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REDACTED

July 17, 2013

BY HAND DELIVERY

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

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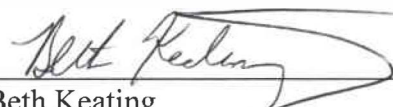
Docket No. 130136-GU: **Petition for approval of assumption of special contract with JDC Development, LLC by the Florida Division of Chesapeake Utilities Corporation.**

Dear Ms. Cole:

Enclosed for filing, please find the original and 7 copies of the Florida Division of Chesapeake Utilities Corporation's Request for Confidential Classification of certain information in the exhibits to Attachment 4d to its Responses to Staff's Second Set of Data Requests, which have also been submitted under separate cover today. Included with this Request are one highlighted and two redacted copies of the referenced documents for which confidential classification is sought.

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

Kind regards,


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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: **Petition for approval of assumption of special contract with JDC Development, LLC by the Florida Division of Chesapeake Utilities Corporation.**

Docket No. 130136-GU

Filed: July 17, 2013

THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
REQUEST FOR CONFIDENTIAL CLASSIFICATION

The Florida Division of Chesapeake Utilities Corporation (“CHPK” or “Company”), by and through its undersigned counsel, pursuant to Section 366.093, Florida Statutes, and consistent with Rule 25-22.006(3), Florida Administrative Code, hereby submits its Request for Confidential Classification for information contained in Attachment 4d to its Responses to Staff’s Second Set of Data Requests to the Company. In support thereof, CHPK hereby states:

1. CHPK seeks confidential classification of the highlighted information in Attachment 4d, which includes contractual information. The information in the Attachment 4d, which is the revised Cost of Service Study, is directly related to contract terms such that disclosure would enable a competitor to extrapolate contract terms from the information in the Cost of Service Study. CHPK, PPC and JDC treat this information as proprietary confidential business information consistent with the definition of that term in Section 366.093, Florida Statutes.

2. The information for which CHPK seeks confidential classification is information that meets the definition of “proprietary confidential business information” as set forth in Section 366.093(3), Florida Statutes, which provides:

(3) Proprietary confidential business information means information, regardless of form or characteristics, which is owned or controlled by the person or company, is intended to be and is treated by the person or company as private in that the disclosure of the information would cause harm to the ratepayers or the person’s or company’s business operations, and has not been disclosed unless disclosed pursuant to a statutory provision, an order of a court or administrative body, or private agreement that provides that the information

will not be released to the public. Proprietary confidential business information includes, but is not limited to:

- (a) Trade secrets.
- (b) Internal auditing controls and reports of internal auditors.
- (c) Security measures, systems, or procedures.
- (d) Information 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.
- (e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.
- (f) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities.

3. Specifically, CHPK seeks confidential treatment of the highlighted amounts in the revised Cost of Service Study, identified as Attachment 4d, on page 2 of 3, in the second column, in the three Rows identified as “Monthly Rate per Special Contract,” “Annual Revenues,” and “Annual Revenue Excess (Deficiency).”

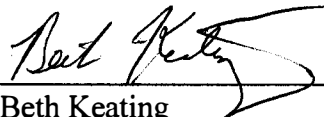
4. Release of the referenced information as a public record would harm both Peninsula and CHPK’s business operations, as well as ratepayers, by impairing the Companies’ respective abilities to effectively negotiate for goods and services. As such, CHPK requests that the Commission protect this information consistent with Rule 25-22.006, Florida Administrative Code. To the extent of CHPK’s knowledge, none of this information is otherwise available in the public domain.

5. Included with this Request is a highlighted copy of Attachment 4d to the Company’s Data Request Responses (Cost of Service Study). In addition, two redacted copies of the document are enclosed.

6. CHPK asks that confidential classification be granted for a period of at least 18 months. Should the Commission no longer find that it needs to retain the information, CHPK respectfully requests that the confidential information be returned to the Company.

WHEREFORE, CHPK respectfully requests that the highlighted information contained in Attachment 4d to its Responses to Staff's Second Data Requests (Cost of Service Study) be classified as "proprietary confidential business information," and thus, exempt from Section 119.07, Florida Statutes.

RESPECTFULLY SUBMITTED this 17th day of July, 2013.



