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IN REPLY REFER TO:

Ansley Watson, Jr.  
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March 11, 2016

**VIA FEDEX**

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

**REDACTED**

RECEIVED-FPSC  
MAR 14 PM 12:32  
COMMISSION CLERK

**Re: Docket No. 160029-GU -- Petition for approval of a special contract with United Parcel Service, Inc., by Peoples Gas System**

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Dear Ms. Stauffer:

Enclosed for filing with the Commission on behalf of Peoples Gas System, please find the original and seven (7) copies of Peoples' Request for Confidential Treatment with respect to a portion of Peoples' response to the Commission Staff's Second 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 4 **Redacted**  
ENG \_\_\_\_\_  
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IDM \_\_\_\_\_  
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AWjr/a  
Enclosures

cc: Kyesha Mapp, Esquire  
John J. Truitt, Esquire  
Ms. Kandi M. Floyd

**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. 160029-GU

Submitted for Filing:  
3-14-16

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

Pursuant to Section 366.093, *Florida Statutes*, Peoples Gas System ("Peoples" or the "Company"), submits the following Request for Confidential Classification of a portion of the Company's response to Staff's Second Data Request to the Company in the above docket, which response is 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 portion of the Company's response to the Staff's Second Data Request No. 1.
2. The material for which confidential classification is sought is intended to be and is treated as private by Peoples, and has not been disclosed.
3. Peoples requests that the information for which it seeks confidential classification not be declassified for at least the 18-month period provided in Section 366.093(4), *Florida Statutes*. Such information consists of information from which the costs for construction of extended facilities required to provide gas transportation service to UPS and other customers could be arithmetically determined, and information from which the rates at which service will be provided to UPS could be arithmetically determined. The costs of construction, if disclosed, could hamper Peoples' efforts to contract for goods and services on favorable terms.

WHEREFORE, Peoples submits the foregoing as its request for confidential classification of the information identified in Exhibit A.

Respectfully submitted,



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Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Request for Confidential Classification, filed on behalf of Peoples Gas System, has been furnished electronically to Kyesha Mapp, Esquire, Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and to John J. Truitt, Esquire, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399-1400, this 11th day of March, 2016.

A handwritten signature in blue ink that reads "Ansley Watson, Jr." The signature is written in a cursive style and is positioned above a horizontal line.

Ansley Watson, Jr.

## PEOPLES' RESPONSE TO STAFF'S SECOND DATA REQUEST

### JUSTIFICATION FOR CONFIDENTIAL CLASSIFICATION OF HIGHLIGHTED INFORMATION

Peoples seeks specified confidential classification, and non-disclosure pursuant to Chapter 119, *Florida Statutes*, of the information highlighted on the Company's response to Staff's Second Data Request No. 1.

**Staff's Second Data Request No. 1** – The highlighted information is information from which Peoples' cost of construction for additional facilities required to provide service to UPS and other customers under the LOA for which approval as a special contract is sought in this docket, which information was used in designing the rates 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(s) required to recover the costs of an expansion of facilities through which Peoples will provide gas service to UPS and other customers 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*.

**PEOPLES GAS SYSTEM  
DOCKET NO: 160029-GU  
STAFF'S 2<sup>nd</sup> DATA REQUEST  
REQUEST NO. 1  
PAGE: 1 OF 1  
FILED: MARCH 14, 2016**

1. On March 03, 2016 Peoples responded to Staff's First Data Request. In response to question 1 of the data request, Peoples, in its confidential information stated that only a certain portion of the 3.8 miles pipeline extension cost will be allocated to UPS. Please explain how Peoples will recover the remaining cost of the pipeline extension.
  - A. The remaining cost of the pipeline will be recovered from new customers that will connect to the line; anticipated later in 2016. When this occurs, including UPS, over [REDACTED] of the line will be utilized. The remaining portion of the gas line will be used for system reinforcement and peaking requirements.

Typically, PGS does not plan expansions based on a single customer's utilization of the entire quantity of capacity associated with a new natural gas expansion. PGS' expansions are sized by considering not only the anchor customers' needs but also future growth, existing system benefits such as system reinforcement and reliability as well as peaking requirements within the vicinity of the new gas line.