

MEMORANDUM

MARCH 3, 1998

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FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (JAYE) *DRVE*

RE: DOCKET NO. 971559-GU - PETITION OF FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION FOR LIMITED PROCEEDING TO RESTRUCTURE RATES AND FOR APPROVAL OF GAS TRANSPORTATION AGREEMENTS.

98-0353-CFO-GIL

Attached is an ORDER GRANTING CONFIDENTIAL CLASSIFICATION FOR EXHIBITS 2-6 TO THE APPLICATION FOR LIMITED PROCEEDINGS BY CHESAPEAKE UTILITIES CORPORATION (DOCUMENT NO. 12163-97) to be issued in the above referenced docket. (Number of pages in order - 5)

MUST GO TODAY

GAJ/jm

Attachment

cc: Division of Electric and Gas (Makin, Bulecza-Banks, Lowery, Fulford)

Division of Auditing and Financial Analysis (Revell, L. Romig)

I:1216397.gaj

*added to the
no matter faxed - 2/10
List 3/3
mailed -*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida
Division of Chesapeake Utilities
Corporation for limited
proceeding to restructure rates
and for approval of gas
transportation agreements.

DOCKET NO. 971559-GU
ORDER NO. PSC-98-0353-CFO-GU
ISSUED: March 3, 1998

ORDER GRANTING CONFIDENTIAL CLASSIFICATION FOR EXHIBITS 2-6 TO
THE APPLICATION FOR LIMITED PROCEEDINGS BY CHESAPEAKE UTILITIES
CORPORATION (DOCUMENT NO. 12163-97)

Pursuant to Section 366.093(3)(e), Florida Statutes, and Rule 25-22.006, Florida Administrative Code, the Florida Division of Chesapeake Utilities Corporation (CUC) requests confidential classification of its Exhibits 2-6 submitted for filing concurrently with its petition for a limited proceeding to restructure rates in Docket No. 971559-GU. CUC asserts that the information contained in the Exhibits is entitled to confidential classification pursuant to Section 366.093(3)(e), Florida Statutes.

CUC asserts that the information for which confidential classification is sought is intended to be, and is treated as confidential by CUC and the two entities with whom it has entered into Gas Transportation Agreements. CUC maintains that this information has not been otherwise publicly disclosed. CUC also requests that this information be granted confidential classification for a period of eighteen months from the date of the issuance of this Order.

CUC requests that the information contained in Exhibit 2: page 5, lines 3-16; page 6, lines 4-8, 10-14, and 19-21; page 7, lines 4-31; page 8, lines 2-25; page 9, lines 2-9, and 11, 13-15; page 10, 2-4, and 7-16; page 11, 2-4, and 7-17; page 12, 2-14; page 13, lines 1-16, 18-22, and 24; page 14, lines 1-7; all pages and lines at columns I, J and K. CUC also requests that the information contained in Exhibit 3: page 1, lines 1-4, 8, and 11, column "amount"; page 2, lines 1-4, and 6-7, column "total"; page 3, lines 1-8, column "amount"; page 3, lines 13, 15, 16, and 18, column "notes"; page 4, lines 1-27, columns "description" and "amount"; page 5, lines 5-6, column "amount." CUC also requests confidential classification for Exhibit 4: page 1, lines 1-4, 8, and 11, column

