

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment) DOCKET NO. 960003-GU
(PGA) True-up.) ORDER NO. PSC-96-0472-CFO-GU
_____) ISSUED: April 4, 1996

ORDER REGARDING FPUC'S REQUEST FOR CONFIDENTIAL TREATMENT

On February 22, 1996, Florida Public Utilities Company (FPUC) filed a request for specified confidential treatment of certain line items in its Schedules A-3, A-4, January 1996 Gas Purchase Invoices, and January 1996 Imbalance Resolutions, supporting its Petition for Approval of FPUC's Purchased Gas Cost Recovery True-up Amount. The confidential information is found in Document No. 02181-96.

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." A request for specified confidential classification of documents must comply with Section 366.093, Florida Statutes. The Company may fulfill its burden of compliance by demonstrating that the documents fall into one of the statutory examples or by demonstrating 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

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FPSC-REG/REG/REPORTING

Florida Gas Transmission Company's (FGT) demand and commodity rates for transportation and sales service are set forth in FGT's tariff, which is on file with the Federal Energy Regulatory Commission (FERC) and which is a matter of public record. Rates for purchases of gas supplies from persons other than FGT, however, are based on negotiations between FPUC and third party vendors (vendors). Since "open access" became effective in the FGT system on August 1, 1990, gas supplies became available to FPUC from vendors other than FGT. Purchases are made by FPUC at varying prices, depending on the term during which purchases will be made, the quantities involved, and whether the purchase will be made on a firm or interruptible basis. The price at which gas is available to FPUC can vary from vendor-to-vendor.

FPUC requests confidential classification of the information on Schedule A-3, Transportation Purchases System Supply and End Use, in lines 1-38 of the columns "Purchased From", "System Supply", "End Use", "Total Purchased", "Commodity Cost/Third Party", "Other Charge ACA/GRI/Fuel", and "Total Cents Per Therm". The information in these columns represents gas supply packages purchased from suppliers other than Florida Gas Transmission Company. This data contains the names of other FPUC gas suppliers, information on the volume purchased and the price paid for gas from each supplier. FPUC argues that the release of this information would be detrimental to FPUC because it would provide competing suppliers with information which would give them an advantage over FPUC and would make suppliers less likely to make price concessions. In addition, FPUC alleges that release of the information found in the "Other Charge ACA/GRI/Fuel" column would allow a competitor to compute FPUC's cost of gas by supplier. Clearly, the release of the cited information in Schedule A-3 "would impair the efforts of [Florida Public Utilities Company] to contract for goods or services on favorable terms." Section 366.093 (3)(d), Florida Statutes.

FPUC also requests confidential classification of the information on Schedule A-4, Florida Gas Transmission Firm Transportation System Supply, in lines 1-22 in the columns "Producer Name", "Receipt Point", "Gross Amount", "Net Amount", "Monthly Gross", "Monthly Net", "Wellhead Price", and "Citygate Price". This information also represents gas supply packages which FPUC purchased from suppliers other than Florida Gas Transmission Company, and releasing the information may result in higher gas costs to FPUC's customers. The information includes the persons from whom FPUC purchases gas supplies, which would provide competitors with a list of FPUC suppliers. The information also includes the volumes purchased and costs by gas supply source, which would allow others to compete with FPUC for the same

suppliers. Those suppliers would then be less likely to make price concessions. Further, the data in "Citygate Price" is a function of the cost of gas purchased by FPUC from its suppliers. Release of such information would enable a third party to compute FPUC's cost of gas by supplier. FPUC argues that this is contractual data, the disclosure of which could impair FPUC's ability to contract for goods and services on favorable terms. This argument is persuasive, and, therefore, this information shall be given confidential treatment.

FPUC requests confidential treatment of the information in the January 1996 Gas Purchase Invoices and Related Transactions, Lines 1-80, of Pages 14 - 18. FPUC argues that release of the gas suppliers' identities, period the invoices are for, account numbers, invoice numbers, dates, payment due dates, description of services, pipeline name, receipt point, meter numbers, volumes, amounts, and all subtotals and totals would provide competing gas suppliers with an advantage over FPUC, which would likely lead to the reduced likelihood that suppliers would make price concessions. As such, the release of this information could lead to inflated prices from gas suppliers and increased costs for customers. In addition, FPUC asserts that anyone familiar with the format, fonts and type sizes used by gas suppliers in their invoices could use that knowledge to determine the above information. FPUC, therefore, requests that every element of the gas supply invoices, except the invoices from FGT, be given confidential status. Clearly, release of this information "would impair the efforts of [Florida Public Utilities Company] to contract for goods or services on favorable terms." Section 366.093 (3)(d), Florida Statutes. This information shall, therefore, be given confidential treatment.

In addition, FPUC requests confidential treatment of the information in the January 1996 Imbalance Resolutions, on Pages 19-22, in lines 1-80 of all columns. The imbalance resolutions are transactions with other pipeline customers. FPUC asserts that release of any of the information in the imbalance resolutions would allow other pipeline customers to ascertain the parties involved and the amounts concerned. FPUC argues that this would put future transactions of the sort at risk. FPUC argues that this is contractual information which, if made public, "would impair the efforts of [Florida Public Utilities Company] to contract for goods or services on favorable terms." Section 366.093 (3)(d), Florida Statutes. This information will also be given confidential treatment.

Granting FPUC's confidentiality request as discussed above, would allow others to calculate the PGA factor without suppliers

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being able to back-in to the price paid by the company to its vendor(s). FPUC asserts that this information is treated by FPUC as proprietary information and that it has not been publicly disclosed.

FPUC requests that the information for which it seeks confidential classification not be declassified for a period of eighteen months, as allowed by Section 366.093(4), Florida Statutes. FPUC contends that the time period requested is necessary to allow FPUC to negotiate future gas purchase contracts with its suppliers/competitors (and other customers having access to information which would adversely affect the ability of FPUC to negotiate such future contracts) on favorable terms. The time period requested is appropriate.

It is, therefore,

ORDERED by Commissioner J. Terry Deason, as Prehearing Officer, that the proprietary confidential business information discussed above, as found in Document No. 02181-96, shall be afforded confidential treatment. It is further

ORDERED that this information shall be classified as proprietary confidential business information for eighteen months from the date of this order. It is further

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 4th day of April, 1996.



J. TERRY DEASON, Commissioner and
Prehearing Officer

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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.