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REPLY TO:
P.O. BOX 10088
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May 6, 1993

Mr. Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

via Hand Delivery

Re: Application for Determination of Need for an
Intrastate Natural Gas Pipeline; Docket #920807-GP

Dear Mr. Tribble:

Enclosed for filing please find an original and fifteen copies of SunShine Pipeline Partners Request for Confidential Classification of information contained within Mr. Judah Rose's Late-Filed Deposition Exhibit No. 2 for the above-referenced docket.

You will also find a copy of this letter enclosed. Please date-stamp the copy of the letter to indicate that the original was filed and return a copy to me.

ACK If you have any questions regarding this matter, please feel
AFA free to contact me. Thank you for your assistance in processing
this filing.

APP _____

CAF _____

CMU _____

CTR _____

EAG _____

LEG _____

LIN _____

OPD _____

PMD/tmz

ROH _____

Enclosure

SE _____

cc: All parties of record

WFS _____

OTH _____

Respectfully,

HABEN, CULPEPPER, DUNBAR
& FRENCH, P.A.

Peter M. Dunbar
Peter M. Dunbar

RECEIVED & FILED

29
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

04992 MAY-6 93

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for)
Determination of Need for)
an Intrastate Natural Gas)
Pipeline by SunShine)
Pipeline Partners)
_____)

Docket No.: 920807-GP
Filed: May 6, 1993

SUNSHINE PIPELINE PARTNERS
REQUEST FOR CONFIDENTIAL CLASSIFICATION

COMES NOW, SunShine Pipeline Partners ("SunShine"), pursuant to Rule 25-22.006, Florida Administrative Code, and hereby requests confidential classification and treatment of certain documents requested by Staff of the Florida Public Service Commission ("Commission") in this docket. In support therefor, SunShine states as follows:

1. At the deposition of SunShine's witness, Mr. Judah Rose, taken on April 28, 1993, counsel for the Commission requested as a late-filed deposition exhibit information explaining the methodology used to determine whether existing electrical power plants in Florida were technically and economically accessible to the proposed SunShine Pipeline. The information was designated "Late-Filed Deposition Exhibit No. 2, Technical and Economic Feasibility Analyses."

2. SunShine prepared the late-filed exhibit and determined that it contained proprietary confidential business information, the disclosure of which would cause harm to the business operations of SunShine. Therefore, SunShine filed a Notice of Intent to Request Confidential Classification on April 30, 1993, for information contained in Attachment 1 of the Late-Filed Deposition

Exhibit No. 2. An Amended Notice of Intent to Request Confidential Classification was filed by SunShine on May 3, 1993, to request confidential classification of other information in the exhibit.

3. Late-Filed Deposition Exhibit No. 2 is attached hereto as Exhibit A and is inter-corporate correspondence from Mr. E. J. Burgin to Ms. M. L. Bollinger regarding "Technical and Economic Feasibility Analysis for Accessing Existing Power Plants in Florida." It describes the method used by Mr. Burgin, and other persons under his control and supervision, to determine whether SunShine could provide natural gas transportation service to existing power plants in Florida for a cost per million cubic feet of \$0.65 or less. The method took into account certain rate derivation information which is described in the correspondence and in an attachment to the correspondence. This rate information is the proprietary confidential business information which SunShine seeks to protect from public disclosure.

4. Rule 25-22.006, Florida Administrative Code, provides for the protection of confidential business information which would harm the business operations of a party if it were disclosed.

5. Pursuant to Rule 25-22.006(3)(d), Late-Filed Deposition Exhibit No. 2 to Mr. Judah Rose's deposition of April 28, 1993, shall be exempt from Section 119.07(1), Florida Statutes, and will be accorded stringent internal procedural safeguards against public disclosure pending a ruling on this request for confidential classification.