DOCUMENT NUMBER-DATE

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"amount"; page 2, lines 1-4, 6, and 7, column "total"; page 3, lines 1-8, column "amount"; page 3, lines 13, 15, 16, and 18, column "notes"; page 4, lines 1-28, columns "description" and "amount"; page 5, lines 5 and 6, column "amount." CUC claims that this information is proprietary, confidential business information regarding allocated costs, volumes delivered and price. CUC alleges that this information is protected under Section 366.093(3)(e), Florida Statutes. CUC maintains that public disclosure of this information would impair the ability of CUC to negotiate terms and conditions in future Gas Transportation Agreements that are most favorable to CUC and its general body of ratepayers. The result of public disclosure, according to CUC, is likely to be price convergence in future Gas Transportation Agreements. The disclosure of the costs allocated to each customer, together with the volumes delivered, would enable others to calculate the pricing information negotiated with the Gas Transportation Agreement Customers. The disclosure of any of the components--allocated costs, volumes delivered, or price--separately or together, would provide sufficient information to calculate sensitive and competitive information contained in the cost of service for the Gas Transportation Agreement customers. The disclosure of this information separately from the Gas Transportation Agreements would give others the ability to calculate the allocated costs, volumes and pricing structure for the Gas Transportation Agreement customers. CUC contends that the public disclosure of this information may prevent CUC from successfully negotiating Gas Transportation Agreements with customers. CUC asserts that the information is regarded as sensitive and confidential by the Gas Transportation Agreement customers because its disclosure would impact the customer's ability to compete in their native markets. In the event such information is made public, CUC argues that future potential Gas Transportation Agreement customers may avoid the risk of public disclosure of their confidential information by refusing to negotiate with CUC. CUC predicts that this may lead to uneconomic bypass of CUC's facilities.

CUC also requests confidential classification of Exhibit 5: Exhibit A page 13, all lines, columns M, D, and Q; and, Exhibit 6, Exhibit A page 14, all lines, columns M, D, and Q. CUC believes that this information is proprietary confidential business information regarding contractual terms and pricing. CUC asserts that this information is protected under Section 366.093(3)(e), Florida Statutes. CUC states that public disclosure of this information would impair the ability of CUC to negotiate terms and

conditions in future Gas Transportation Agreements that are most favorable to CUC and its general body of customers. CUC suggests that the public disclosure of this information may prevent CUC from successfully negotiating Gas Transportation Agreements with customers. CUC maintains that the information is regarded as sensitive and confidential by the Gas Transportation Agreement customers because its disclosure would impact the customers' ability to compete in their "native markets." In the event such information is made public, CUC predicts future potential Gas Transportation Agreement customers may avoid the risk of public disclosure of their confidential information by refusing to negotiate with CUC. CUC alleges that this may lead to uneconomic bypass of CUC's facilities.

CUC requests confidential classification of the information contained in Exhibit 5, Exhibit B, page 14, all lines, column "rate per decatherm"; and Exhibit 6, Exhibit B, page 15, all lines, column "rate per decatherm," because this information is proprietary confidential business information regarding contractual terms and pricing. CUC alleges that this information is protected under Section 366.093(3)(e), Florida Statutes. CUC alleges that public disclosure of this information would impair the ability of CUC to negotiate terms and conditions in future Gas Transportation Agreements that are most favorable to CUC and its general body of customers. CUC asserts that the result of public disclosure of the pricing information would be price convergence in future Gas Transportation Agreements. CUC alleges that the public disclosure of this information may prevent CUC from successfully negotiating Gas Transportation Agreements with customers. CUC maintains that the information is regarded as sensitive and confidential by the Gas Transportation Agreement customers because its disclosure would impact the customers' ability to compete in their "native markets." CUC predicts that in the event such information is made public, future potential Gas Transportation Agreement customers may avoid the risk of public disclosure of their confidential information by refusing to negotiate with CUC. CUC contends that this may lead to uneconomic bypass of CUC's facilities.

Upon review, it appears that the information for which CUC seeks confidential classification is entitled to such classification. The information appears to be proprietary information. Public disclosure of this information would tend to cause irreparable harm to the competitive interests of CUC and the two entities with whom it has negotiated Gas Transportation Agreements. Accordingly, this information shall be held

ORDER NO. PSC-98-0353-CFO-GU
DOCKET NO. 971559-GU
PAGE 4

confidential for a period of eighteen months from the date of the issuance of this Order.

It is therefore

ORDERED by Commissioner Joe Garcia, as Prehearing Officer, that the information discussed above and contained in Document No. 12163-97 is granted confidential classification. It is further

ORDERED that the information discussed in the body of this Order and contained in Document No. 12163-97 is granted confidential classification for a period of eighteen months from the date of the issuance of this Order. It is further

ORDERED that this Order will be the only notification by the Commission to the parties of the declassification date of this document.

By ORDER of Commissioner Joe Garcia, as Prehearing Officer, this 3rd Day of March, 1998.



JOE GARCIA
Commissioner and Prehearing Officer

(S E A L)

SAJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.