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COGENERATION & ALTERNATIVE ENERGY  
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**VIA FEDERAL EXPRESS**

October 14, 1993

Steven C. Tribble, Director  
Division of Records & Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32399-0870

Re: Docket No. 921167-EQ - Petition for approval of separately negotiated contract for the purchase of firm capacity and energy from Monsanto Company by Gulf Power Company

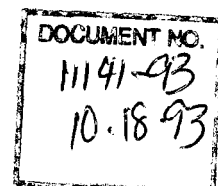
**Request for Specified Confidential Treatment**

Dear Mr. Tribble:

Enclosed for filing in the referenced Docket please find an original and ten copies of the Request of Monsanto Company for Confidential Classification of the following documents:

- The Lease Agreement dated May 24, 1993 between Monsanto Company and Niject Services Company, regarding air compression equipment.
- The Lease Agreement dated October 8, 1993 between Monsanto Company and Praxair Inc., regarding liquid nitrogen equipment.

One copy of each of these Lease Agreements with the confidential material identified and highlighted have been marked "Confidential" and are contained in a separate envelope which is also marked "Confidential". Monsanto requests that these documents, which contain confidential, proprietary business information, be accorded stringent internal procedural safeguard against public disclosure in accordance with Section 366.093, F.S., and Rule 25-22.006(d)(3), F.A.C.



Steven C. Tribble, Director  
October 14, 1993  
Page 2

Two edited copies of each Lease Agreement with the confidential portions masked out are also provided.

I am also enclosing a double-sided high density 3.5 inch floppy disk containing this document in WordPerfect 5.1 format as prepared on a MS-DOS based computer.

Please contact this office if you have any questions regarding this submittal.

Sincerely,



Richard A. Zambo

RAZ/jnh

Enclosures

cc: Roland Floyd (w/request only) ✓  
Donna Canzano, Esquire (w/request only)  
Guy Shumate  
Rick Ringhofer, Esquire

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for Approval of )  
Separately Negotiated Contract for )  
the Purchase of Firm Capacity and )  
Energy from Monsanto Company by )  
Gulf Power Company. )  
\_\_\_\_\_ )

Docket No. 921167-EQ

Dated: October 14, 1993

**REQUEST FOR SPECIFIED CONFIDENTIAL CLASSIFICATION**

Monsanto Company (Monsanto), by and through its undersigned attorneys, files this request for classification of certain information as "Specified Confidential" pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code. Monsanto requests that the two lease agreements submitted with this Request be classified as "Specified Confidential" for as long as they are in the Commission's possession; that the lease agreements be returned to Monsanto when the Commission completes its review of these documents or closes this Docket, whichever occurs earlier; and, that only the accompanying edited versions of the lease agreements be released for public inspection.

**INTRODUCTION**

1. On March 29, 1993, the Commission issued Order No. PSC-93-0466-FOF-EQ in this Docket on Notice of Proposed Agency Action. That Order, among other things, requested the filing of the "executed" lease agreements between Monsanto and Niject and Monsanto and Praxair within 6 months from the date the Proposed Agency Action order became final (i.e., on or before October 19, 1993). Those lease agreements were executed by the parties on May 24, 1993 and October 8, 1993, respectively, and accordingly, are submitted herewith in compliance with the Commission's request.

DOCUMENT NUMBER-DATE

1114 | OCT 18 93

FPC-RECORDS/REPORTING

## MONSANTO'S REQUEST

2. Monsanto requests that the Commission enter an order granting Specified Confidential Classification to the following lease agreements:

- The Lease Agreement dated May 24, 1993 between Monsanto Company and Niject Services Company, regarding air compression equipment.
- The Lease Agreement dated October 8, 1993 between Monsanto Company and Praxair Inc., regarding liquid nitrogen equipment.

This request is accompanied by one copy of each of these "Lease Agreements" in which the confidential information has been identified and highlighted. Monsanto requests that these Lease Agreements be accorded stringent internal procedural safeguards against public disclosure in accordance with the requirements of Rule 25-22.006(3)(d). This request is also accompanied by two edited copies of each Lease Agreement for public inspection, with the confidential information excised. Monsanto requests that only the edited versions be released for public inspection.

