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July 31, 2015

BY HAND DELIVERY

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

RECEIVED FPSC
15 JUL 31 PM 3:51
COMMISSION
CLERK

REDACTED

Re: Petition of the Florida Division of Chesapeake Utilities Corporation for Approval of Amendments to Gas Transportation Service Special Contract with Orange Cogeneration Limited Partnership.

Dear Ms. Stauffer:

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 its Petition for Approval of Amendments to Gas Transportation Service Special Contract with Orange Cogeneration Limited Partnership, which has 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

- COM _____
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- TEL _____
- CLK _____

Cc: Office of Public Counsel

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of the Florida Division of Chesapeake Utilities Corporation for Approval of Amendments to Gas Transportation Service Special Contract with Orange Cogeneration Limited Partnership.

Docket No.

Filed: July 31, 2015

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(4), Florida Administrative Code, hereby submits its Request for Confidential Classification for information contained in Exhibit A to Amendment No. 2 to its Gas Transportation Service Special Contract with Orange Cogeneration Limited Partnership (“Orange”), as well corresponding information in its Petition for Approval of Amendments to Gas Transportation Service Special Contract (“Petition”) and in the Cost of Service Study attached thereto. In support of this request, CHPK hereby states:

1. CHPK seeks confidential classification of the highlighted information in Exhibit A to Amendment No. 2 to the Gas Transportation Service Special Contract (“Amendment No. 2”) (page 4), in each line of the table identifying the Transportation Rate(s). CHPK likewise seeks confidential classification of the same information as it is identified at page three (p. 3) in paragraph 7 of the Petition. In addition, CHPK seeks confidential classification of the corresponding information in the Cost of Service Study attached to the Petition, on the sheet identified as “Calculation of Other Taxes,” in the line “Estimated Sales Revenue,” which is information from which the information at page 4 of Amendment No. 2, and page 3 of the Petition, could be extrapolated. The information is directly related to the negotiated rate, which

both CHPK and Orange treat 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)(d), 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. Release of the referenced information as a public record would reveal the specific rate included in a competitive contract. Disclosure of this information would impair CHPK’s ability to compete for goods and services and provide its competitors with an unfair competitive advantage. 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, this information is not otherwise available in the public domain.

4. Included with this Request are highlighted copies of: (1) Exhibit A to Amendment No. 2 to the Gas Transportation Service Special Contract; (2) page 3 of the Petition; and (3)

Incremental Cost of Service Study – Calculation of Other Taxes. In addition, two redacted copies of the documents are enclosed.

5. 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 Exhibit A to Amendment No. 2 to the Gas Transportation Service Special Contract with Orange Cogeneration Limited Partnership as well as highlighted information on page 3 of its Petition for Approval of Amendments to Gas Transportation Service Special Contract and on the Calculation of Other Taxes sheet of the Incremental Cost of Service Study attached thereto, be classified as “proprietary confidential business information,” and thus, exempt from Section 119.07, Florida Statutes.

RESPECTFULLY SUBMITTED this 31st day of July, 2015.

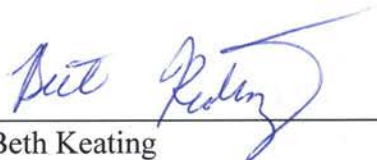


Beth Keating
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Tallahassee, FL 32301
(850) 521-1706

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 31st Day of July, 2015, 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	
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Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

REDACTED

EXHIBIT A

TO

AMENDMENT NO. 2

TO

GAS TRANSPORTATION AGREEMENT

BETWEEN

CHESAPEAKE UTILITIES CORPORATION

AND

ORANGE COGENERATION LIMITED PARTNERSHIP

FGT's Delivery Points: Interconnection between FGT's pipeline and Transporter at the Bartow B delivery point on CFG's system.


MDQ: 29,664 dekatherms/day

Transporter's Delivery Point: The outlet side of the measuring equipment of the distribution facilities at Shipper's cogeneration facility located on Highway 17, Polk County, Florida.

Transportation Rate: Annual rate shall be as follows:

January 1, 2016 – December 31, 2016	\$ [REDACTED]
January 1, 2017 – December 31, 2017	\$ [REDACTED]
January 1, 2018 – December 31, 2018	[REDACTED]
January 1, 2019 – December 31, 2019	[REDACTED]
January 1, 2020 – December 31, 2020	[REDACTED]
January 1, 2021 – December 31, 2021	[REDACTED]
January 1, 2022 – December 31, 2022	[REDACTED]
January 1, 2023 – December 31, 2023	[REDACTED]
January 1, 2024 – December 31, 2024	[REDACTED]
January 1, 2025 – December 31, 2025	[REDACTED]

Incremental Cost of Service Study-Redacted
Orange CoGen
Calculation of Other Taxes

2004 Property Tax	\$	-
2003 Plant	\$	-
Average Tax Rate		1.81%
x Gross Plant	\$	624,455
Property Taxes	\$	<u>11,303</u>
Estimated Sales Revenue		
Revenue Related Taxes	\$	<u>575</u>
Total Other Taxes	\$	<u>11,878</u>

6. In contrast, the impact to CHPK if Orange were to leave CHPK's system would be significant. As the Commission has recognized:

Having industrial customers on the system greatly benefits all users, particularly the residential customers. Customers benefit because large load users are able to absorb a greater portion of the fixed cost necessary to provide the service; as a result, rates are lower, especially for small load users. Conversely, losing industrial customers who have alternative fuel sources or viable bypass options would pose a greater burden on all ratepayers, and could result in higher rates.

Order No. PSC-10-0029-PAA-GU, issued January 14, 2010, in Docket No. 090125-GU. As such, CHPK's goal has been to retain one of its largest customers while ensuring that the rates charged are competitive with the customer's other gas delivery options.

7. The changes for which CHPK seeks approval are straight-forward. Specifically, the GTA is modified to extend the effective date of the agreement between the Parties, and also includes a modest reduction in charges, which properly recognizes the value of Orange as a customer on CHPK's system, as well as the risk of harm to CHPK and its remaining customer base if Orange were to bypass CHPK. The new rate, which is set forth in Exhibit A to the GTA, will now be set at [REDACTED] per year, subject to a 3% annual increase, which better reflects the current use of capacity for Orange, yet still enables CHPK to cover its cost to serve the customer, as reflected in Attachment 1 (Cost of Service Study) to this Petition.

8. CHPK's tariff allows for Special Contracts of this nature consistent with Original Sheet No. 19, which provides, in pertinent part:

c. Special Contract Service (SCS)

Transportation Service provided to a Consumer, at the sole option of the Company pursuant to Commission Rule 25-9.034, F.A.C., where the rates, terms and/or conditions of service may be different than those set forth in the Company's approved tariff. All SCS Consumers shall enter into a Special Contract Agreement with the Company, subject to the approval of the Commission.