

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of a special contract)
with United Parcel Service, Inc., by Peoples Gas)
System.)
_____)

Docket No.

Submitted for Filing:
2-4-16

REDACTED

**PEOPLES GAS SYSTEM'S REQUEST
FOR CONFIDENTIAL TREATMENT**

Pursuant to Section 366.093, *Florida Statutes*, Peoples Gas ("Peoples" or the "Company"), submits the following Request for Confidential Treatment of portions of Exhibits A (the Letter of Authorization ("LOA") between Peoples and United Parcel Service, Inc.) and C to the petition for approval of the LOA which is submitted for filing in this docket concurrently herewith, and in support thereof says:

1. Attached hereto as Appendix A is a detailed justification for the requested confidential treatment of the highlighted portions of Exhibits A and C to the petition.

2. The material for which confidential classification is sought is intended to be and is treated as private by both Peoples and United Parcel Service, Inc. ("UPS"), and has not been disclosed. The LOA is sometimes referred to hereinafter as the "special contract."

3. Peoples requests that the information for which it seeks confidential classification not be declassified until two months after the expiration of the term of the special contract for which the Commission's approval is sought in this docket. The detailed justification for non-disclosure of the highlighted portions of Exhibits A and C to the petition (see Appendix A attached hereto) also establishes good cause for the Commission's finding that the protection from disclosure should extend for a period longer than 18 months (see Section 366.093(4) *Florida Statutes*). The time period requested is necessary to protect the highlighted competitive information from disclosure to Peoples' competitors and to other customers in order to allow Peoples, should it become necessary, to negotiate future gas service arrangements with other

GOM _____
AFD _____
APA _____
ECO 5 _____
ENG _____
GCL 1 _____
IDM _____
TEL _____
CLK _____

customers on favorable terms based on the specific factual circumstances of such customers, and could also hamper Peoples' efforts to contract for goods and services on favorable terms. The period of time requested will ultimately protect Peoples and its 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, Peoples submits the foregoing as its request for confidential treatment of the information identified in Appendix A.

Respectfully submitted,



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Attorneys for Peoples Gas System

EXHIBITS A AND C TO THE PETITION

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 Addendum to the LOA (Exhibit A to the petition) and the Cost of Service Study (Exhibit C to the petition).

The highlighted information is the rate at which Peoples will provide gas service to UPS under the special contract, information affecting the rate to be charged, and other information regarding the conditions upon which Peoples will provide service to UPS. It is also information from which the rate could be calculated arithmetically. All 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 in the future to negotiate similar arrangements with other customers or potential customers. Section 366.093(3)(d), *Florida Statutes*. Disclosure of the rate at which Peoples will provide gas service to UPS would give other customers or potential customers a benchmark or target toward which to negotiate in dealing with Peoples, notwithstanding that their particular circumstances may not be the same as, or even similar to, those of UPS.

The information highlighted on Exhibit C to the petition is a calculation of Peoples' cost of service to provide gas service to UPS, from which the cost of construction for additional facilities required to provide such service to UPS could be determined, and which information was used in designing the rate to be charged to UPS during the term of the LOA. 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 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 used to determine the rate required to recover the costs of an expansion of facilities through which Peoples will provide gas service to UPS would give other customers or potential customers a benchmark or target to use in negotiations with Peoples, notwithstanding that their particular circumstances may not be the same as, or even similar to, those of UPS. In addition, disclosure of these costs 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*.

EXHIBIT A

LETTER OF AUTHORIZATION

NATURAL CHOICE TRANSPORTATION SERVICE LETTER OF AUTHORIZATION

NATURAL CHOICE TRANSPORTATION SERVICE
Letter of Authorization

Peoples Gas System ("PGS")
P.O. Box 2562
Tampa, Florida 33601-2562

TO WHOM IT MAY CONCERN:

This letter constitutes a formal request by the undersigned ("Customer") for gas transportation service pursuant to PGS's Rider NCTS and other applicable provisions of PGS's applicable Natural Gas Tariff, as the same may be amended from time to time, for the following PGS customer account number(s):

ACCOUNT NUMBER(S): _____

CUSTOMER CONTACT:

Company: UPS Fuel Services, Inc.
Contact Name: Ashley Sheehan
Address: 55 Glenlake Pkwy NE
City, State, Zip Code: Atlanta, GA 30328
Phone: 404-828-8507 Fax: 404-828-6828
E-mail Address: asheehan@ups.com

As signified by initials in the box, Customer hereby authorizes PGS to release to the "Pool Manager" named below, the twelve-month historic gas usage for the accounts listed above. Customer understands that said Pool Manager will be assessed a fee of \$20 per account, payable upon receipt of request, for the authorized information.

