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IN REPLY REFER TO:

REDACTED

Ansley Watson, Jr.
P.O. Box 1531
Tampa, Florida 33601
e-mail: aw@mcfar.com

October 23, 2015

VIA FEDEX

Carlotta S. Stauffer, Director
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED FPSC
15 OCT 26 PM 3:10
COMMISSION
CLERK

Re: **Docket No. 150221-GU -- Petition for approval of Firm Service Agreement for an extension in Clay County with Peoples Gas System, by SeaCoast Gas Transmission, L.L.C.**

JOINT REQUEST FOR CONFIDENTIAL TREATMENT

Dear Ms. Stauffer:

Enclosed for filing with the Commission on behalf of SeaCoast Gas Transmission, L.L.C., and Peoples Gas System, please find the original and ^{eight (8) CTC 10/26} ~~seven (7)~~ copies of SeaCoast's and Peoples' Joint Request for Confidential Treatment with respect to portions of their responses to the Commission Staff's First Data Request in the above docket. Enclosed with this filing are one highlighted and two redacted copies of each document for which confidential treatment is sought.

Please acknowledge your receipt of the enclosures on the enclosed copy of this letter, and return the same to me in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,



Ansley Watson, Jr.

COM _____
AFD _____
APA _____
ECO 5 + Redacted
ENG _____
GCL 3
IDM _____
TEL _____
CLK _____

AWjr/a
Enclosures

Carlotta S. Stauffer, Director
October 23, 2015
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cc: John Villafrate, Esquire
Danielle M. Roth, Esquire
Ms. Kandi M. Floyd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of Firm Service Agreement for an extension in Clay County with Peoples Gas System, by SeaCoast Gas Transmission, L.L.C.	:	Docket No.
_____	:	Submitted for Filing: 10-26-15

**SEACOAST GAS TRANSMISSION, L.L.C.'s
AND PEOPLES GAS SYSTEM'S
JOINT REQUEST FOR CONFIDENTIAL TREATMENT**

Pursuant to Section 366.093, *Florida Statutes*, SeaCoast Gas Transmission, L.L.C. ("SeaCoast") AND Peoples Gas System ("Peoples") submit the following Request for Confidential Treatment of portions of their respective responses to Staff's First Data Request in the above docket, which responses are submitted for filing in the above docket concurrently herewith:

1. Attached hereto as Exhibit A is a detailed justification for the requested confidential treatment of the highlighted portions of the responses to the Staff's First Data Requests Nos. 1, 4, 5 and 7.

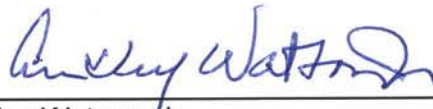
2. The material for which confidential classification is sought is intended to be and is treated as private by both SeaCoast and Peoples (the Firm Service Agreement between SeaCoast and Peoples being the subject of this docket), and has not been disclosed.

3. SeaCoast and Peoples request that the information for which they seek confidential classification not be declassified until at least 18 months after the date of the Commission's order determining such information to be confidential. Such information consists of the costs for construction of extended facilities required to provide gas transportation service to customers in Green Cove Springs and surrounding areas of Clay County, information regarding the rates SeaCoast will charge Peoples for the provision of service under the Firm Service Agreement, and information from which the rates could be arithmetically determined. The time period requested is necessary to protect the competitive information referenced above

from disclosure to SeaCoast's and Peoples' competitors and to other potential customers in order to allow SeaCoast, should it become necessary, to negotiate future gas transportation service arrangements with other customers on favorable terms based on the specific factual circumstances of such customers. The costs of construction, if disclosed, could also hamper SeaCoast's or Peoples' (as the case may be) efforts to contract for goods and services on favorable terms. The period of time requested will ultimately protect SeaCoast, Peoples and their customers by any such future arrangements being entered into based only on the facts and circumstances then applicable to the particular customer, contractor or vendor.

WHEREFORE, SeaCoast and Peoples submit the foregoing as their joint request for confidential treatment of the information identified in Exhibit A.

