

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment ) DOCKET NO. 950003-GU  
(PGA) Clause. ) ORDER NO. PSC-95-0159-CFO-GU  
\_\_\_\_\_ ) ISSUED: February 6, 1995

ORDER REGARDING PEOPLES' REQUEST FOR  
CONFIDENTIAL TREATMENT OF CERTAIN PORTIONS OF ITS  
COMPOSITE EXHIBITS HMG-2

On January 17, 1995, Peoples Gas System, Inc. (Peoples) filed a request for confidentiality concerning certain portions of its Composite Exhibits HMG-2, consisting of Schedules E-1, E-1R, E-2, E-3, E-4 and E-5. The confidential information is located in Document No. 00622-95.

Florida law presumes that documents submitted to governmental agencies shall be public records. The only exceptions to this presumption are the specific statutory exemptions provided in the law and exemptions granted by governmental agencies pursuant to the specific terms of a statutory provision. This presumption is based on the concept that government should operate in the "sunshine." It is the Company's burden to demonstrate that the documents fall into one of the statutory examples set out in Section 366.093, Florida Statutes, or to demonstrate that the information is proprietary confidential information, the disclosure of which will cause the Company or its ratepayers harm.

For the yearly gas filing, Peoples must show the quantity and cost of gas purchased from Florida Gas Transmission Company (FGT) during the year and period shown. Peoples states that FGT's current demand and commodity rates for FTS-1 transportation service and G purchases are set forth in FGT's tariff, which is a public record held by the Federal Energy Regulatory Commission (FERC). The purchased gas adjustment, which is subject to FERC review, can have a significant effect on the price charged by FGT. This purchased gas adjustment is also a matter of public record. On the other hand, rates for purchases of gas supplies from persons other than FGT are currently based on negotiations by Peoples or its affiliates with numerous producers and gas marketing companies. "Open access" on FGT's system has enabled Peoples and its affiliates to purchase gas from suppliers other than FGT. Purchases are made by Peoples at varying prices depending on the length of the period during which purchases will be made, the season or seasons during which purchases will be made, the quantities involved, and whether the purchase is made on a firm or interruptible basis. Also, gas prices can vary from producer-to-

DOCUMENT NUMBER-DATE

01312 FEB-6 95

FPSC-RECORDS/REPORTING

producer or marketer-to-marketer, even when non-price terms and conditions of the purchase are not significantly different. Peoples' affiliates also make purchases for sale to several of Peoples' large industrial customers who choose not to make purchases from Peoples' system supply.

Specifically, Peoples seeks confidential classification for the information in lines 4-9 of column L ("Total Cents Per Therm") of Schedule E-3. Peoples argues that this information is contractual data, the disclosure of which "would impair the efforts of [Peoples] to contract for goods or services on favorable terms." Section 366.093(3)(d), Florida Statutes. The information shows the weighted average prices Peoples paid to its suppliers for gas during the period shown. Peoples argues that knowledge of these prices could give other competing suppliers information which could be used to control gas pricing, because these suppliers could all quote a particular price (which in all likelihood would equal or exceed the price paid by Peoples), or could adhere to the price offered by a Peoples supplier. Even though this information is the weighted average price, suppliers would most probably refuse to sell gas at prices lower than this average price. Disclosing the weighted average cost could also keep suppliers from making price concessions. Peoples argues that the end result of disclosure is reasonably likely to be increased gas prices, which would result in increased rates to Peoples' ratepayers.

Regarding Schedule E-3, Peoples also seeks confidential treatment for lines 1-3, 4 and 9 of columns E-K ("System Supply", "End Use", "Total Purchased", "Commodity Third Party", "Commodity Cost/Pipeline", "Demand Cost", and "Other Charges"). This data is an algebraic function of the price per therm paid by Peoples on lines 4 and 9 of column L ("Total Cents Per Therm"). Peoples argues that the publication of these columns together, or independently, could allow suppliers to derive the prices Peoples paid to its suppliers or which Peoples projects to pay during the twelve-month period. Peoples asserts that disclosure of this information could enable a supplier to derive contractual information which "would impair the efforts of [Peoples] to contract for goods or services on favorable terms." Section 366.093(3)(d), Florida Statutes.

