

Writer's E-Mail Address: bkeating@gunster.com

August 23, 2017

**BY HAND DELIVERY**

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

**REDACTED**

RECEIVED-FPSC  
2017 AUG 23 PM 4:45  
COMMISSION  
CLERK


Re: New Filing - Petition of the Florida Division of Chesapeake Utilities Corporation for Approval of Special Contract with Mosaic Fertilizer LLC

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 Special Contract with Mosaic Fertilizer, LLC, which has been submitted electronically 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

Cc: Office of Public Counsel

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of the Florida Division of  
Chesapeake Utilities Corporation for Approval  
of Special Contract with Mosaic Fertilizer  
LLC.

Docket No.  
Filed: August 23, 2017

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**THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION**  
**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

The Florida Division of Chesapeake Utilities Corporation (“CFG” 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 its Gas Transportation Service Special Contract with Mosaic Fertilizer, LLC (“Mosaic”) as well corresponding information in its Petition for Approval of Special Contract (“Petition”) and in the Cost of Service Study attached thereto. In support of this request, CFG hereby states:

1. CFG seeks confidential classification of the highlighted information in Exhibit A to the Gas Transportation Service Special Contract (“Contract”) (page 14), in the line identifying the Transportation Rate. CFG likewise seeks confidential classification of the same information as it is identified in the second line of paragraph 6 on page two (p. 2) of the Petition. In addition, CFG seeks confidential classification of the corresponding information in the Cost of Service Study attached to the Petition, on the sheet identified as “Cost of Service” in the line identified as “Revenue” and on the sheet identified as “Calculation of Other Taxes,” in the line “Estimated Sales Revenue,” which is information that could be used to extrapolate the highlighted information in the Petition and in Exhibit A to the Contract. The information is directly related

## Request for Confidential Classification

to the negotiated rate, which both CFG and Mosaic treat as proprietary confidential business information consistent with the definition of that term in Section 366.093, Florida Statutes.

2. The information for which CFG 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 CFG’s ability to compete for goods and services and provide its competitors with an unfair competitive advantage. As such, CFG requests that the Commission protect this information consistent with Rule 25-22.006, Florida Administrative Code. To the extent of CFG’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 the Gas Transportation Service Special Contract; (2) page 2 of the Petition; and (3) Incremental Cost of

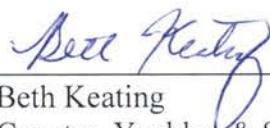
Request for Confidential Classification

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

5. CFG 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, CFG respectfully requests that the confidential information be returned to the Company.

WHEREFORE, CFG respectfully requests that the highlighted information contained in Exhibit A to the Gas Transportation Service Special Contract with Mosaic Fertilizer, LLC, as well as highlighted information on page 2 of its Petition for Approval of 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 23rd day of August, 2017.

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

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Electronic Mail this 23rd day of August, 2017.

|  |   |
|--|---|
| Jennifer Crawford<br>Florida Public Service Commission<br>2540 Shumard Oak Boulevard<br>Tallahassee, FL 32399-0850<br>jcrowfor@psc.state.fl.us | J.R. Kelly<br>Office of Public Counsel<br>c/o The Florida Legislature<br>111 W. Madison Street, Room 812<br>Tallahassee, FL 32399-1400<br><u>Kelly.JR@leg.state.fl.us</u> |
|--|---|

By:   
Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

substantial interests will be determined in this proceeding, because the Commission's actions herein will determine whether or not CFG will be allowed to provide transportation service to Mosaic pursuant to the negotiated contract.

4. Mosaic owns and operates a phosphate production plant located in the city of Mulberry, Florida in Polk County. For nearly eleven (11) years, Mosaic has used natural gas in its phosphate production process, and CFG has provided the transportation service necessary to deliver the natural gas to Mosaic over the full course of that 11-year period.

5. Mosaic has been billed at the Company's FTS-13 tariff rate schedule, which is a flat rate per month. One of the qualifications for this tariff rate schedule is an annual usage of over 12,500,000 therms. Due to current business needs, Mosaic is using approximately 11,000,000 therms annually. This reduced level of usage qualifies Mosaic for the FTS-12 tariff rate schedule rather than the FTS-13. The Company notified Mosaic of the impending rate reclassification, at which time Mosaic requested a special contract be negotiated with the Company. Reclassification from the tariff rate schedule FTS-13 to the FTS-12 would significantly increase the monthly charge to the Company from approximately \$16,692 to \$72,372. The result of those negotiations is the Special Contract now offered for Commission approval, which is attached hereto as Attachment A.

6. With regard to the new rate set forth in the Special Contract, the transportation rate will now be set at [REDACTED] per month. This rate better reflects current use of capacity for Mosaic when compared to the FTS-12 mechanism of charging a monthly reservation fee of \$9,000 and \$0.061238 per therm.

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

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EXHIBIT A  
TO  
SPECIAL CONTRACT  
BETWEEN  
CHESAPEAKE UTILITIES CORPORATION  
AND  
MOSAIC FERTILIZER LLC

Transporter's Delivery Points: Interconnection between FGT/GS pipeline and Company in the vicinity of Polk County, FL

MDTQ (range):  
Minimum: 5,100 Dt/Day  
Maximum: 6,100 Dt/Day<sup>1</sup>

Company's Delivery Point: The outlet side of the measuring equipment of the distribution facilities at Shipper's Facilities.

Monthly Reservation Charge: [REDACTED] Month

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<sup>1</sup> The Minimum MDTQ shall apply at the Effective Date of this Agreement and thereafter may be adjusted, in increments of 500 DT/Day, in accordance with Paragraph 3.1 of this Agreement.



EXHIBIT A  
TO  
SPECIAL CONTRACT  
BETWEEN  
CHESAPEAKE UTILITIES CORPORATION  
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MOSAIC FERTILIZER LLC

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Monthly Reservation Charge: [REDACTED] Month

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Redacted

Incremental Cost of Service Study  
Mosaic Fertilizer LLC  
Cost of Service

|                           |       |        |
|---------------------------|-------|--------|
| Operation & Maintenance   | \$    | 32,667 |
| Depreciation              | \$    | -      |
| Taxes - other than income | \$    | 69,649 |
| Income Taxes              | \$    | -      |
| Return @                  | 5.67% | \$ -   |


Total Operating Cost \$ 102,316

Revenue



Attachment B


Incremental Cost of Service Study  
Mosaic Fertilizer LLC  
Cost of Service

|                           |       |   |
|---------------------------|-------|---|
| Operation & Maintenance   | \$    | 32,667  |
| Depreciation              | \$    | -   |
| Taxes - other than income | \$    | 69,649  |
| Income Taxes              | \$    | -   |
| Return @                  | 5.67% | \$ -  |
|                           |       | <hr/>   |
| Total Operating Cost      | \$    | <u>102,316</u>  |
| Revenue                   |       |  |

Attachment B


*Redacted*

Incremental Cost of Service Study  
Mosaic Fertilizer LLC  
Calculation of Other Taxes

|                         |    |   |
|-------------------------|----|---|
| Average Tax Rate        |    | 2.00%   |
| x Gross Plant           | \$ | 3,393,104   |
| Property Taxes          | \$ | <u>67,862</u>   |
| Estimated Sales Revenue |    |  |
| Revenue Related Taxes   | \$ | <u>1,787</u>  |
| Total Other Taxes       | \$ | <u>69,649</u>   |

Redacted

Incremental Cost of Service Study  
Mosaic Fertilizer LLC  
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|                         |    |   |
|-------------------------|----|---|
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