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August 9, 2012

HAND DELIVERY

Ms. Ann Cole, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

 claim of confidentiality
 notice of intent
 X request for confidentiality
 filed by OPC

For DN 05459-12, which
is in locked storage. You must be
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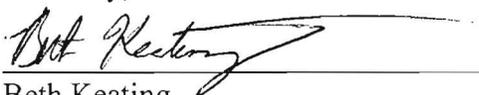
120220-PJ

**Re: Request of Florida Public Utilities Company and Florida Division of Chesapeake
Utilities Corporation for Confidential Classification of Electric and Natural Gas
Division Forecasted Earnings Surveillance Reports**

Dear Ms. Cole:

Enclosed for filing, please find the original and 7 copies of the Request for Confidential Classification of Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation for Confidential Classification of the Companies' Forecasted Earnings Surveillance Reports. Also included, as Exhibits A and B, are one highlighted copy and two redacted copies of each of the respective reports.

As always, thank you for your assistance with this filing. Should have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

DOCUMENT NUMBER-DATE
05458 AUG-9 2012

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Florida Public Utilities Company's and)
Florida Division of Chesapeake Utilities) Docket No. 120220-PU
Corporations' Joint Request for Confidential)
Classification of Electric and Natural Gas) Filed: August 9, 2012
Forecasted Earnings Surveillance Reports.)
_____)

REQUEST FOR CONFIDENTIAL CLASSIFICATION

Florida Public Utilities Company ("FPUC") and the Florida Division of Chesapeake Utilities Corporation ("CHPK")(jointly herein "Companies"), by and through their undersigned counsel and pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby request that the Commission afford the Companies' Forecasted Earnings Surveillance Reports ("FESRs"), which are required by Rules 25-6.1353 and 25-7.1353, Florida Administrative Code, confidential classification. In support of this request, the Companies herein state:

1. FPUC is an investor-owned public utility providing electric and natural gas service in Florida and regulated by the Florida Public Service Commission ("Commission") in accordance with Chapter 366, Florida Statutes. CHPK is also an investor-owned public utility providing natural gas service in Florida and subject to regulation by the Commission in accordance with Chapter 366.

2. Both FPUC and CHPK are required by Rule 25-7.1353, Florida Administrative Code, to submit FESRs to the Commission on an annual basis for their natural gas utility operations. FPUC is likewise required to submit an FESR, in accordance with Rule 25-6.1353, Florida Administrative Code, for its electric division.

Request for Confidential Classification
Florida Public Utilities and Florida Division of Chesapeake

3. The highlighted information in Exhibit A, which contains the three FESRs, is proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes. The Companies, and their corporate parent Chesapeake Utilities Corporation, treat this forecasted financial information as confidential, and aver that the information has not otherwise been disclosed publicly. The highlighted information includes forecasted estimates of utility operations including rate base, capital structure, forecast customers and sales data, which, if disclosed, could impair the Companies' competitive interests. More specifically, the information contained in the reports would enable competitors to target market opportunities and customers while armed with sensitive information about the Companies' operations and sales forecasts. Disclosure would also provide competitors and contractors with information that could impair the Companies' respective abilities to negotiate for goods and services at reasonable rates.

4. Moreover, the highlighted information in Exhibit A, if disclosed publicly, would trigger reporting requirements under Securities and Exchange Commission regulations, which could ultimately impact investor confidence, as well as the ability of the Companies and their corporate parent to obtain financing at reasonable rates and at rates anticipated for purposes of budgetary forecasts.

5. In making this Request, the Companies acknowledge that they have not sought confidential classification of FESRs since 2006. Disclosure in the intervening years does not, however, mandate disclosure of the instant FESRs, because the forecasted data contained in these specific FESRs has not been disclosed. Moreover, disclosure in prior years should not be construed as waiver or agreement by the Companies that Reports in those previous years did not meet the definition of "proprietary confidential business information" in Section 366.093, Florida Statutes. To the contrary, the Companies have always considered this information to be

protected, sensitive information, and as such, the information contained therein has not otherwise been widely distributed except for inclusion in the required filings with the Commission. In view of the detrimental effects resulting from public disclosure, the Companies have now determined that it is appropriate and necessary to seek confidentiality of these FESRs, and the Companies would intend to continue to do so on a going forward basis.

