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August 22, 2014

**HAND DELIVERY**

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

**REDACTED**

RECEIVED-FPSC  
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COMMISSION  
CLERK

Re: **Docket No. 140001-EI: Fuel and Purchased Power Cost Recovery Clause with  
Generating Performance Incentive Factor**

Dear Ms. Stauffer:

Attached for filing, please find the original and seven copies of Florida Public Utilities Company's Request for Confidential Classification for certain information in the Direct Panel Testimony of Curtis D. Young and P. Mark Cutshaw. With this filing are highlighted and redacted copies of the subject information, as required by Rule 25-22.006, F.A.C.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

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

MEK

COM	_____
AFD	_____ + Redacted
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CLK	_____

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery  
clause with generating performance incentive  
factor.

DOCKET NO. 140001-EI

DATED: August 22, 2014

### REQUEST FOR CONFIDENTIAL CLASSIFICATION

Florida Public Utilities Company (“FPU” or “Company”), by and through its undersigned counsel, pursuant to Section 366.093, Florida Statutes, and consistent with Rule 25-22.006(4), Florida Administrative Code, hereby submits its Request for Confidential Classification to protect the information contained in the Direct Panel Testimony of Curtis Young and Mark Cutshaw, submitted on this same day on behalf of the Company. The information for which FPU seeks such treatment is included in certain portions of the referenced Panel Testimony regarding the Company’s Fuel and Purchased Power Factors for 2015 and include details of a competitive, contractual nature, which would cause significant harm to FPU and its operation, as well as its customers, if disclosed publicly. In support of this Request, FPU states that:

1. The specific, detailed information contained in the Panel Testimony involves a pending project among FPU and two other entities, which is not yet finalized. Pending consummation of the transaction(s) necessary to bring the project to fruition, certain details regarding the project are considered proprietary confidential business information by the parties and subject to non-disclosure agreement. To be clear, while certain general information has been, and can be, disclosed upon the agreement of the parties involved, the details set forth in the testimony cannot.

2. The information at issue is, as noted, considered proprietary confidential business information by the parties and has not otherwise been disclosed publicly. It involves information regarding the project size and projected savings, which could be used to derive the proposed pricing structure under discussion. Disclosure of this information could not only harm FPU's ability to effectively negotiate reasonable terms for the project at hand, but could impair its ability to negotiate for good and services with others as well.
  
6. The information for which FPU seeks confidential classification is information that the Company treats as confidential, and 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.

7. Specifically, FPUC seeks confidential classification and a Protective Order for the highlighted information in the following (lines/pages) in the referenced testimony:

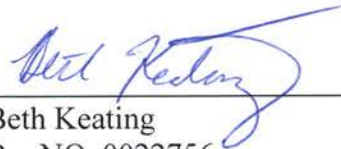
Document	Page/Line/Location	Description	Rationale
Direct Panel Testimony of Curtis D. Young and P. Mark Cutshaw	Page 10, highlighted information in lines 9 through 11, 13 through 14, and 16; Page 11, highlighted information in lines 6 through 7, and 10 through 23; Page 12, highlighted information in lines 1 through 13	Information regarding a proposed energy project with another entity, including details regarding project size and savings	Disclosure of this information discloses confidential details regarding the development and specifics of the project, the contract(s) for which have not yet been executed. Disclosure of this information could impair the continued development and consummation of the project.

8. The information at issue falls squarely under Section 366.093(3)(d) and (e), Florida Statutes. Release of the referenced information as a public record would harm FPU's business operations and ratepayers by impairing the Company's ability to effectively negotiate for goods and services, as well as impair the ability to bring this project to fruition. As such, FPU requests that the Commission deem afford this information confidential treatment and exempt from Section 119.07, Florida Statutes. Included with this Request is a highlighted copy of the referenced documents, along with two redacted copies.
9. FPU asks that confidential classification be granted for a period of at least 18 months. Should the Commission or the Office of Public Counsel no longer find that it needs to retain the information, FPU respectfully requests that the confidential information be returned to the Company.

WHEREFORE, FPU respectfully requests that:

- 1) the highlighted information contained in the Direct Panel Testimony of Curtis D. Young and Mark Cutshaw be classified as “proprietary confidential business information,” and thus, exempt from Section 119.07, Florida Statutes; and
- 2) the information be protected by the Commission for a period of at least 18 months.

RESPECTFULLY SUBMITTED this 22nd day of August, 2014.