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

CERTIFICATE OF SERVICE

I HEREBY ATTEST that a true and correct copy of the foregoing Request has been served upon the following by U.S. Mail this 17th Day of July, 2013, along with redacted copies of the referenced documents:

Office of the Public Counsel c/o The Florida Legislature 111 West Madison St., Rm. 812 Tallahassee, FL 32399-1400	Ms. Cheryl Martin, Director/Regulatory Affairs Florida Public Utilities Company/Central Florida Gas 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409
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Florida Division of Chesapeake Utilities Corporation

Cost of Service Study
JDC Development, LLC

Attachment 4d.
Page 1 of 3

Rate Base Assumptions:	Revised Proj. Rate Base	Actual as of 5/2013 Rate Base
City Gate Station/Tap (Acct 379)	\$369,069	
Mains - Plastic (Acct 376.2)	\$24,458	
Meters (Acct 381)	\$0	
City Gate Station/ TAP Acct 371		\$291,417
Mains Acct 367		\$9,866
	<u>\$393,527</u>	<u>\$301,283</u>
Rate Base and Return Requirements		
Projected Investment in Plant - 13 Month Average	\$393,527	
Accumulated Depreciation - 13 Month Average	<u>(\$8,001)</u>	
13 Month Average Rate Base	\$385,526	
Return on Rate Base (Dec 31, 2012 ESR)	<u>6.81%</u>	
Return Requirements	\$26,254	
Less: Interest Expense	<u>\$5,783</u>	
Net Income after Taxes and Interest	\$20,471	
Divide by (1 - Tax Rate)	<u>61.43%</u>	
Taxable Income	<u>\$33,327</u>	
Income Taxes (due to Net Operating Loss Carryforwards used)	\$12,856	

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Florida Division of Chesapeake Utilities Corporation

**Cost of Service Study
JDC Development, LLC**

Attachment 4d.

Page 2 of 3

Project Financing

Debt	29.69%
Equity, Zero Cap	70.31%
	<u>100.00%</u>

Weighted Average Cost of Debt	1.50%
13 Month Average Rate Base	<u>\$385,526</u>
Interest Expense	\$5,783

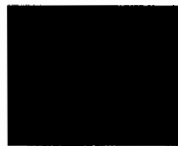
Taxes Other Than Income (TOTI)

Property Taxes	\$6,747
Reg Assess Fee	<u>\$428</u>
Total TOTI	\$7,174

Cost of Service

Projected Operation & Maintenance	\$3,000
Depreciation	\$13,716
TOTI	\$7,174
Income Taxes	\$12,856
Return Requirements	<u>\$26,254</u>
Total Cost of Service	<u>\$63,000</u>

Monthly Rate per Special Contract
Annual Revenues



Annual Revenue Excess (Deficiency)

Florida Division of Chesapeake Utilities Corporation
Cost of Service Study
JDC Development, LLC

ate Station/Tap (Acct Depreciation Expense / Accumulated Depreciation

Depr Rate	1	2	3	4	5	6	7	8	9	10	11	12
3.50%	\$1,076	\$1,076	\$1,076	\$1,076	\$1,076	\$1,076	\$1,076	\$1,076	\$1,076	\$1,076	\$1,076	\$1,076
A/D	\$1,076	\$2,152	\$3,228	\$4,304	\$5,380	\$6,456	\$7,532	\$8,608	\$9,684	\$10,760	\$11,836	\$12,912

ins - Plastic (Acct 37 Depreciation Expense / Accumulated Depreciation

Depr Rate	1	2	3	4	5	6	7	8	9	10	11	12
3.30%	\$67	\$67	\$67	\$67	\$67	\$67	\$67	\$67	\$67	\$67	\$67	\$67
A/D	\$67	\$134	\$201	\$268	\$335	\$402	\$469	\$536	\$603	\$670	\$737	\$804

Meters (Acct 381) Depreciation Expense / Accumulated Depreciation

Depr Rate	1	2	3	4	5	6	7	8	9	10	11	12
4.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/D	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Depreciation Expense / Accumulated Depreciation

	1	2	3	4	5	6	7	8	9	10	11	12
Depr Exp	\$1,143	\$1,143	\$1,143	\$1,143	\$1,143	\$1,143	\$1,143	\$1,143	\$1,143	\$1,143	\$1,143	\$1,143
A/D	\$1,143	\$2,286	\$3,429	\$4,572	\$5,715	\$6,858	\$8,001	\$9,144	\$10,287	\$11,430	\$12,573	\$13,716

Attachment 4

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13

\$1,076
\$13,988

13

\$67
\$871

13

\$0
\$0

13

\$1,143
\$14,859