Customer has entered, or intends to enter, into one or more agreement(s) with Pool Manager providing for Pool Manager's delivery of the gas purchased by Customer from or through Pool Manager to PGS pursuant to the Firm Delivery and Operational Balancing Agreement between PGS and Pool Manager (the "Firm Delivery Agreement").

Provided the Firm Delivery Agreement is in effect at the time gas is tendered to PGS by or on behalf of Pool Manager for Customer's account(s) listed above, PGS will transport gas delivered for such account(s) pursuant to Rider NCTS and the applicable provisions of PGS's tariff on file with the Florida Public Service Commission ("FPSC"), as the same may be amended from time to time.

Subject to the terms of Rider NCTS and the Firm Delivery Agreement, such service shall continue until Customer, Pool Manager, or PGS gives written notice to the others of the termination of such service in accordance with Rider NCTS. If the Firm Delivery Agreement is terminated for any reason as it applies to any Gas to be delivered for Customer's account(s) for transportation by PGS, PGS shall have the right to immediately terminate transportation service to the above account(s) under Rider NCTS.

Customer understands that it may terminate participation in Rider NCTS with thirty (30) days notice and return to sales service from the Company. However, the Customer must then remain on sales service for the following twelve-month period. In the event the Pool Manager terminates its agreement with the Customer without the Customer's consent, the Customer may return to Rider NCTS, but not to the same Pool Manager within the twelve-month period.

Customer agrees to pay PGS in accordance with the applicable rate schedule for the transportation of gas for Customer's account(s), including charges that may be applicable under Rider NCTS that are not applicable under sales service. Customer understands that it is responsible for the payment of all bills rendered to Customer by Pool Manager, and that each Pool Manager's bill for gas purchased by Customer will be rendered separately from PGS's bill for transportation service. It is the Customer's obligation to make payments to the Company (or to an Authorized Payment Agent of the Company) of all bills rendered. Payment by a Customer to a third party (including a Third Party Gas Supplier) which has not been designated by Company as an Authorized Payment Agent will not satisfy the Customer's obligation to make payment of Company's bill for Gas Service.

Customer affirms that it has been informed of the list of approved pool managers for the supply of gas for transportation under Rider NCTS, available on the PGS website (www.peoplesgas.com).

Signature: _____

Print Name: Michael S. Whittlatch

Title: _____

Date: 1-28-16

Vice President

The undersigned Pool Manager agrees that it will keep confidential, and not use or disclose to any person not named herein, information released pursuant to the above authorization, or information received from the above Customer, except to the extent necessary to deliver gas to PGS for transportation to the above Customer account(s), or as may be required by law (in which case Pool Manager will provide notice to PGS prior to making such disclosure).

Pool Manager: _____

By: _____

Title: _____

Customer history requested by Pool Manager. If requested, payment must be received to deem complete.

[REDACTED]

[REDACTED]

[REDACTED]

(c) During the Term and any extension thereof, Customer shall pay to PGS, in addition to the applicable Distribution Charge provided above, all other charges, surcharges and adjustments otherwise applicable under Rate Schedule GS-5.

FPSC Approval. Notwithstanding any other provision of this Letter of Authorization, the same shall be of no force or effect until approved by a final non-appealable order of the FPSC. In the event the FPSC denies approval of this Letter of Authorization, the same shall be of no force or effect. Customer shall, if requested by PGS, support any petition to the FPSC for approval of this Letter of Authorization as a special contract.


Confidentiality. Neither PGS nor Customer, nor their respective affiliates, nor the directors, officers, employees, advisors and representatives of any of them, shall disclose to any other person the terms and conditions of this Letter of Authorization without the prior written consent of the other party hereto to such disclosure (which consent shall not be unreasonably withheld or delayed). This provision shall not apply to (i) disclosures that, in the opinion of PGS's or Customer's legal counsel, are required by the FPSC or another governmental authority (in which case, the party from which disclosure is sought shall advise the other party prior to such disclosure and, if requested by such other party, shall use reasonable efforts to maintain the confidentiality of this Letter of Authorization, including, without limitation, seeking a protective order).

Conflict of Provisions. In the event of any conflict between the provisions of PGS's FPSC Tariff and the provisions of this Addendum A, the provisions of this Addendum A shall be controlling to resolve such conflict.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum A to the Letter of Authorization to be executed by their respective duly authorized officers as of the date first above written.