6. The Companies also acknowledge that in Docket No. 060291-PU, the Prehearing Officer denied FPUC's request for confidential classification of its FESRs. The Companies believe, however, that the decision in that case should not control or prevent the Commission from reaching a different conclusion here. To the contrary, in Docket No. 060291-PU, the Commission rejected FPUC's request because FPUC failed to adequately identify the harm that would result from disclosure of the reports and thus, failed to provide sufficient justification for its request for confidentiality.¹ The Companies acknowledge the Commission's concerns in that regard and have provided a more complete justification for this Request.

7. The Companies further note that in Docket No. 080677-EI, Florida Power & Light Company requested confidential classification of its 2010 FESR. While that Request was subsequently withdrawn by the Company, the Commission staff had recommended, by Memorandum dated November 3, 2010, that the information in the FESR met the criteria for confidentiality as set forth in Section 366.093, Florida Statutes. The Companies suggest that the same analysis is applicable here.

8. As noted, Exhibit A to this Request contains the FESRs with the confidential information highlighted. The Companies note that two copies of Schedule 1 have been included in Exhibit A, one signed and one the print out from the native Excel format, to ensure that the

¹ Order No. PSC-06-0497-CFO-PU at p. 2.

Request for Confidential Classification
Florida Public Utilities and Florida Division of Chesapeake

Commission has a clearly legible version on hand. Exhibit B to this Request includes the redacted version of the same reports. Exhibit C to this Request is a line by line justification matrix consistent with Rule 25-22.006, Florida Administrative Code.

9. The Companies ask that confidential classification be granted to their FESRs for a period of at least 18 months. Should the Commission find that it no longer needs to retain the information, FPUC and CHPK respectfully request that the confidential information be returned to the Companies.

WHEREFORE, FPUC and CHPK respectfully request that the highlighted information contained in their respective Forecasted Earnings Surveillance Reports, included in Exhibit A, be classified as “proprietary confidential business information,” and thus, exempt from Section 119.07, Florida Statutes.

RESPECTFULLY SUBMITTED this 9th day of August, 2012.



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for FPUC and Chesapeake

**FLORIDA PUBLIC UTILITIES COMPANY AND
FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION**

EXHIBIT B

**(REDACTED FORECASTED EARNINGS SURVEILLANCE REPORTS)
(Two Copies Each)**

REDACTED

COM _____
AFD 1
APA _____
ECO _____
ENG _____
GCL _____
IDM _____
TEL _____
CLK _____

DOCUMENT NUMBER-DATE

05458 AUG-9 2

FPSC-COMMISSION CLERK

REDACTED

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
RATE OF RETURN REPORT SUMMARY
December 31, 2012

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME					
AVERAGE RATE BASE					
AVERAGE RATE OF RETURN					
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME					
YEAR-END RATE BASE					
YEAR-END RATE OF RETURN					
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW			A.	INCL COMP RATE ADJ REVENUES	
MIDPOINT			B.	EXCL COMP RATE ADJ REVENUES	
HIGH					

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl M. Martin
Director - Regulatory Affairs

Signature

Date

DOCUMENT NUMBER-DATE

05458 AUG-9 2

FPSC-COMMISSION CLERK

FLORIDA PUBLIC UTILITIES COMPANY
 ELECTRIC
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2012
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE

PER BOOKS

FPSC ADJUSTMENTS:

ELIMINATIONS TO WORKING CAPITAL

ELIM. NON-UTILITY PLANT

TOTAL FPSC ADJUSTMENTS

FPSC ADJUSTED

FLEX RATE REVENUES

ADJUSTED FOR FLEX RATE REVENUES

PROFORMA ADJUSTMENTS

ACQUISITION ADJUSTMENT
 TRANSACTION & TRANSITION COSTS
 TOTAL PRO FORMA ADJUSTMENTS

PRO FORMA ADJUSTED



FLORIDA PUBLIC UTILITIES COMPANY
 ELECTRIC
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2012
 INCOME STATEMENT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME

PER BOOKS

FPSC ADJUSTMENTS:

- 1) INCOME TAX SYNCH ADJUSTMENT
- 2) ELIMINATE FUEL REVENUES AND EXPENSES
- 3) ELIMINATE CONSERVATION
- 4) NON-UTILITY DEPRECIATION EXPENSE

TOTAL FPSC ADJUSTMENTS

FPSC ADJUSTED

FLEX RATE REVENUES - DEFICIT/(SURPLUS)

ADJUSTED FOR FLEX RATE REVENUES

TOTAL PRO FORMA ADJUSTMENTS

PRO FORMA ADJUSTED



REDACTED

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
NATURAL GAS
RATE OF RETURN REPORT SUMMARY
December 31, 2012

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME					
AVERAGE RATE BASE					
AVERAGE RATE OF RETURN					
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME					
YEAR-END RATE BASE					
YEAR-END RATE OF RETURN					
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)		
LOW			A. INCL COMP RATE ADJ REVENUES		
MIDPOINT			B. EXCL COMP RATE ADJ REVENUES		
HIGH					

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl M. Martin
Director - Regulatory Affairs

Signature

Date

DOCUMENT NUMBER-DATE
05458 AUG-9 2
FPSC-COMMISSION CLERK

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2012
 RATE BASE

SCHEDULE 2
 PAGE 1 OF 2

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE

PER BOOKS

FPSC ADJUSTMENTS:

ELIMINATIONS TO WORKING CAPITAL

TOTAL FPSC ADJUSTMENTS

FPSC ADJUSTED

FLEX RATE REVENUES

ADJUSTED FOR FLEX RATE REVENUES

PROFORMA ADJUSTMENTS

ACQUISITION ADJUSTMENT
 TRANSACTION & TRANSITION COSTS
 TOTAL PRO FORMA ADJUSTMENTS

PRO FORMA ADJUSTED



FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
 NATURAL GAS
AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2012
 INCOME STATEMENT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME

PER BOOKS

FPSC ADJUSTMENTS:

- 1) INCOME TAX SYNCH ADJUSTMENT
- 2) ELIMINATE FUEL REVENUES AND EXPENSES
- 3) ELIMINATE CONSERVATION
- 4) NON-UTILITY DEPRECIATION EXPENSE

TOTAL FPSC ADJUSTMENTS

FPSC ADJUSTED

FLEX RATE REVENUES - DEFICIT/(SURPLUS)

ADJUSTED FOR FLEX RATE REVENUES

TOTAL PRO FORMA ADJUSTMENTS

PRO FORMA ADJUSTED



REDACTED

FLORIDA PUBLIC UTILITIES COMPANY
NATURAL GAS
RATE OF RETURN REPORT SUMMARY
December 31, 2012

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME					
AVERAGE RATE BASE					
AVERAGE RATE OF RETURN					
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME					
YEAR-END RATE BASE					
YEAR-END RATE OF RETURN					
<hr/>					
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW					
MIDPOINT					
HIGH					
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
A. INCL COMP RATE ADJ REVENUES					
B. EXCL COMP RATE ADJ REVENUES					

I am aware that Section 837.06, Florida Statutes, provides:

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Cheryl M. Martin
Director - Regulatory Affairs

Signature

Date

DOCUMENT NUMBER - DATE

05458 AUG-9 2012

FPSC-COMMISSION CLERK

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE

PER BOOKS

FPSC ADJUSTMENTS:

ELIMINATIONS TO WORKING CAPITAL

ELIM. NON-UTILITY PLANT

TOTAL FPSC ADJUSTMENTS

FPSC ADJUSTED

FLEX RATE REVENUES

ADJUSTED FOR FLEX RATE REVENUES

PROFORMA ADJUSTMENTS

ACQUISITION ADJUSTMENT
 TRANSACTION & TRANSITION COSTS
 TOTAL PRO FORMA ADJUSTMENTS

PRO FORMA ADJUSTED



FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2012
 INCOME STATEMENT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME

PER BOOKS

FPSC ADJUSTMENTS:

