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December 5, 2016

BY HAND DELIVERY

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

RECEIVED-FPSC
2016 DEC 05 PM 1:40
COMMUNICATIONS

Re: Docket No. 160175-GU

Dear Ms. Stauffer:

Enclosed for filing are an original and seven copies of the Florida City Gas ("FCG") Request for Confidential Classification ("Request") which contains the confidential documents associated with PSC Agenda Conference Documents. Included with this Request in a sealed envelope marked "CONFIDENTIAL" is one highlighted copy of each confidential document. Also attached are two redacted copies of the referenced documents for which confidential classification is sought.

An extra copy of this letter is enclosed. Please date stamp this copy and return it to me.

Thank you for your assistance with this filing. If you have any questions, please contact me directly.

Sincerely,

Berger Singerman LLP

Floyd R. Self

REDACTED

FRS:AM
Enclosures

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	AFD	2
	APA	_____
	ECO	3 (+1 redacted copy)
	ENG	_____
	GCL	2
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BEFORE THE PUBLIC SERVICE COMMISSION

In Re: Petition for Review and)
Determination on the Project Construction)
and Gas Transportation Agreement By and) Docket No.: 160175-GU
Between NUI Utilities, Inc. d/b/a City Gas)
Company of Florida and Florida Crystals) Filed: December 5, 2016
Corporation dated April 24, 2001 and)
Approval of an Interim Service Arrangement)
_____)

**FLORIDA CITY GAS
REQUEST FOR CONFIDENTIAL CLASSIFICATION
PSC AGENDA CONFERENCE DOCUMENTS**

Florida City Gas (“FCG” or “Company”), by and through its undersigned counsel, and pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006(4), Florida Administrative Code, hereby files this Request for Confidential Classification (“Request”) for two PSC Agenda Conference discussion documents, the Confidential Cost of Service Analysis Summary and the Confidential Florida Crystals Revenue Analysis Comparison. In support of this Request, FCG states as follows:

1. On July 22, 2016, FCG petitioned this Commission to determine that the Project Construction and Gas Transportation Agreement By and Between NUI Utilities, Inc. d/b/a City Gas Company of Florida and Florida Crystals Corporation dated April 24, 2001 (“GTA”) is not a legally effective or enforceable special contract under Florida law. Recognizing the unique service conditions for Florida Crystals, FCG also requested that the Commission approve, as an interim service arrangement, certain rates, terms, and conditions that should remain in effect until this Commission approves a successor transportation service special contract that complies with Florida law or issues such other final order regarding the interim service arrangement.

2. In support of the Petition, FCG filed with the Petition three attachments, one of which, Confidential Exhibit No. 3, was the cost of service study. In responding to Staff Data

Requests, on November 1, FCG filed an updated and expanded version of this Petition exhibit which it designated as Confidential Exhibit No. 3A. This Confidential Exhibit No. 3A, along with several other confidential data request responses, was filed with the Commission on November 1 pursuant to a Request for Confidential Classification.

3. In order to make an orderly presentation to the PSC at the December 6, 2016, Agenda Conference, FCG has prepared a one page Confidential Cost of Service Summary that is derived from Confidential Exhibit No. 3A (2017), page 1 of 9. Rows 5-17 of this Summary contain the same information as was presented in Confidential Exhibit No. 3A (2017), page 1 of 9. The information in Rows 30-38 of the Summary uses the same cost of service analysis presented in Confidential Exhibit No. 3A (2017), page 1 of 9 but simply updated to reflect 20 million annual therms instead of 28.8 million annual therms.

4. Also to assist FCG's presentation at the Agenda Conference, FCG has also prepared a one page Confidential Florida Crystals Revenue Analysis Comparison. This Comparison document presents five different rate and revenues results based upon information in Confidential Exhibit No. 3A (2017), page 1 of 9. The five scenarios are:

- a. Analysis 1: Tariff Rates. This assumes FCG will transport 20 million therms for Florida Crystals at the otherwise applicable tariff rates.
- b. Analysis 2: Interim Rates. This assumes FCG will transport 20 million therms for Florida Crystals at FCG's proposed interim rates as set forth on Confidential Exhibit No. 3A(2017) utilizing the rate tiers set forth in the GTA for the Make Up Period.
- c. Analysis 3: Cost of Service. This assumes FCG will transport 20 million therms for Florida Crystals at rates set to only recover FCG's incremental

cost under the methodology set forth in Confidential Exhibit No. 3A(2017) utilizing the rate tiers set forth in the GTA for the Make Up Period.

- d. Analysis 4: GTA Make Up Term. This assumes FCG will transport 20 million therms for Florida Crystals at the rates set forth in the GTA Make Up Period utilizing the rate tiers for the Make Up Period.
- e. Analysis 5: GTA Extended Term. This assumes FCG will transport 20 million therms for Florida Crystals at the GTA's Extended Term rates and corresponding Extended Term rate tiers.