6. SunShine contends that information contained in Late-Filed Deposition Exhibit No. 2 qualifies for confidential classification for the following reasons:

a. On page 3 of the late-filed exhibit, under the heading "Economic Feasibility," is a sentence designated (2) that contains information about SunShine's costs per million cubic feet of natural gas transported over a specific time period and through a specified pipeline lateral size. This is proprietary business information that, if disclosed to SunShine's competitors, would give them a competitive advantage over SunShine. SunShine's competitors are not required to disclose similar information to SunShine and the information is not publicly disseminated by SunShine's competitors. Disclosure of this information would give SunShine's competitors critical information about SunShine's costs of providing services used to derive rates which SunShine's competitors could then exploit in structuring their offers to potential shippers and in other facilities planning so as to gain a competitive advantage. Furthermore, the disclosure of this information to SunShine's prospective customers could adversely affect SunShine's ability to bargain for better terms and conditions with these prospective customers.

b. On page 4 of the late-filed exhibit, in the paragraph beginning, "For the Port Everglades area," is a sentence that contains information about SunShine's costs per million cubic feet of natural gas transported over a specified time period and specified pipeline lateral size. This is proprietary business

information that, if disclosed to SunShine's competitors, would give them a competitive advantage over SunShine. SunShine's competitors are not required to disclose similar information to SunShine and the information is not publicly disseminated by SunShine's competitors. Disclosure of this information would give SunShine's competitors critical information about SunShine's costs of providing services used to derive rates which SunShine's competitors could then exploit in structuring their offers to potential shippers and in other facilities planning so as to gain a competitive advantage. Furthermore, the disclosure of this information to SunShine's prospective customers could adversely affect SunShine's ability to bargain for better terms and conditions with these prospective customers.

c. The last sentence on page 4 of the late-filed exhibit, continuing onto page 5, is a sentence is a sentence that contains information about SunShine's costs per million cubic feet of natural gas transported over a specified time period and through a specified pipeline lateral size. This is proprietary business information that, if disclosed to SunShine's competitors, would give them a competitive advantage over SunShine. SunShine's competitors are not required to disclose similar information to SunShine and the information is not publicly disseminated by SunShine's competitors. Disclosure of this information would give SunShine's competitors critical information about SunShine's costs of providing services used to derive rates which SunShine's competitors could then exploit in structuring their offers to

potential shippers and in other facilities planning so as to gain a competitive advantage. Furthermore, the disclosure of this information to SunShine's prospective customers could adversely affect SunShine's ability to bargain for better terms and conditions with these prospective customers.

d. The first complete sentence on page 5 of the late-filed exhibit contains information about SunShine's cost per million cubic feet of natural gas transported over both mainline and lateral pipelines. This is proprietary business information that, if disclosed to SunShine's competitors, would give them a competitive advantage over SunShine. SunShine's competitors are not required to disclose similar information to SunShine and the information is not publicly disseminated by SunShine's competitors. Disclosure of this information would give SunShine's competitors critical information about SunShine's costs of providing services used to derive rates which SunShine's competitors could then exploit in structuring their offers to potential shippers and in other facilities planning so as to gain a competitive advantage. Furthermore, the disclosure of this information to SunShine's prospective customers could adversely affect SunShine's ability to bargain for better terms and conditions with these prospective customers.

e. Attachment 1 to the late-filed exhibit includes a document with the heading "Summary of Economics to Serve Various Market Areas." This document consists of tables of costs to provide service to various areas of the State and contains

information about SunShine's costs per million cubic feet of natural gas transported. This is proprietary business information that, if disclosed to SunShine's competitors, would give them a competitive advantage over SunShine. SunShine's competitors are not required to disclose similar information to SunShine and the information is not publicly disseminated by SunShine's competitors. Disclosure of this information would give SunShine's competitors critical information about SunShine's costs of providing services used to derive rates which SunShine's competitors could then exploit in structuring their offers to potential shippers and in other facilities planning so as to gain a competitive advantage. Furthermore, the disclosure of this information to SunShine's prospective customers could adversely affect SunShine's ability to bargain for better terms and conditions with these prospective customers.

f. Attachment 1 to the late-filed exhibit includes a document with the heading "SunShine Expansion Cost Support." This document consists of tables of costs to provide service and contains information about SunShine's costs per million cubic feet of natural gas transported. This is proprietary business information that, if disclosed to SunShine's competitors, would give them a competitive advantage over SunShine. SunShine's competitors are not required to disclose similar information to SunShine and the information is not publicly disseminated by SunShine's competitors. Disclosure of this information would give SunShine's competitors critical information about SunShine's costs

of providing services used to derive rates which SunShine's competitors could then exploit in structuring their offers to potential shippers and in other facilities planning so as to gain a competitive advantage. Furthermore, the disclosure of this information to SunShine's prospective customers could adversely affect SunShine's ability to bargain for better terms and conditions with these prospective customers.