**PEOPLES GAS SYSTEM, A DIVISION
OF TAMPA ELECTRIC COMPANY**

UPS FUEL SERVICES, INC.

By: 
Gordon L. Gillette
President


By: 
Name Michael S. Whittatch
Title: Vice President

EXHIBIT C

COST OF SERVICE STUDY

Cost of Service Study
Peoples Gas System, a Division of Tampa Electric Company
UPS
Cost of Service

Line	Description	Amount
1	Operation and Maintenance	\$ [REDACTED]
2	Depreciation 4.20%	\$ [REDACTED]
3	Taxes other than Income	\$ [REDACTED]
4	Income Taxes	\$ [REDACTED]
5	Return Requirements	\$ [REDACTED]
6	Total Cost of Service	\$ [REDACTED]
7	Projected Annual Revenue	\$ [REDACTED]

EXHIBIT A

LETTER OF AUTHORIZATION

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Peoples Gas System ("PGS")
P.O. Box 2562
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ACCOUNT NUMBER(S): _____

CUSTOMER CONTACT:

Company: UPS Fuel Services, Inc.
Contact Name: Ashley Sheehan
Address: 55 Glenlake Pkwy NE
City, State, Zip Code: Atlanta, GA 30328
Phone: 404-828-8507 Fax: 404-828-6828
E-mail Address: asheehan@ups.com

As signified by initials in the box, Customer hereby authorizes PGS to release to the "Pool Manager" named below, the twelve-month historic gas usage for the accounts listed above. Customer understands that said Pool Manager will be assessed a fee of \$20 per account, payable upon receipt of request, for the authorized information.

Customer has entered, or intends to enter, into one or more agreement(s) with Pool Manager providing for Pool Manager's delivery of the gas purchased by Customer from or through Pool Manager to PGS pursuant to the Firm Delivery and Operational Balancing Agreement between PGS and Pool Manager (the "Firm Delivery Agreement").

Provided the Firm Delivery Agreement is in effect at the time gas is tendered to PGS by or on behalf of Pool Manager for Customer's account(s) listed above, PGS will transport gas delivered for such account(s) pursuant to Rider NCTS and the applicable provisions of PGS's tariff on file with the Florida Public Service Commission ("FPSC"), as the same may be amended from time to time.

Subject to the terms of Rider NCTS and the Firm Delivery Agreement, such service shall continue until Customer, Pool Manager, or PGS gives written notice to the others of the termination of such service in accordance with Rider NCTS. If the Firm Delivery Agreement is terminated for any reason as it applies to any Gas to be delivered for Customer's account(s) for transportation by PGS, PGS shall have the right to immediately terminate transportation service to the above account(s) under Rider NCTS.

Customer understands that it may terminate participation in Rider NCTS with thirty (30) days notice and return to sales service from the Company. However, the Customer must then remain on sales service for the following twelve-month period. In the event the Pool Manager terminates its agreement with the Customer without the Customer's consent, the Customer may return to Rider NCTS, but not to the same Pool Manager within the twelve-month period.

Customer agrees to pay PGS in accordance with the applicable rate schedule for the transportation of gas for Customer's account(s), including charges that may be applicable under Rider NCTS that are not applicable under sales service. Customer understands that it is responsible for the payment of all bills rendered to Customer by Pool Manager, and that each Pool Manager's bill for gas purchased by Customer will be rendered separately from PGS's bill for transportation service. It is the Customer's obligation to make payments to the Company (or to an Authorized Payment Agent of the Company) of all bills rendered. Payment by a Customer to a third party (including a Third Party Gas Supplier) which has not been designated by Company as an Authorized Payment Agent will not satisfy the Customer's obligation to make payment of Company's bill for Gas Service.

Customer affirms that it has been informed of the list of approved pool managers for the supply of gas for transportation under Rider NCTS, available on the PGS website (www.peoplesgas.com).

Signature: _____

Print Name: Michael S. Whittlatch

Title: _____

Date: 1-28-16

Vice President

The undersigned Pool Manager agrees that it will keep confidential, and not use or disclose to any person not named herein, information released pursuant to the above authorization, or information received from the above Customer, except to the extent necessary to deliver gas to PGS for transportation to the above Customer account(s), or as may be required by law (in which case Pool Manager will provide notice to PGS prior to making such disclosure).