3. Because of Monsanto's current and long-term need to lease equipment, including equipment such as that addressed in the subject Lease Agreements, Monsanto requests that the confidential classification be maintained for as long as the Lease Agreements are in the Commission's possession. Monsanto also requests that all versions of the Lease Agreements be returned to Monsanto at the time the Commission completes its review of these documents or closes this Docket, whichever occurs earlier.

## BACKGROUND

4. Monsanto owns and operates a "unified" chemical production complex at Pensacola, Florida, where Nylon and other chemical products are produced for sale. The market

for Monsanto's products is highly competitive. Accordingly, information relating to the production processes at the Pensacola complex, the economics of the processes and the specifications for and costs associated with those processes is carefully protected from disclosure. Monsanto's business operations will be harmed by the disclosure of proprietary confidential business information relating to its Pensacola complex.

#### **THE CONFIDENTIAL NATURE OF THE LEASE AGREEMENTS**

5. In accordance with Subsection (4) of Rule 25-22.006, Monsanto provides the following justification for Specified Confidential Classification of the above Lease Agreements.

6. The Lease Agreements which accompany this request contain confidential proprietary business information relating to important production processes at Monsanto's Pensacola complex. The Niject Lease Agreement concerns equipment used to produce compressed air for use in the production of Maleic Anhydride. The Praxair Lease Agreement concerns equipment used to produce nitrogen for use in the production of various chemical products at the Pensacola complex.

7. The Lease Agreements contain important information concerning production processes at the Pensacola complex, the economics of the processes and the specifications for and costs associated with certain equipment used in those processes. They set forth detailed economic information relating to the Lease Agreements, as well as Monsanto's detailed specifications for the compressed air and liquid nitrogen required at the plant, the equipment used to produce the compressed air and liquid nitrogen, and other proprietary information. The Lease Agreements contain strict confidentiality provisions and have been maintained as confidential by Monsanto, Niject and Praxair since their execution.

8. The following types of proprietary confidential business information are contained in the Lease Agreements:

- the structure, components and basis for calculating lease payments and termination charges to be paid by Monsanto;
- detailed performance requirements and specifications for compressed air and liquid nitrogen equipment;
- detailed specifications as to the content, qualities, quantities and conditions of compressed air and nitrogen used at the plant; and,
- equipment purchase option provisions.

9. The above information constitutes confidential proprietary business information within the meaning of Section 366.093, Florida Statutes, in that:

- the information in the Lease Agreements is owned or controlled by Monsanto, who is making the request for confidentiality;
- the information in the Lease Agreements is intended to be and has been treated as private, in that disclosure would cause harm to Monsanto's business operations; and,
- the information in the Lease Agreements has not been disclosed to third persons, except under conditions described in Section 366.093(3).

This information meets two of the specified examples of confidential proprietary business information set forth in Section 366.093(3):

- It is information concerning "contractual" data, the disclosure of which would harm the efforts of Monsanto to contract for goods or services on favorable terms; and,
- It is information relating to competitive interests, the disclosure of which would impair the competitive business of Monsanto, Niject and Praxair.

10. Clearly, the above-described information is confidential proprietary business information within the meaning of the statute for several reasons.

a. The market for Monsanto's products is highly competitive and information regarding production processes at the Pensacola complex, the economics of those processes and the specifications for and costs associated with those processes is very sensitive. The compressed air produced by the Niject equipment is a key component of the Maleic Anhydride production process at Monsanto's Pensacola chemical complex. Should Monsanto's competitors become aware of any of the above information in the Niject Lease Agreement, it will place Monsanto at a disadvantage in the marketplace for sale of Maleic Anhydride and harm Monsanto's business operations. Likewise, the liquid nitrogen produced by the Praxair equipment is an important component of several of the operations at Monsanto's plant. Should Monsanto's competitors become aware of any of the above information in the Praxair Lease Agreement, it will place Monsanto at a disadvantage in the marketplace and harm Monsanto's business operations.

b. In addition, the market for equipment necessary to Monsanto's production processes is competitive. The Niject and Praxair Lease Agreements reflect the give and take of negotiations between Monsanto and two of its equipment suppliers. Monsanto's ability to negotiate favorable prices and favorable terms and conditions will be harmed if the above information from either Lease Agreement is made known to potential suppliers.

c. Finally, Niject and Praxair themselves are involved in highly competitive markets. Monsanto has agreed with Niject and Praxair to maintain the confidentiality of certain information regarding the Lease Agreements, information regarding the economics and characteristics of their equipment and the economics and characteristics

of Monsanto's operations. Both Lease Agreements require each party to preserve the confidentiality of all business information provided by the other party or obtained during the process of performing under the Lease Agreement. Should any of the confidential information from either Lease Agreement be made public, it would harm the operations of Niject and Praxair and could adversely affect Monsanto's business relationship with Niject, Praxair and other equipment suppliers, to the detriment of Monsanto's business operations.