- 1) INCOME TAX SYNCH ADJUSTMENT
- 2) ELIMINATE FUEL REVENUES AND EXPENSES
- 3) ELIMINATE CONSERVATION
- 4) NON-UTILITY DEPRECIATION EXPENSE
- 5) ELIMINATE AEP REVENUES AND EXPENSES

TOTAL FPSC ADJUSTMENTS

FPSC ADJUSTED

FLEX RATE REVENUES - DEFICIT/(SURPLUS)

ADJUSTED FOR FLEX RATE REVENUES

TOTAL PRO FORMA ADJUSTMENTS

PRO FORMA ADJUSTED



**FLORIDA PUBLIC UTILITIES COMPANY AND
FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION**

EXHIBIT C

(LINE BY LINE JUSTIFICATION MATRIX)

Exhibit C
Justification Matrix

For ease of reference, the schedule, column and line references below, as well as rationale, are applicable to each of the three forecasted earnings surveillance reports provided for FPUC-Natural Gas, FPUC-Electric, and Chesapeake.

<u>SCHEDULE/PAGE</u>	<u>COLUMNS</u>	<u>LINES</u>	<u>JUSTIFICATION</u>
Schedule 1	Sections I and II, Columns 1, 3, and 5	Lines 1 - 6, beginning with "Net Operating Income" and ending with "Year-End Rate of Return"	Provisional information which, if disclosed, could impair the Companies' competitive interests and operations - to the detriment of ratepayers - by impacting financing efforts and budgetary forecasts.
Schedule 1	Sections I and II, Columns 2 and 4	Lines 1, 2, 4 and 5, beginning with "Net Operating Income: and ending with "Year-end Rate Base"	Provisional information which, if disclosed, could impair the Companies' competitive interests and operations - to the detriment of ratepayers - by impacting financing efforts and budgetary forecasts.
Schedule 1	Section III, Column 1	Numbers associated with lines for "Low," "Midpoint," and "High"	Provisional information which, if disclosed, could impair the Companies' competitive interests and operations - to the detriment of ratepayers - by impacting financing efforts and budgetary forecasts.
Schedule 1	Section IV, Column 5	Numbers associated with lines for "Incl	Provisional information which, if

<u>SCHEDULE/PAGE</u>	<u>COLUMNS</u>	<u>LINES</u>	<u>JUSTIFICATION</u>
		Comp Rate Adj Revenues” and “Excl Comp Rate Adj Revenues”	disclosed, could impair the Companies’ competitive interests and operations - to the detriment of ratepayers - by impacting financing efforts and budgetary forecasts.
Schedule 2, page 1	Columns 1-8	Numbers in all 10 lines for each column	Provisional information which, if disclosed, could impair the Companies’ competitive interests and operations - to the detriment of ratepayers - by impacting financing efforts and budgetary forecasts. This information also enable competitors to discern market and facility planning information that could provide competitors with an unfair competitive advantage.
Schedule 2, page 2	Columns 1 – 11	Numbers in all 13 lines for each column	Provisional information which, if disclosed, could impair the Companies’ competitive interests and operations - to the detriment of ratepayers - by impacting financing efforts and budgetary forecasts.
Schedule 3, page 1	Columns 1 – 8	Numbers in all 13 lines for each column	Provisional information which, if

<u>SCHEDULE/PAGE</u>	<u>COLUMNS</u>	<u>LINES</u>	<u>JUSTIFICATION</u>
			disclosed, could impair the Companies' competitive interests and operations - to the detriment of ratepayers - by impacting financing efforts and budgetary forecasts. This information also enable competitors to discern market and facility planning information that could provide competitors with an unfair competitive advantage.
Schedule 3, page 2	Columns 1 – 11	Numbers in all 13 lines for each column	Provisional information which, if disclosed, could impair the Companies' competitive interests and operations - to the detriment of ratepayers - by impacting financing efforts and budgetary forecasts.
Schedule 4	Each Column from "Per Books" to "Weighted Cost" for both "Average" and "Year End" sections	Numbers in all 14 lines for each column	Provisional information which, if disclosed, could impair the Companies' competitive interests and operations - to the detriment of ratepayers - by impacting financing efforts and budgetary forecasts.