Pool Manager: _____

By: _____

Title: _____

Customer history requested by Pool Manager. If requested, payment must be received to deem complete.

ADDENDUM A
to
LETTER OF AUTHORIZATION
OF UPS FUEL SERVICES, INC.

Date: January 28, 2016

Customer hereby agrees that the following provisions are an integral part of the Letter of Authorization to which this Addendum A is attached, and incorporated by reference in said Letter of Authorization. Capitalized terms used herein, but not defined below, have the meanings given for such terms in PGS's tariff on file with the FPSC ("PGS's FPSC Tariff").

Definitions. The following terms shall have the following meanings:

"Commencement Date" means the first Day of the first Month following receipt by Customer of notice from PGS that the facilities required for the provision of service by PGS to Customer have been completed and tested, and are available to provide service to Customer (approximately 12 months following the date of this Letter of Authorization).

"Contract Year" means the period of twelve (12) consecutive months commencing on the Commencement Date, and each successive consecutive 12-month period thereafter, each commencing on an anniversary of the Commencement Date.

Term. Customer agrees to receive service from PGS pursuant to this Letter of Authorization for a term commencing at the beginning of the Day commencing on the Commencement Date and continuing until the end of the last Day of the tenth (10th) Contract Year (the "Termination Date") (the "Term"). The Term of Customer's receipt of service from PGS may be extended for an additional period of five (5) years upon mutual agreement of Customer and PGS under the otherwise applicable rate schedule and tariff rate as approved by the FPSC and in effect at and after the time of such extension of the Term.

Full Requirements. During the Term specified and any extension thereof, Customer agrees that all Gas used by Customer will be delivered by PGS through PGS's distribution system, except to the extent Customer's requirements for Gas are not delivered by PGS pursuant to the provisions of the Letter of Authorization and this Addendum A.

Applicable Distribution Charge; Volume Commitment. The Distribution Charge, Customer Charge, and conditions of service shall be governed by Rider NCTS and Rate Schedule GS-5; provided, however, that because PGS will be required to extend its facilities in order to provide the service to Customer contemplated by this Letter of Authorization:

(a) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(c) During the Term and any extension thereof, Customer shall pay to PGS, in addition to the applicable Distribution Charge provided above, all other charges, surcharges and adjustments otherwise applicable under Rate Schedule GS-5.

FPSC Approval. Notwithstanding any other provision of this Letter of Authorization, the same shall be of no force or effect until approved by a final non-appealable order of the FPSC. In the event the FPSC denies approval of this Letter of Authorization, the same shall be of no force or effect. Customer shall, if requested by PGS, support any petition to the FPSC for approval of this Letter of Authorization as a special contract.

Confidentiality. Neither PGS nor Customer, nor their respective affiliates, nor the directors, officers, employees, advisors and representatives of any of them, shall disclose to any other person the terms and conditions of this Letter of Authorization without the prior written consent of the other party hereto to such disclosure (which consent shall not be unreasonably withheld or delayed). This provision shall not apply to (i) disclosures that, in the opinion of PGS's or Customer's legal counsel, are required by the FPSC or another governmental authority (in which case, the party from which disclosure is sought shall advise the other party prior to such disclosure and, if requested by such other party, shall use reasonable efforts to maintain the confidentiality of this Letter of Authorization, including, without limitation, seeking a protective order).

Conflict of Provisions. In the event of any conflict between the provisions of PGS's FPSC Tariff and the provisions of this Addendum A, the provisions of this Addendum A shall be controlling to resolve such conflict.


IN WITNESS WHEREOF, the parties hereto have caused this Addendum A to the Letter of Authorization to be executed by their respective duly authorized officers as of the date first above written.

**PEOPLES GAS SYSTEM, A DIVISION
OF TAMPA ELECTRIC COMPANY**

UPS FUEL SERVICES, INC.

By: 

Gordon L. Gillette
President

By: 

Name Michael S. Whitlatch
Title: _____
Vice President

EXHIBIT C

COST OF SERVICE STUDY

Cost of Service Study
Peoples Gas System, a Division of Tampa Electric Company
UPS
Cost of Service

Line	Description	Amount
1	Operation and Maintenance	\$ [REDACTED]
2	Depreciation 4.20%	\$ [REDACTED]
3	Taxes other than Income	\$ [REDACTED]
4	Income Taxes	\$ [REDACTED]
5	Return Requirements	\$ [REDACTED]
6	Total Cost of Service	\$ [REDACTED]
7	Projected Annual Revenue	\$ [REDACTED]