7. Late-Filed Deposition Exhibit No. 2 was intended to be private and has not been disclosed to any person other than counsel for the Commission and Florida Gas Transmission Company with a request not to disclose the information pending resolution of this request for confidential classification.

8. Pursuant to Rule 25-22.006(4), Florida Administrative Code, a copy of the late-filed exhibit is attached as Exhibit A and marked to highlight the information that SunShine contends is confidential. Another copy of the late-filed exhibit is attached as Exhibit A-Edited Copy wherein the confidential information is blocked out with an opaque marker.

9. SunShine requests an order from the Commission that classifies the above-described information contained in Late-Filed Deposition Exhibit No. 2 as confidential and specifies the following reasonable conditions for the treatment of the document in this docket:

a. The document shall bear on the first page the legend "PROTECTED DOCUMENTS SUBJECT TO COMMISSION ORDER IN SUNSHINE

PIPELINE PARTNERS DOCKET NO. 92-0807-GP," and on each page thereof the legend "CONFIDENTIAL - DO NOT RELEASE."

b. The document shall only be used in this docket.

c. The document shall be sealed and shall remain sealed to protect the information from public disclosure.

d. The document shall be exempt from Section 119.07(1), Florida Statutes.

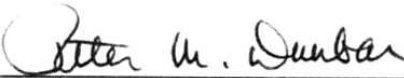
e. Reasonable precautions shall be taken to segregate any confidential information that is entered in the record.

10. A copy of this Request for Confidential Classification will be provided to persons on the service list with the edited exhibit only.

RESPECTFULLY SUBMITTED this 6th day of May, 1993.

HABEN, CULPEPPER, DUNBAR
& FRENCH, P.A.
Post Office Box 10095
Tallahassee, Florida 32302
(904) 222-3533

By:



PETER M. DUNBAR

CERTIFICATE OF SERVICE
DOCKET NO. 920807-GP

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by U.S. Mail or hand delivery(*) on this 6th day of May, 1993, to the following parties of record:

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PETER M. DUNBAR

INTER-CORPORATE CORRESPONDENCE

TO: M. L. Bollinger
FROM: E. J. Burgin
DATE: April 30, 1993
RE: Technical and Economic Feasibility Analysis
for Accessing Existing Power Plants in Florida

=====

On or about April 12, 1993, I received a telephone call from Mr. Judah L. Rose of ICF Resources regarding the above-referenced subject. At that time, Mr. Rose was preparing supplemental work to his previously filed Direct Testimony in the SunShine Pipeline Partners Application for a Determination of Need before the Florida Public Service Commission.

Mr. Rose informed me that he had calculated a unit transportation cost level for determining the demand for capacity and assessing the economic feasibility of connecting existing power plant market to the SunShine system. The unit transportation calculated by Mr. Rose, which he characterized as a levelized annuity for a thirty year period in 1991 dollars, was \$0.65 per Mcf. Mr. Rose stated that this figure represented a benchmark cost, at or below which it would be economically feasible for SunShine to access existing power plants. As a result of this call from Mr. Rose, I consulted with ANR's Facilities Planning Department to determine whether SunShine could provide service to the existing power plants in Florida for a cost equal to or less than Mr. Rose's \$0.65 per Mcf benchmark. I also determined with the assistance of the Facilities Planning Department whether it was

technically feasible to connect the plants. After consultation I allocated the plants into four categories: Economic to Serve, Proximate to the Pipeline; Potentially Economic to Serve; Less Economic to Serve and Not Economic to Serve. The Not Economic to Serve category includes only plants in the Florida Keys.