5. Row 10 of this spreadsheet in Columns D, F, H, J, and M shows the total annual revenues derived from each of the five rate/revenue analyses. Rows 12 and 13 show in Columns F, H, J, and M how the total revenues for Analyses 2, 3, 4, and 5 are below the tariff revenues and the percentage below the tariff. Rows 15 and 16 show in Columns J and M how the total revenues for Analyses 4 and 5 are below incremental cost and the percentage below incremental cost.

6. The confidential information contained in these two documents each meet the statutory requirements for (1) trade secrets (Section 366.093(3)(a)), (2) information concerning contractual data which if disclosed would impair the efforts of FCG to negotiate with other large volume customers (Section 366.093(3)(d)), and (3) competitive information the disclosure of which would impair the competitive business of FCG to acquire and serve other large scale natural gas transportation customers who usually have alternative fuel sources or who can fund transportation bypass alternatives (Section 366.093(3)(e)). This information has been previously filed with the PSC as a part of Confidential Exhibit No. 3A(2017) and is subject to the November

1, 2016 request for Confidential Information for that exhibit or this information is derived from information contained within the November 1, 2016 filing. Further, the information on these two documents constitutes “proprietary confidential business information” entitled to protection under Section 366.093, Florida Statutes, and Rule 25-22.006(4), Florida Administrative Code. If other customers had access to this information FCG would be at a competitive disadvantage in seeking to negotiate contract specific rates, terms, and conditions as those customers would have access to FCG’s cost study and methodology, FCG’s cost to serve, FCG’s revenue requirements, customer-specific contract terms including rates, and a deep understanding as to how FCG analyzes and calculates customer-specific rates. All of this type of information has been previously determined by the PSC to be confidential and exempt from public disclosure. *See, e.g.*, Order No. PSC-15-0505-CFO-GU (October 27, 2015); Order No. PSC-15-0162-CFO-GU (April 30, 2015); Order No. PSC-15-0163-CFO-GU (April 30, 2015); Order No. PSC-15-0164-CFO-GU (April 30, 2015); Order No. PSC-15-0165-CFO-GU (April 30, 2015); Order No. PSC-13-0246-CFO-GU (June 4, 2013). Because the confidential information in the Petition is the same information from the GTA, the Revenue Requirement Study, and Revenue Requirements analysis, the same justifications for those three exhibits would equally apply to the Petition pages that use or reflect this confidential information in the exhibits.

7. Attachment 1 to this Request consists of the line by line justification for the Confidential Cost of Service Analysis Summary and the Confidential Florida Crystals Revenue Analysis Comparison.

8. Attached to this Request is an envelope marked “CONFIDENTIAL” containing one copy of each confidential document for which the confidential information is highlighted. Also attached are two redacted copies of each document.

9. Pursuant to Section 366.093(4), Florida Statutes, and Rule 25-22.006(9), Florida Administrative Code, FCG requests that the information described above as proprietary confidential business information be protected from disclosure for a period of at least 18 months and all information be returned to FCG as soon as the information is no longer necessary for the Commission to conduct its business.

WHEREFORE, Florida City Gas requests that confidential classification be granted to the confidential information presented in Confidential Cost of Service Analysis Summary and the Confidential Florida Crystals Revenue Analysis.

Respectfully submitted,



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Counsel for Florida City Gas

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been furnished by E-

Mail on this 5th day of December, 2016, to the following:

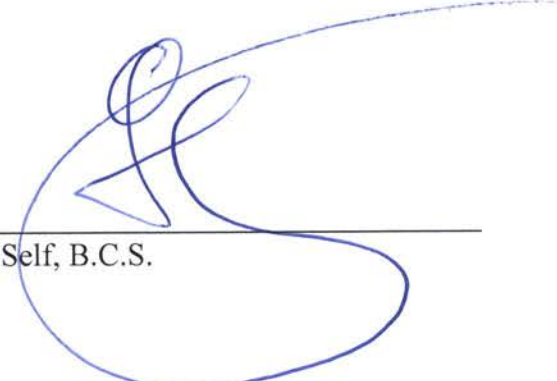
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Floyd R. Self, B.C.S.

Attachment 1
 FCG Request for Confidential Classification, December 5, 2016
 Line-by-Line Justification
 Docket No. 160175

DOCUMENT	PAGE NO(S).	COLUMNS	LINE NO(S).	STATUTORY JUSTIFICATION
Confidential Cost of Service Analysis Summary	Page 1	A B C D	22-25, 32-35 8-17, 22-25, 32-35 23-26. 33-36 22-28, 32-38	<p>This information is the same as that presented on Confidential Exhibit No. 3A (2017), page 1 of 9, or information derived from Confidential Exhibit No. 3A. This document contains FCG's cost of service study and projected revenues based upon that study. Rows 5-17 of this Summary contain the same information as was presented in Confidential Exhibit No. 3A (2017), page 1 of 9. The information in Rows 30-38 of the Summary uses the same cost of service analysis presented in Confidential Exhibit No. 3A (2017), page 1 of 9 but simply updated to reflect 20 million annual therms instead of 28.8 million annual therms. This type of customer-specific cost analysis, volumes and revenues and customer-specific margin information is not released to the public, including the customer it is derived from. This information, if made public, would negatively impact the competitive interests of the company (and hence FCG's ratepayers) in the company's negotiations of other service agreements. Moreover, this would be an unfair and inappropriate disclosure of customer information. Finally, this information is based upon FCG trade secret information in terms of the method of calculation such revenue requirements and margins.</p>

