BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In Re: Petition for approval of special) contract with Pasco Cogen, Ltd., by Peoples Gas System

Docket No.

Submitted for Filing: 3-24-04

PEOPLES GAS SYSTEM'S REQUEST FOR CONFIDENTIAL TREATMENT

Pursuant to Section 366.093, Florida Statutes, Peoples Gas ("Peoples" or the "Company"), submits the following Request for Confidential Treatment of a portion of the Second Amended and Restated Gas Transportation Agreement between Peoples and Pasco Cogen, Ltd. ("Pasco Cogen"), a petition for approval of which is submitted for filing in the above docket concurrently herewith:

1. Attached hereto as Exhibit A is a detailed justification for the requested confidential treatment of the highlighted portions of the Second Amended and Restated Gas Transportation Agreement (the "special contract").

2. The material for which confidential classification is sought is intended to be and is treated as private by both Peoples and Pasco Cogen, and has not been disclosed.

3. Peoples requests that the information for which it seeks confidential classification not be declassified until two months after the expiration of the term of the special contract. The detailed justification for non-disclosure of the highlighted portions of the special contract (see Exhibit A attached hereto) also establishes good cause for the Commission's finding that the protection from disclosure should extend for a period longer than 18 months (see Section 366.093(4), Florida Statutes). The time period requested is necessary to protect the competitive information (*i.e.*, the level of the reduced rates at

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which service will be provided to Pasco Cogen under the special contract) from disclosure to Peoples' competitors and to other customers in order to allow Peoples, should it become necessary, to negotiate future gas service arrangements with other customers on favorable terms based on the specific factual circumstances of such customers. The period of time requested will ultimately protect Peoples and its customers by any such future arrangements being entered into based only on the facts and circumstances then applicable.

WHEREFORE, Peoples submits the foregoing as its request for confidential treatment of the information identified in Exhibit A.

Respectfully submitted,

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Ansley Watson, Jr. Macfarlane Ferguson & McMullen P. O. Box 1531 Tampa, Florida 33601-1531 Telephone: (813) 273-4200 or -4321 Facsimile: (813) 273-4396 or -4397 E-mail: <u>aw@macfar.com</u> Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Request for Confidential Treatment, filed on behalf of Peoples Gas System, has been furnished by regular U.S. Mail to the Office of Public Counsel, 812 Claude Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 23rd day of March, 2004.

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Ansley Watson, Jr.

SECOND AMENDED AND RESTATED GAS TRANSPORTATION AGREEMENT

The only information in the special contract for which Peoples seeks specified confidential treatment, and non-disclosure pursuant to Chapter 119, *Florida Statutes*, is highlighted on pages 4 and 5 of the special contract.

This information is the reduced rates at which Peoples will provide gas service to Pasco Cogen under the special contract, the thresholds at which the various rates apply, and other information affecting the level of the rate to be charged. It is information directly relating to Peoples' competitive interests which, if made public, "would impair the competitive business" of Peoples in the event it should become necessary to negotiate similar arrangements with other customers or potential customers in the future. Section 366.093(3)(d), *Florida Statutes*. Disclosure of the specific level of the rate at which Peoples will provide gas service to Pasco Cogen would give other customers or potential customers a benchmark or target toward which to negotiate in dealing with Peoples, notwithstanding that their particular circumstances may not be the same as, or even similar to, those of Pasco Cogen (which prompted Peoples to enter into the special contract for which the Commission's approval is sought in this docket).

Disclosure of this information, which consists of the rates offered by Peoples to Pasco Cogen to ensure that, during the term of the special contract, the customer will burn natural gas at its cogeneration facility, would damage Peoples in its ability to engage in possible future negotiations with this customer on rates and terms of service which are most favorable to Peoples and its ratepayers, and hamper the Company in its ability to negotiate in the future with other customers and potential customers who may be contemplating either the bypass of Peoples' distribution system or switching to a fuel other than natural gas, or never choosing to use the Peoples' distribution system at all. It is reasonably likely that the end result of disclosing this information would be, at best, a reduction in revenues to Peoples and, at worst, a loss of future customers or potential customers to alternative suppliers, including those of an alternate fuel.