Technical Feasibility

The criteria used to determine the technical feasibility of accessing existing power plant facilities in Florida to the SunShine system included (1) consideration of the general proximity of the power plants to SunShine's proposed corridor, (2) the physical reconnaissance of the routes from such corridor to the power plants as well as the actual plant sites; (3) a topographical map study where physical reconnaissance could not be performed; and (4) my own personal evaluation based upon my experience in connecting electric power plants to a pipeline system. Based upon this criteria, my conclusion is that it is indeed technically feasible for SunShine to access those existing power plants shown on Exhibit A to Mr. Rose's Rebuttal Testimony that are designated, "Economic to Serve, Proximate the Pipeline," "Potentially Economic to Serve," and "Less Economic to Serve."

For the area categorized as "Economic to Serve, Proximate to the Pipeline", the route of the SunShine system was chosen to give direct access to the power plants located in the Tampa/St. Petersburg area. The proposed corridor for SunShine is adjacent to or very near to the power plants located in this category.

With respect to those existing power plants designated as "Potentially Economic to Serve" on said Exhibit A, I concluded that such plants are technically feasible to serve on the basis of actual route and site reconnaissance undertaken for those power plants in the Jacksonville area (Kennedy, Northside and Southside plants) and the Martin Plant units. Topographic map analysis was performed for the Cape Canaveral Area plant locations. In the "Less Economic to Serve" category, the physical reconnaissance of the Port Everglades site was undertaken and based upon my own experience in connecting power plants to transmission systems, I came to the conclusion that both the Port Everglades and Ft. Myers sites are technically feasible to access. We did not evaluate the technical feasibility of connecting to the existing power plants in the Florida Keys.

Economic Feasibility

For purposes of analyzing the economic feasibility of accessing the existing power plants in Florida to the SunShine system, I accepted Mr. Rose's benchmark unit transportation cost figure of \$0.65 per Mcf as a threshold cost to equal or beat. According to Mr. Rose, this \$0.65 is equivalent to an annuity of \$1.08 in nominal dollars for the 1995 to 2019, 25 year period, assuming annual inflation of 4%. In our analysis, we made the following assumptions: (1) the Aggregate Rate Cap for the SITCO and SunShine transportation rates for the initial year of service is 71.8 cents per MMBtu; and (2) [REDACTED]

[REDACTED]

[REDACTED] Based upon these assumptions, I have concluded that SunShine can access existing power plants on an economically feasible basis in the Economic to Serve Proximate to the Pipeline; and the Potentially Economic to Serve categories. This conclusion is supported by the calculations shown on the top part of Attachment 1 to this memorandum.

For the Port Everglades area, which is classified as "Less Economic to Serve (Requires greater than or equal to 200 MMcf/d)," an additional analysis which utilized a 24" lateral capable of transporting 200 MMcf/d was prepared. [REDACTED]

[REDACTED] Based upon these assumptions, I have concluded that SunShine can access existing power plants in the Port Everglades area, with a volume commitment of 200 MMcf/d or more.

In my opinion, this determination that I have reached regarding economic feasibility is conservative for several reasons. First, the 71.8 cents per MMBtu Aggregate Rate Cap is applicable to the proposed 1995 in-service date. I anticipate that the actual aggregate rate charged by SITCO and SunShine on the in-service date will be less than the applicable cap. Second, our calculations are based upon the presumption that SunShine's mainline system will not be expanded to provide access to these existing power plants. Should a mainline expansion be required, the rolled-in rate treatment shown on the bottom part of Attachment 1, will produce a lower unit transportation rate to all SunShine customers. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] In the event the mainline expansion or construction of laterals occurs earlier, a further savings to the shipper will occur.

In regards to the category, "Less Economic to Serve (Requires greater than or equal to 200 MMcf/d)," because my economic assumptions are conservative, the power plants in the Port Everglades area are also economically accessible. Furthermore, even if my conservative assumptions are used, the economics for serving the Port Everglades power plants improve and result in the accessibility of the plants for volumes greater than 200 MMcf/d.

In conclusion, I have determined that accessing existing power plants in Florida is both technically and economically feasible, except for those plants in the Florida Keys.