<p>Confidential Florida Crystals Revenue Analysis Comparison</p>	<p>Page 1</p>	<p>A B D E F G H I J K L M</p>	<p>6-8 5-8 4-8, 10 4-8 4-8, 10, 12- 13 4-8 4-8, 10, 12- 13 4-8 4-8, 10, 12- 13, 15- 16 4-8 4-8 4-8, 10, 12- 13, 15- 16</p>	<p>This Comparison document presents five different rate and revenues results based upon information in Confidential Exhibit No. 3A (2017), page 1 of 9. These analyzes are based upon the unique customer-specific volumes and revenues and customer-specific margin information presented in Confidential Exhibit No. 3A2. This information is not released to the public, including the customer it is derived from. This information, if made public, would negatively impact the competitive interests of the company (and hence FCG's ratepayers) in the company's negotiations of other service agreements. Moreover, this would be an unfair and inappropriate disclosure of customer information. Finally, this information is based upon FCG trade secret information in terms of the method of calculation such revenue requirements and margins.</p>
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	A	B	C	D
1	Confidential Cost of Service Analysis Summary			
2	Rows 5-17 is the same information presented in Confidential Exhibit 3A (2017), Page 1 of 9.			
3	The information for Rows 30-38 is the same Cost of Service analysis using 20 million annual therms.			
4				
5	Revenue Requirement (Cost of Service) assuming max 80,000 therms per day			
6	Year 12 Months Ended September	2017		
7				
8	O&M Expenses			
9	Depreciation			
10	Property Tax			
11	State Income Tax @ 5.5%			
12	Federal Income Tax @ 34.00%			
13	Sub-total			
14				
15	Required Return on Investment ** (Rate base x ROR)			
16				
17	Total Annual Incremental Cost of Service			
18				
19	Rates & Revenues Based On Cost of Service:			
20		28,800,000 Annual Therms		
21	FCG rates and resulting revenues to recover cost of service assuming 80,000 therms/day max flow and 28.8 million total therms/year.	Proposed Cost Recovery Rates	Volume/ Month	Monthly Revenue
22				
23				
24				
25				
26	Monthly total:			
27				
28	Annual		28,800,000	
29				
30		20,000,000 Annual Therms		
31	Projected revenues assuming 20 million total therms/year and otherwise same rates and maximum daily flow as above.	Proposed Cost Recovery Rates	Volume/ Month	Monthly Revenue
32				
33				
34				
35				
36				
37				
38	Annual		20,000,000	

CONFIDENTIAL

Confidential Florida Crystals Revenue Analysis Comparison

Docket No. 160175-GU
 Agenda Conference Discussion Exhibit
 Page 1 of 1

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Rates Tiers & Volumes *N1 (see notes below)	Volume Per Month	Analysis 1: Tariff Rates		Analysis 2: Interim Rates		Analysis 3: Cost of Service		Analysis 4: GTA Make Up Term		Analysis 5: GTA Extended Term		
2			Revenues if Florida Crystals Paid the GS 1,250k Tariff		Revenues Using Proposed Interim Rate		Revenues if Rates Set to Only Recover Cost		Revenues using GTA MakeUp Period Rates		Revenues usng GTA Extended Term Rates		
3			Rates	Revenues	Rates*N2	Revenues	Rates*N3	Revenues	Rates*N4	Revenues	Volume*N5	Rates*N6	Revenues
4	Customer Charge		\$500/Month										
5	Demand Charge		\$ 0.2890										
6			\$ 0.1223										
7			\$ 0.1223										
8			\$ 0.1223										
9													
10	Total Annual Revenues:												
11													
12	Cost Below Tariff												
13	% Below Tariff												
14													
15	Cost Below COS												
16	% Below COS												
17													
18	Notes:												
19	*N1: This analysis assumes 20 million therms per year based upon the Florida Crystals Data Request Response. The GTA provides for a maximum of 28.8 million therms per year. The rate tiers in Column A are from the GTA for the Make Up Period and the corresponding volumes in Column B are based upon 20 million therms per year and are used for the analysis in Columns C-D, E-F, G-H, and I-J.												
20	*N2: Rates in this analysis are FCG's proposed interim rates reflected on Confidential Exhibit No. 3A but recalculated on the basis of 20 million annual therms and not 28.8 million as is reflected in Exhibit 3A (2017).												
21	*N3: Rates in this analysis are calculated to only recover cost.												
22	*N4: Rates are from the GTA for the Make Up Period and show that continuing the status quo rates also results in rates substantially below cost.												
23	*N5: The volume tiers in Column K are annual volumes as set forth in the GTA Extended Term and applied to the rates in Column L to calculate the revenues in Column M.												
24	*N6: Rates are from the GTA for the Extended Term and used to calculate the revenues in Column M.												