Respectfully submitted,

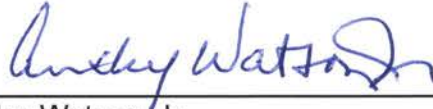


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Attorneys for SeaCoast Gas Transmission, L.L.C.
and Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Request for Confidential Treatment, filed on behalf of SeaCoast Gas Transmission, L.L.C. and Peoples Gas System has been furnished electronically to John Villafrate, Esquire, Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and Danielle M. Roth, Esquire, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison St., Room 812, Tallahassee, Florida 32399-1400, this 23rd day of October, 2015.



Ansley Watson, Jr.

SEACOAST'S RESPONSES TO STAFF'S FIRST DATA REQUEST

JUSTIFICATION FOR CONFIDENTIAL TREATMENT OF HIGHLIGHTED INFORMATION

SeaCoast seeks specified confidential treatment, and non-disclosure pursuant to Chapter 119, *Florida Statutes*, of the information highlighted on the Company's responses to Staff's First Data Request Nos. 1 and 4.

Staff's First Data Request – No. 1 -- The highlighted information is SeaCoast's estimated costs to construct the facilities required to deliver natural gas to an interconnect with Peoples. It is information directly relating to SeaCoast's competitive interests which, if made public, "would impair the competitive business" of SeaCoast in the event it should become necessary to negotiate similar arrangements with this customer, other customers or potential customers in the future. Section 366.093(3)(e), *Florida Statutes*. Disclosure of the specific costs estimated by SeaCoast for the construction of these facilities would give other customers or potential customers a benchmark or target to use in negotiations with SeaCoast, notwithstanding that their particular circumstances may not be the same as, or even similar to, those of Peoples. In addition, disclosure of these costs would give contractors or vendors from which SeaCoast would solicit bids for pipeline components or construction a benchmark or target to use in negotiations with SeaCoast for construction of the involved facilities or other future facilities expansion projects. Disclosure of this information would impair the efforts of SeaCoast to contract for goods or services on favorable terms. Section 366.093(3)(d), *Florida Statutes*.

Staff's First Data Request - No. 4 – The highlighted information is a statement regarding the level of a rate to be charged by SeaCoast to Peoples under the Firm Service Agreement. This is information directly relating to SeaCoast's competitive interests which, if made public, "would impair the competitive business" of SeaCoast in negotiating rates in the future for similar arrangements with other customers or potential customers. Section 366.093(3)(d), *Florida Statutes*. Disclosure of the specific levels of the rates at which SeaCoast will provide transportation service to Peoples would give other customers or potential customers a benchmark or target toward which to negotiate in dealing with SeaCoast, notwithstanding that their particular circumstances may not be the same as, or even similar to, those of Peoples.

PEOPLES' RESPONSES TO STAFF'S FIRST DATA REQUEST

JUSTIFICATION FOR CONFIDENTIAL TREATMENT OF HIGHLIGHTED INFORMATION

Peoples seeks specified confidential treatment, and non-disclosure pursuant to Chapter 119, *Florida Statutes*, of the information highlighted on the response to Staff's First Data Request Nos. 5 and 7.

Staff's First Data Request – No. 5 -- The highlighted information is Peoples' in-house estimated costs to construct the facilities required to deliver natural gas from an interconnect with SeaCoast to its proposed distribution system in and around Green Cove Springs. It is information directly relating to Peoples' competitive interests which, if made public, "would

impair the competitive business” of Peoples in the event it should become necessary to negotiate with contractors to perform the work covered in the estimate in the future. Section 366.093(3)(e), *Florida Statutes*. Disclosure of the specific costs estimated by Peoples for the construction of these facilities would give contractors or vendors from which Peoples would solicit bids for pipeline components or construction a benchmark or target to use in negotiations with Peoples for construction of the involved facilities or other future facilities expansion projects. Disclosure of this information would impair the efforts of Peoples to contract for goods or services on favorable terms. Section 366.093(3)(d), *Florida Statutes*.

Staff’s First Data Request – No. 7 -- The highlighted information is the annual expense to Peoples of the charges payable by Peoples under the Firm Service Agreement with SeaCoast. See rationale for specified confidential treatment above for Staff’s First Data Request No. 4.