Regarding Schedule E-3, Peoples also seeks confidential treatment for lines 5-8 of columns E-L. Peoples argues that this data is an algebraic function of the price per therm Peoples is projecting it will pay in the future to its suppliers in Column L,

Lines 4 and 9. Publication of this information would allow potential suppliers to derive the purchase price Peoples has paid or is projecting to pay to its suppliers in the twelve-month period. In this manner, suppliers could derive contractual information, which "would impair the efforts of [Peoples] to contract for goods or services on favorable terms." Section 366.093(3)(d), Florida Statutes.

Peoples seeks confidential classification for the information on lines 30 and 31 for Schedule E-1 and Schedule E-1R Revised Estimate. Peoples argues that this information is contractual data which, if made public, "would impair the efforts of [Peoples] to contract for goods or service on favorable terms." Section 366.093(3)(d), Florida Statutes. The information shows the weighted average price Peoples paid its suppliers for the year and period shown. Peoples argues that knowledge of these gas prices could give competing suppliers information which could be used to control the price of gas, because these suppliers could all quote a particular price (which in all likelihood equal or exceed the price Peoples paid), or could adhere to the price offered by Peoples' suppliers. Even though this information is the weighted average price, other suppliers would most probably refuse to sell gas at prices lower than this average price. Disclosing the weighted average cost could also keep such suppliers from making price concessions. The end result of disclosure, Peoples asserts, is reasonably likely to be increased gas prices which result in increased rates to Peoples' ratepayer.

Peoples also seeks confidential classification of the information on lines 3, 4, 17 and 18 of Schedules E-1 and E-1R. Peoples argues that this information could permit a supplier to determine contractual information which, if made public, "would impair the efforts of [Peoples] to contract for goods or services on favorable terms." Section 366.093(3)(d), Florida Statutes.

In addition, Peoples requests confidentiality for lines 1, 2, 5-5b, 7-9, 15-16, 19-19b, and 21-23 on Schedule E-1 and Schedule E-1R Revised Estimate. Peoples argues that disclosure of this information could permit a supplier to determine contractual information which, if made public, "would impair the efforts of [Peoples] to contract for goods or services on favorable terms." Section 366.093(3)(d), Florida Statutes. The specified items are algebraic functions of the price per therm Peoples projects will be paid to its suppliers for gas. "Total Cost" (line 11), "Total Purchases" (line 24), "Total Cents-per-Therm Cost" (line 37), and

ORDER NO. PSC-95-0159-CFO-GU  
DOCKET NO. 950003-GU  
PAGE 4

the PGA factor and true-up have been disclosed, and Peoples argues that these figures could be used in conjunction with the proprietary information to derive the price Peoples expects to pay over the twelve-month period.

Peoples has requested that the proprietary information discussed above be treated as confidential until July 17, 1996. According to Peoples the period requested is necessary to allow Peoples time to negotiate future gas contracts. Peoples argues that if this information were declassified at an earlier date, competitors would have access to information which could adversely affect the ability of Peoples and its affiliates to negotiate future contracts on favorable terms. It is noted that this time period of confidential classification will ultimately protect Peoples and its ratepayers.

In consideration of the foregoing, it is therefore,

ORDERED by Commissioner J. Terry Deason, as Prehearing Officer, that the requested information in Document No. 00622-95 shall be treated as proprietary confidential business information to the extent discussed above. It is further

ORDERED that the information discussed above shall be afforded confidential treatment until July 17, 1996. It is further

ORDERED that this Order will be the only notification by the Commission to the parties concerning the expiration of the confidentiality time period.

By ORDER of Commissioner J. Terry Deason, as Prehearing Officer, this 6th day of February, 1995.

  
\_\_\_\_\_  
J. TERRY DEASON, Commissioner and  
Prehearing Officer

( S E A L )

BC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.