Summary of Economics to Serve Various Market Areas

Existing System Aggregate Project Rate Plus Incremental Lateral Cost

Areas	Mainline Rate (\$/Mcf)	Miles of Haul	Lateral Rate (\$/Mcf)	Total Cost (\$/Mcf)
Economic to Serve/Proximate to the Pipeline				
Tallahassee	\$0.72	0		
Gainesville	\$0.72	35		
Potentially Economic to Serve				
Jacksonville area	\$0.72	110		
Cape Canaveral area	\$0.72	75		
Martin area	\$0.72	110		
Less Economic to Serve (Requires greater than or equal to 200 MMcf/d)				
Port Everglades area - 20" lateral (125 MMcf/d)	\$0.72	205		
Port Everglades area - 24" lateral (200 MMcf/d)	\$0.72	205		
Fort Myers area	\$0.72	75		

Incremental Mainline Expansion Cost Plus Incremental Lateral Cost

Areas	Miles of Haul	Mainline Rate (\$/Mcf)	Miles of Haul	Lateral Rate (\$/Mcf)	Total Cost (\$/Mcf)
Economic to Serve/Proximate to the Pipeline					
Tallahassee	303		0		
Gainesville	403		35		
Potentially Economic to Serve					
Jacksonville area	403		110		
Cape Canaveral area	520		75		
Martin area	565		110		
Less Economic to Serve (Requires greater than or equal to 200 MMcf/d)					
Port Everglades area - 20" lateral (125 MMcf/d)	565		205		
Port Everglades area - 24" lateral (200 MMcf/d)	565		205		
Fort Myers area	565		75		

SUNSHINE EXPANSION COST SUPPORT

Mainline Expansion

	Base System <u>As-Filled</u>	Year 2000 <u>Proposed</u>	<u>Increase</u>
<u>SITCO</u>			
Flow (MMcf/d)	[REDACTED]	[REDACTED]	[REDACTED]
Investment (\$MM)	[REDACTED]	[REDACTED]	[REDACTED]
Rate (\$/Mcf)	[REDACTED]	[REDACTED]	[REDACTED]
COS (\$MM)	[REDACTED]	[REDACTED]	[REDACTED]
Incremental Rate (\$/Mcf)			[REDACTED]
<u>SunShinn</u>			
Flow (MMcf/d)	[REDACTED]	[REDACTED]	[REDACTED]
Investment (\$MM)	[REDACTED]	[REDACTED]	[REDACTED]
Rate (\$/Mcf)	[REDACTED]	[REDACTED]	[REDACTED]
COS (\$MM)	[REDACTED]	[REDACTED]	[REDACTED]
Incremental Rate (\$/Mcf)			[REDACTED]
<u>Total</u>			
Flow (MMcf/d)			[REDACTED]
Investment (\$MM)			[REDACTED]
Rate (\$/Mcf)			[REDACTED]
COS (\$MM)			[REDACTED]
Miles of Haul			[REDACTED]
Total Mcf Rate per 100 Miles			[REDACTED]

20 Inch Lateral Cost

	<u>Facilities</u>	<u>Investment</u>	<u>Rate</u>
Jacksonville Lateral	110 Mi.- 20" plus 1 meter -	[REDACTED]	[REDACTED]
	[REDACTED]		
Total Rate per 100 Miles			[REDACTED]