SEACOAST GAS TRANSMISSION
DOCKET NO: 150221-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 1
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Staff respectfully requests the following information from SeaCoast Gas Transmission, LLC:

1. What is the cost to SeaCoast to construct/install the new 9.5 mile 6-inch steel transmission lateral (including any necessary appurtenances) from the tap-in to SeaCoast's 24-inch mainline near Asbury Lake to the new interconnection with Peoples' distribution system near Green Cove Springs? Please include a general description of the types of costs that will be incurred (e.g., materials, labor, permitting, secure right-of-way, etc.). Also, please confirm that the pipeline material will not consist of "bare steel" construction.

A. The cost to construct/install the new 9.5 mile 6-inch steel (not bare steel) transmission lateral (including necessary appurtenances) from the SeaCoast tap to the new interconnection with Peoples Gas near Green Cove Springs is as follows:

1. Low flow measurement at SeaCoast interconnect with Southern Natural Gas Cypress - [REDACTED]
2. SeaCoast 24-inch tap, meter, regulator station - [REDACTED]
3. Peoples gate station - [REDACTED]
 - Total - Tap, measurement and regulator stations - [REDACTED]

1. Pipeline and miscellaneous materials - [REDACTED]
2. Pipeline installation - [REDACTED]
 - Total - 6-inch pipeline including labor and installation - [REDACTED]

- Grand total for the project [REDACTED]

SEACOAST GAS TRANSMISSION
DOCKET NO: 150221-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 4
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4. Please refer to page 9 of 18 in Exhibit "A" to the Transport Agreement.
- a. Please explain why the Retainage increases from 1.0 percent to 1.5 percent after year 10 of the Transport Agreement.
 - b. Please discuss whether the Primary Delivery Point labeled "SGC/PGS Asbury Lake" (also identified on page 16 of 18) will back-feed Peoples' existing distribution system in the vicinity of Asbury Lake and Middleburg and whether this will affect the quantities available for delivery at the SeaCoast/Peoples delivery point in Green Cove Springs.
 - c. Please provide a qualitative description of the charge labeled as "Usage 1" and explain how it was derived.

A.

- a. The increase in Retainage is in anticipation of possible lost and unaccounted for changes to the SeaCoast pipeline system as it ages. In addition, the increase will cover compression services if SeaCoast has the need to expand. The Retainage percentages listed in Exhibit B are caps or the maximum Peoples will be charged by SeaCoast. (Note that the Retainage expenses are tracked by SeaCoast annually and charged accordingly.) Last, [REDACTED]
[REDACTED]
- b. Peoples is planning a future back feed from through the SeaCoast line in the Lake Asbury area to serve Peoples' Middleburg and Orange Park service areas. These areas are currently served from the (at times constrained) Florida Gas Transmission Jacksonville Lateral. Since this will be a second source of supply for Middleburg and Orange Park, the quantities required to serve Green Cove Springs will not be impacted.
- c. The Usage 1 rate is a volumetric charge associated with volumetric expenses that SeaCoast may incur. At this time, the only volumetric expense SeaCoast has is odorant and since this expense is predictable, historically it has been included in the reservation charge. [REDACTED]
[REDACTED]

SEACOAST GAS TRANSMISSION
DOCKET NO: 150221-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 5
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		Request #	PGS 2015_9_14
Pipeline and Materials Installation			[REDACTED]
Outside Services			[REDACTED]
Gate and Regulator Stations			[REDACTED]
Customer Service Lines and Meter Sets			[REDACTED]
Grand Total			[REDACTED]
		\$\$/mile	[REDACTED]