### **DISCUSSION OF SPECIFIC PROVISIONS**

11. This section of Monsanto's request specifically identifies those portions of the unedited versions of the Lease Agreements which contain the confidential information identified above, and provides justification for releasing only the edited versions for public inspection. The sensitive portions of the Lease Agreements have been highlighted and numbered for ease of reference. Each Lease Agreement will be discussed in turn.

#### **THE NIJECT LEASE**

##### **Highlighted Portion**

##### **Description of Confidential Information**

ITEM N-1 (on page 3)

The highlighted language describes the specific payments and charges to be paid by Monsanto.

ITEM N-2 (on Exhibit 1.2)

The highlighted language describes major components of the air compression equipment including horse powers, which in combination could be used by a competitor to calculate compressed air production and estimate process needs.

ITEM N-3 (on Exhibit 3.2)

The highlighted language described lump-sum purchase options and original capital cost of the air compression equipment.



- ITEM N-4 (on Exhibit 3.3)      The highlighted language describes early termination charges and original capital cost of the air compression equipment.
- ITEM N-5 (on Exhibit 4.4)      The highlighted language describes detailed specifications and quantities of compressed air to be produced by the air compression equipment.

**THE PRAXAIR LEASE**

**Highlighted Portion**

**Description of Confidential Information**

- ITEM P-1 (on page 3)      The highlighted language describes the specific payments and charges to be paid by Monsanto.
- ITEM P-2 (on page 4)      The highlighted language describes detailed specifications for the quality of nitrogen to be produced by the liquid nitrogen equipment.
- ITEM P-3 (on page 14)      The highlighted language describes the early termination charges associated with termination of the Lease Agreement by Monsanto.
- ITEM P-4 (on Exhibit A)      The highlighted language describes detailed specifications for the production rate of nitrogen to be produced by the liquid nitrogen equipment, as well as storage capacity, which in combination could be used by a competitor to calculate nitrogen production and process needs.
- ITEM P-5 (on Exhibit A)      The highlighted language describes detailed horse power, voltage, and steam requirements and other equipment specifications, which in combination could be used by a competitor to calculate production and process needs.

12. Monsanto has acted in good faith to identify only those portions of each Lease Agreement which it believes contain confidential proprietary business information and has proposed to edit those portions only as necessary to preserve this information.

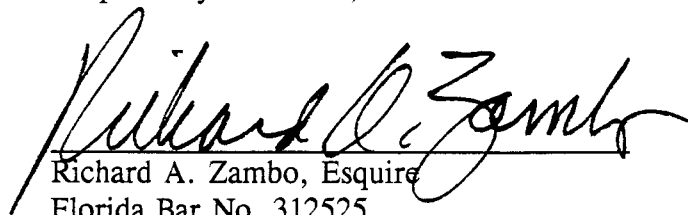
## CONCLUSION

13. The Niject and Praxair Lease Agreements have been shown to contain confidential proprietary business information. The unedited versions of the Lease Agreements should be classified as specified confidential, in accordance with Rule 25-22.006(3) and accorded stringent internal procedural safeguards against public disclosure, as required by subsection (3)(d) of that rule. This classification should be effective for as long as the Lease Agreements are in the Commission's possession and the Lease Agreements should be returned to Monsanto when the Commission completes its review of these documents or closes this Docket, whichever occurs earlier. Only the edited versions of the Lease Agreements, from which the confidential information has been excised, should be released for public inspection.

WHEREFORE, Monsanto Company requests entry of an order (1) classifying the unedited versions of the Niject and Praxair Lease Agreements as "Specified Confidential" for as long as they are in the Commission's possession; (2) requiring that the Lease Agreements be returned to Monsanto when the Commission completes its review of these documents, or closes this Docket, whichever occurs earlier; and, (3) releasing only the edited versions of the Lease Agreements for public inspection.

Dated: October 14, 1993

Respectfully submitted,



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