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Beth Keating  
Bar NO. 0022756  
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215 South Monroe St., Suite 618  
Tallahassee, FL 32301  
(850) 521-1706

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by Electronic Mail (redacted only) to the following parties of record this 22nd day of August, 2014:

<p>Martha Barrera                  Florida Public Service Commission                  2540 Shumard Oak Boulevard                  Tallahassee, FL 32399-0850  <a href="mailto:Mbarrera@PSC.STATE.FL.US">Mbarrera@PSC.STATE.FL.US</a></p>	<p>James D. Beasley/J. Jeffry Wahlen/Ashley Daniels                  Ausley Law Firm                  Post Office Box 391                  Tallahassee, FL 32302  <a href="mailto:jbeasley@ausley.com">jbeasley@ausley.com</a>  <a href="mailto:jwahlen@ausley.com">jwahlen@ausley.com</a>  <a href="mailto:adaniels@ausley.com">adaniels@ausley.com</a></p>
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<p>Ms. Paula K. Brown                  Tampa Electric Company                  Regulatory Affairs                  P.O. Box 111                  Tampa, FL 33601-0111  <a href="mailto:Regdept@tecoenergy.com">Regdept@tecoenergy.com</a></p>	<p>Florida Industrial Users Power Group                  Jon C. Moyle, Jr.                  Moyle Law Firm                  118 North Gadsden Street                  Tallahassee, FL 32301  <a href="mailto:jmoyle@moylelaw.com">jmoyle@moylelaw.com</a></p>
<p>Cheryl Martin                  Florida Public Utilities Company                  911 South 8th St.                  Fernandina Beach, Florida 32034  <a href="mailto:Cheryl_Martin@fpuc.com">Cheryl_Martin@fpuc.com</a></p>	<p>Florida Retail Federation                  Robert Scheffel Wright/John T. LaVia                  Gardner Law Firm                  1300 Thomaswood Drive                  Tallahassee, FL 32308  <a href="mailto:schef@gbwlegal.com">schef@gbwlegal.com</a></p>

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1 was entered into in early 2012 and approved by the Commission in  
2 Docket No. 120058-EQ. Through a cooperative effort, FPU and Rayonier  
3 were able to develop a purchased power agreement that allows Rayonier  
4 to produce renewable energy and sell that energy to FPU at a cost below  
5 that of the current wholesale power provided while still being beneficial to  
6 Rayonier. Not only did this increase the amount of renewable energy in  
7 the area, it provides lower cost energy that is passed directly through to  
8 FPU customers in the form of reduced power cost.

9 Secondly, FPU is also working in partnership with [REDACTED]

10 [REDACTED]  
11 [REDACTED] Eight Flags  
12 Energy, LLC, a subsidiary of Chesapeake Utilities Corporation  
13 (Chesapeake [REDACTED])

14 [REDACTED] The details of the arrangement are currently  
15 being finalized and we anticipate filing with the Commission in the very  
16 near future. [REDACTED] will provide  
17 customers in both divisions, assuming the consolidation of fuel cost is  
18 approved, with a significant benefit in the reduction of purchase power  
19 cost

20 **Q. How have these two new arrangements proven beneficial to the**  
21 **Company?**

22 A. With regard to the first contract with Rayonier, that agreement alone is  
23 expected to produce overall savings of \$1.27 million over the 10-year term



1 of the contract, and the Company has every expectation that the contract  
2 will be extended, thereby extending the benefits. The expected annual  
3 energy produced will be 16,980 mWh's and an incentive is provided to  
4 Rayonier to ensure this occurs in that any failure to maintain the agreed  
5 capacity factor will result in reducing the overall monthly payments to  
6 Rayonier. [REDACTED]

7 [REDACTED] efforts are underway to get this completed, approved and  
8 in service by the second quarter of 2016. Once consummated and in  
9 service, this new project is expected to produce even more significant  
10 benefits for the Company and all of its electric customers. [REDACTED]

11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]

14 **Q. Did you include costs in addition to the costs specific to purchased**  
15 **fuel in the calculations of your true-up and projected amounts?**

16 A. Yes, included with our fuel and purchased power costs are charges for  
17 contracted consultants and legal services that are directly fuel-related and  
18 appropriate for recovery in the fuel clause.

19 **Q. Please explain how these costs were determined to be recoverable**  
20 **under the fuel clause?**

21 A. Consistent with the Commission's policy set forth in Order No. 14546,  
22 issued in Docket No. 850001-EI-B, on July 8, 1985, the other costs