Pipeline Materials and Installation

Est. Quantity	Units	Description	Unit Cost	Extended Cost
Material				
4000	Feet	2" pipe plastic	[REDACTED]	[REDACTED]
10000	Feet	4" pipe plastic	[REDACTED]	[REDACTED]
19000	Feet	6" pipe plastic	[REDACTED]	[REDACTED]
22000	Feet	4-inch pipe steel	[REDACTED]	[REDACTED]
14000	Feet	6-inch pipe steel	[REDACTED]	[REDACTED]
15	EA	Valves	[REDACTED]	[REDACTED]
33,000	Feet	Tracer wire	[REDACTED]	[REDACTED]
1		Miscellaneous materials	[REDACTED]	[REDACTED]
				\$ -
Total				[REDACTED]
Outside Services				
Pipeline Contractor - installation			[REDACTED]	[REDACTED]
Design and Permitting			[REDACTED]	[REDACTED]
RR Permit			[REDACTED]	[REDACTED]
Company Direct Labor and Equipment			[REDACTED]	[REDACTED]
Total				[REDACTED]

SEACOAST GAS TRANSMISSION
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REQUEST NO. 5
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Gate and Regulator Stations

Est. Quantity	Units	Description	Unit Cost	Extended Cost
Material				
1	EA	Gate Station - No Land	● [REDACTED]	● [REDACTED]
2	EA	District Regulator Station	● [REDACTED]	● [REDACTED]
				\$ -
Total			● [REDACTED]	● [REDACTED]

Customer Service Lines and Meter Sets

Est. Quantity	Units	Description	Unit Cost	Extended Cost
Material				
59	EA	Service Lines	● [REDACTED]	● [REDACTED]
59	EA	Meter Sets	● [REDACTED]	● [REDACTED]
				\$ -
Total			● [REDACTED]	● [REDACTED]

SEACOAST GAS TRANSMISSION
DOCKET NO: 150221-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 7
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7. Please refer to paragraph 14 of the petition.
- a. Has Peoples included any charges that would be paid to SeaCoast under the proposed agreement in the 2016 PGA cap proposed in Docket No. 150003-GU? If yes, please state the total amount included (in dollars) in the PGA cap and the impact in cents per therm on the 2016 PGA cap. If not, please state when the charges will begin to be included in the PGA cap and state the projected impact on the PGA cap in cents per therm.
 - b. Has Peoples included any charges that would be paid to SeaCoast under the proposed agreement in the swing service charges proposed in Docket No. 150220-GU? If yes, please state the total annual expense included in the swing service charge calculation.
 - c. Please discuss in detail how the charges that would be paid to SeaCoast under the proposed agreement will be allocated between sales and transportation customers.
- A.
- a. Peoples did not include any charges that would be paid to SeaCoast under the proposed agreement in the 2016 PGA cap. Upon approval of the Peoples' petition in Docket No. 150220-GU, Peoples will begin to collect fuel related expenses from LDC interconnects and intrastate pipelines (as allocated) via the PGA (for sales customers) and via the swing service charge for Natural Choice (NCTS) transportation customers. Peoples does not anticipate any impact on Peoples' 2016 PGA cap due to the diminutive nature of the SeaCoast charges to Peoples when compared to the total projected Peoples' 2016 PGA expenses.
 - b. Yes, Peoples has included the charges Peoples will pay to SeaCoast under the proposed agreement in the swing service charges proposed in Docket No. 150220-GU. The annual expense from SeaCoast to Peoples will be [REDACTED]
 - c. The SeaCoast charges to Peoples will be expensed through the PGA. Peoples will then allocate quantity of swing capacity that is equal to the difference between the peak month by rate class for firm customers and the minimum monthly throughput for firm customers by rate class. Consistent with the methodology used by Peoples for the past 15 years (approved by the Commission in Docket No. 000810-GU), one-half of this quantity will be

**SEACOAST GAS TRANSMISSION
DOCKET NO: 150221-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 7
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allocated to the swing service charge. This allocated quantity will then be multiplied by Peoples' weighted average cost of capacity (that includes the SeaCoast expense). This charge will then be charged to the Natural Choice transport customers. The revenue collected from the Natural Choice transport customers through the Swing Service Charge will then be credited back to the PGA. The remaining balance of the swing service charge will remain embedded in Peoples' PGA and recovered from Peoples' sales customers. Peoples plans to begin collecting the revised swing service charge amounts upon Commission approval of Peoples' petition in Docket No. 150220-GU.