

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment) DOCKET NO. 950003-GU
Cost Recovery) ORDER NO. PSC-95-0457-CFO-GU
_____) ISSUED: April 6, 1995

ORDER ON CHESAPEAKE UTILITIES CORPORATION'S REQUEST FOR
CONFIDENTIAL TREATMENT OF PORTIONS OF AUDIT WORKPAPERS

Pursuant to Rule 25-22.006(4), Florida Administrative Code, Chesapeake Utilities Corporation, Florida Division (Chesapeake) has requested specified confidential treatment of portions of the Commission Staff's Audit Work Papers pertaining to the Commission Staff's PGA Audit for the period October, 1993 through September, 1994 (Document Nos. 12535-94 and 12584-94). Chesapeake notes that the information contained in this filing is the same information found in Chesapeake's prior PGA filings that has already been granted confidentiality in prior orders.

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.

The Florida Legislature has determined that "[i]nformation concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms" is proprietary confidential business information. Section 366.093(3)(d), Florida Statutes.

To establish that material is proprietary confidential business information under Section 366.093(3)(d), Florida Statutes, a utility must demonstrate (1) that the information is contractual data, and (2) that the disclosure of the data would impair the efforts of the utility to contract for goods or services on favorable terms. The Commission has previously recognized that this latter requirement does not necessitate the showing of actual impairment, or the more demanding standard of actual adverse results; instead, it must simply be shown that disclosure is "reasonably likely" to impair the company's contracting for goods or services on favorable terms.

DOCUMENT NUMBER-DATE

03553 APR-6 88

FPSC-RECORDS/REPORTING

Chesapeake requests confidential treatment of information relating to the purchasing schedules that shows the quantities of gas Chesapeake purchased from Florida Gas Transmission Company (FGT) and other suppliers during December, 1993 and July, 1994. Although the price paid for these quantities is variable, Chesapeake argues that disclosure of the price or average prices that it paid to suppliers over the period would give other competing suppliers information with which to potentially or actually control the gas prices, by all either quoting the same price or adhering to a price offered by a current supplier. Suppliers also might be less likely to make price concessions below the weighted average price previously paid by Chesapeake, if this information is revealed. Chesapeake asserts that the end result of disclosure of this information would be an increased cost of gas, which would then be passed on to the ratepayers. As such, Chesapeake argues this is contractual information which, if made public, "would impair the efforts of [Chesapeake] to contract for goods or services on favorable terms." Section 366.093(3)(d), Florida Statutes.

Chesapeake also seeks confidential treatment of the information regarding the number of therms nominated, purchased, and delivered, as well as the invoice amount (commodity costs/third party) and transportation costs (commodity costs/pipeline and demand costs) for purchases from its suppliers. Chesapeake argues that this information is an algebraic function of the price per therm paid to suppliers found in the column, "Total Cents Per Therm" (WACOG). As such, Chesapeake asserts that publication of this information together or separately would allow competing suppliers to derive the purchase price of gas that Chesapeake paid to its suppliers. This information would also allow these competing suppliers to control future gas prices, and therefore, Chesapeake considers this contractual information which, if made public, "would impair the efforts of [Chesapeake] to contract for goods or services on favorable terms." Section 366.093(3)(d), Florida Statutes.

Chesapeake requests that the identity of its suppliers also be afforded confidential treatment. Chesapeake argues that this is contractual information which would harm its ability to contract were the information released. Section 366.093(3)(d), Florida Statutes. Chesapeake asserts that competing suppliers could use this information, together with the price and quantity information discussed above to control the pricing of gas, thereby impairing Chesapeake's competitive interests.

Chesapeake also asks that the information on its gas invoices from third party suppliers be granted confidentiality. Chesapeake notes that the invoices show the assigned points of delivery, actual quantity of gas purchased, and price per unit of gas. Chesapeake argues that disclosure of this information would allow competitors to potentially or actually control gas prices, thus impairing Chesapeake's ability to contract for goods or services on favorable terms. Chesapeake asserts that the end result would be higher prices for Chesapeake and its ratepayers.

In addition, Chesapeake seeks confidential treatment of the information relating to the number of MMBtu's per day and per month purchased by Chesapeake, as well as the wellhead and city gate price per MMBtu that it paid. Chesapeake argues that knowledge of this information would allow competing suppliers to control the pricing of gas either by all quoting a particular price or by adhering to a price offered by a current supplier. Chesapeake asserts that this would adversely affect its ability to contract for goods or services on reasonable terms, and could increase the cost of gas for Chesapeake and its ratepayers.

Chesapeake asserts that it treats the above information as proprietary, and that this information has not been publicly disclosed.

The specific audit workpaper numbers and lines relating to the documents that petitioner has requested confidential treatment, along with my findings, are listed in the table which follows:

AUDIT WORKPAPERS

WORKPAPER NO.	PAGES/ LINES/COLUMNS	FINDINGS
46P1/3	Lines 1 - 8 of Columns Gross Nominated through WACOG and Producer	GRANT
46P1/4	Line 1 in the Columns Gross Nominated through WACOG and Producer	GRANT

46P5	Lines 1 - 9 of the Columns Gross Amount/MMBtu per day through City Gate Price and Column Producer/Supplier	GRANT
46P6	Lines 1 - 10 of Columns A - G and Producer/Supplier	GRANT
46P6/1	Lines 1 - 12 of Columns Gross Amount, Net Amount, Invoice Amount and Supplier	GRANT
46P6/1	Line 1 - 8, 10, and 11 of the Column Wellhead Price	GRANT
46P9	Lines 1 - 9 of the Columns System Supply, Total Therms Purchased through Total Cents Per Therm, and Purchased From	GRANT
46P17	Items 2, 2a, and 3 - 3w	GRANT
46P18	Items 2-2d, and Item 3	GRANT
46P19	Items 2 - 2c and 3 - 3f	GRANT
46P20	Items 2 - 2c and 3 - 3f	GRANT
54P1/6	Items 2 - 2d and 3 - 3v	GRANT
54P1/7-1	Items 2 - 2b and 3 - 3j	GRANT
54P1/7-2	Items 2 - 2d and Item 3	GRANT

54P1/14	Items 2 and 3 - 3bbb	GRANT
54P1/14-1	Items 2 - 2g and 3 - 3g	GRANT
54P4	Lines 1 - 4 of Columns System Supply, Total Purchased, Commodity Cost, Demand Cost, Total Cents Per Therm, and Purchased From	GRANT
54P5	Lines 1 - 8 of Column Producer/Supplier and Columns C - H	GRANT

Chesapeake requests that the proprietary information discussed herein be treated as confidential for a period of 18 months from the date of the issuance of this order, as allowed by Section 366.093(4), Florida Statutes. Chesapeake argues that this period is necessary to allow it time to negotiate future purchase contracts with its suppliers/competitors. If this information were disclosed at an earlier date, competitors would have access to information which could adversely effect the ability of the utility to negotiate future contracts on favorable terms. It should be noted that this time period of confidentiality classification will ultimately protect the petitioner and its ratepayers.

Based on the foregoing, it is

ORDERED that Chesapeake Utilities Corporation, Florida Division's request for specified confidential treatment of Staff's Audit Workpapers, identified in this docket as Documents Nos. 12584-94 and 12535-94, is granted. It is further

ORDERED that pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, any confidentiality granted to the documents specified herein shall expire eighteen (18) months from the date of issuance of this Order in the absence of a renewed request for confidentiality pursuant to Section 366.093. It is further

ORDER NO. PSC-95-0457-CFO-GU
DOCKET NO. 950003-GU
PAGE 6

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 April, 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.