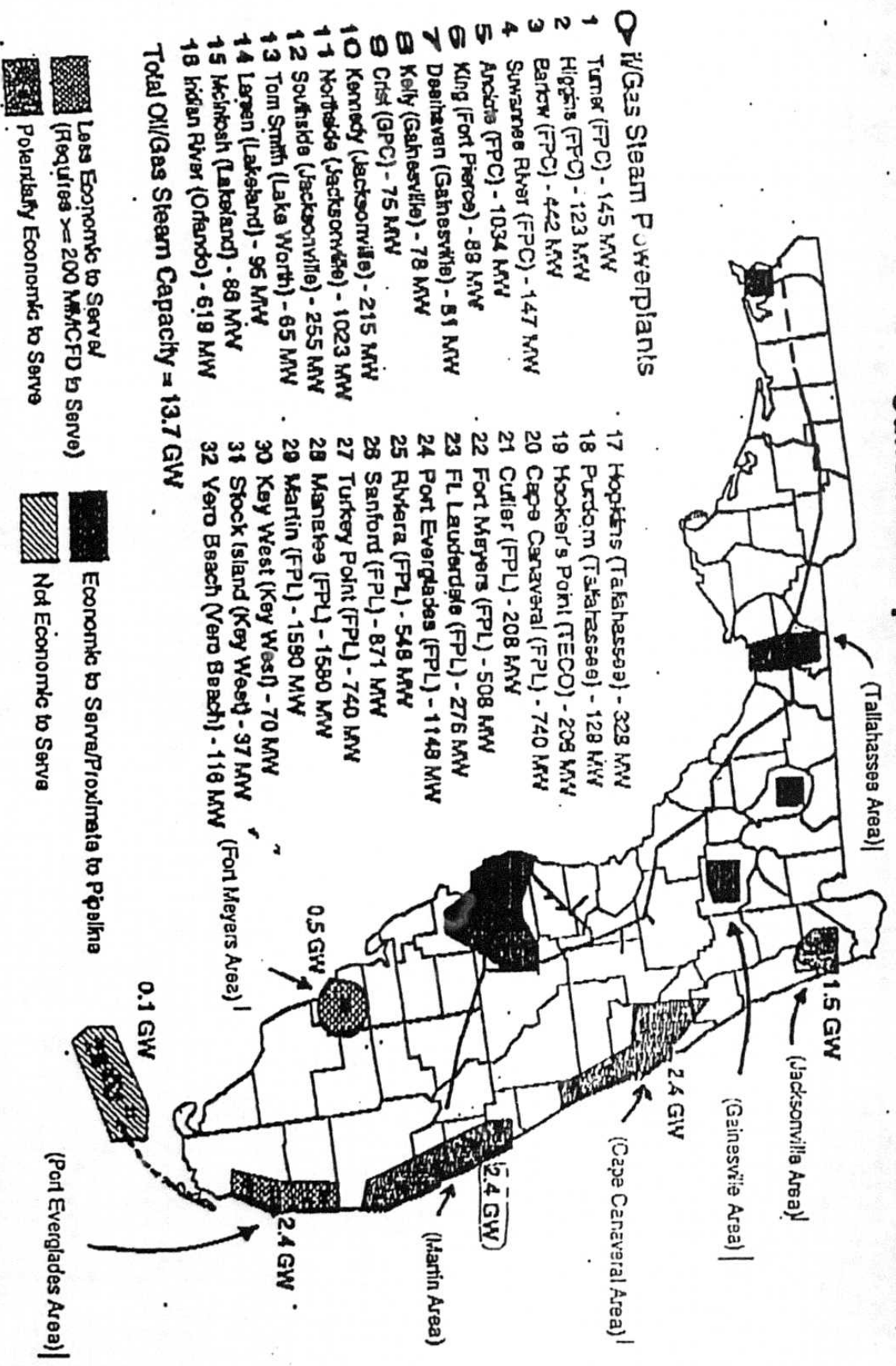
24 Inch Lateral Cost

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Sunshine Pipeline Route

Exhibit A

Rebuttal Testimony of Judith L. Rose



M E M O R A N D U M

May 7, 1993

TO: _____ DIVISION OF APPEALS
_____ DIVISION OF AUDITING AND FINANCIAL ANALYSIS
_____ DIVISION OF COMMUNICATIONS
X _____ DIVISION OF ELECTRIC AND GAS
_____ DIVISION OF RESEARCH
_____ DIVISION OF WATER AND SEWER
_____ DIVISION OF LEGAL SERVICES

FROM: DIVISION OF RECORDS AND REPORTING (FLYNN)

RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO.: 04993-93

DESCRIPTION: Exhibit No. 2 to Deposition of
Judah Rose

SOURCE: Sunshine Pipeline Partners

DOCKET NO.: 920807-GP

The above material was received with a request for confidentiality (attached). Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. Copies of your recommendation should also be provided to the Division of Records and Reporting and to the Division of Appeals.

Please read each of the following and check if applicable.

_____ The document(s) is (are), in fact, what the utility asserts it (them) to be.

_____ The utility has provided enough details to perform a reasoned analysis of its request.

_____ The material has been received incident to an inquiry.