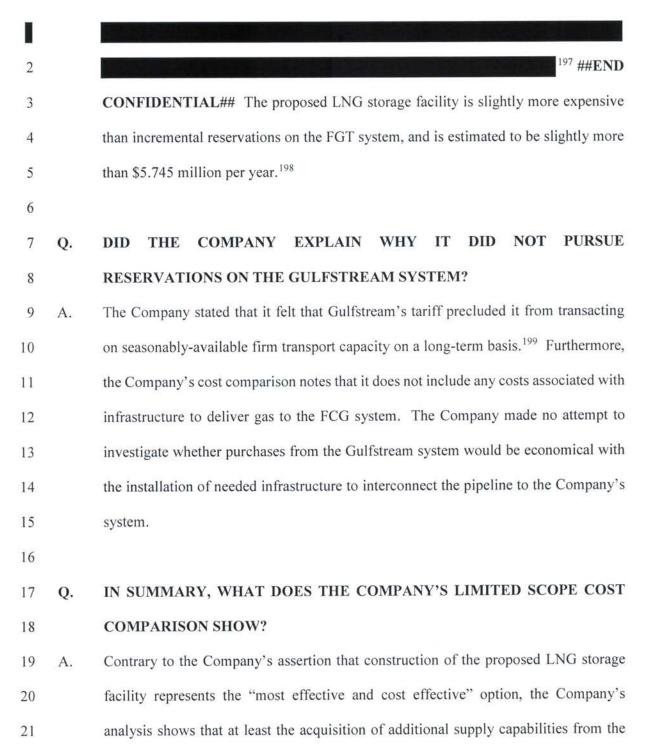
<sup>&</sup>lt;sup>193</sup> Company's response to OPC POD-71.

<sup>&</sup>lt;sup>194</sup> Direct Testimony of Gregory Becker, Exhibit GB-2.

<sup>&</sup>lt;sup>195</sup> Direct Testimony of Gregory Becker, Exhibit GB-2.

<sup>&</sup>lt;sup>196</sup> Direct Testimony of Gregory Becker, Exhibit GB-2.

## CONFIDENTIAL



<sup>&</sup>lt;sup>197</sup> Direct Testimony of Gregory Becker, Exhibit GB-2.

<sup>&</sup>lt;sup>198</sup> Direct Testimony of Gregory Becker, Exhibit GB-2.

<sup>&</sup>lt;sup>199</sup> Direct Testimony of Gregory Becker, 23:1-2.