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October 15, 2020

VIA E-PORTAL FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

**Re: Docket No. 20200051-GU – Petition for rate increase by Peoples Gas System
Docket No. 20200166-GU-Petition for approval of 2020 depreciation study
by Peoples Gas System**

Dear Mr. Teitzman:

Enclosed for filing on behalf of Peoples Gas System (“Peoples”) is a Request for Confidential Treatment of certain portions of the testimony of OPC witness Andrea Crane. This request is intended to replace Documents 07381-2020 & 05582-2020 and therefore should be filed concurrently with the withdraw of such documents from this docket. This request includes Exhibits A through C.

Exhibit A is being provided under separate cover and consists of the confidential documents, and all information that Peoples asserts is entitled to confidential treatment has been highlighted. Exhibit B is an edited version of Exhibit A, in which the information Peoples asserts is confidential has been redacted. Exhibit C consists of Peoples’ justification table supporting its Request for Confidential Treatment.

Your assistance in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb
Attachment

cc: J.R. Kelly/Mireille Fall-Fry (kelly.jr@leg.state.fl.us;fall-fry.mireille@leg.state.fl.us)

Mr. Adam J. Teitzman
Commission Clerk
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Peoples Gas System.

Docket No. 20200051-GU

In re: Petition for approval of 2020 Depreciation study by Peoples Gas System.

Docket No. 20200166-GU

Submitted for Filing: October 15, 2020

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PEOPLES GAS SYSTEM'S REQUEST FOR CONFIDENTIAL TREATMENT

Pursuant to Section 366.093 and 1190.07, *Florida Statutes*, and Rule 25-22.006, *Florida Administrative Code*, Peoples Gas System ("Peoples") requests confidential Treatment to testimony by witnesses for the Office of Public Counsel ("OPC") who reviewed documents produced in response to Interrogatory No. 109 of Citizen's Second Set of Interrogatories. In support of its request, Peoples states:

1. OPC witness Andrea Crane has offered testimony regarding the documents produced in response to OPC's Interrogatory No. 109.
2. The following exhibits are included with and made a part of this request:
 - a. Exhibit A consists of a copy of the confidential pages on which all information that Peoples asserts is entitled to confidential treatment has been highlighted.
 - b. Exhibit B consists of a copy of the confidential pages on which all information that Peoples asserts is entitled to confidential treatment has been redacted.
 - c. Exhibit C is a table containing an identification of the information

highlighted in Exhibit A, together with references to the specific statutory basis or bases for the claim of confidentiality and to the affidavit in support of the requested classification.

3. Peoples submits that the highlighted information in Exhibit A is proprietary confidential business information within the meaning of Section 366.093(3), *Florida Statutes*. Section 366.093(3), *Florida Statutes*, defines confidential information as information that is intended to be and is treated by the company as private in that disclosure of the information would cause harm to the company's business operations or its customers, and has not been disclosed publicly. The confidential information is intended to be and has been treated by Peoples as private, its confidentiality has been maintained, and its disclosure would cause harm to Peoples and its customers. Pursuant to Section 366.093(3)(2), such information is entitled to confidential treatment and it is exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.

4. Upon a finding by the Commission that the information highlighted in Exhibit A, and referenced in Exhibit C, is proprietary confidential business information, the information should not be declassified for a period of at least eighteen (18) months and should be returned to Peoples as soon as the information is no longer necessary for the Commission to conduct its business. See § 366.093(4), Fla. Stat.

WHEREFORE, Peoples respectfully requests confidential classification of the material described herein.

Respectfully submitted,



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Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Request for Confidential Treatment of Peoples Gas System has been furnished via electronic mail to the following, this 15th day of October, 2020:

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Andrew M. Brown, Esq.

EXHIBIT A

CONFIDENTIAL

FILED UNDER SEPARATE COVER

EXHIBIT B

REDACTED COPIES

	Growth 2009-2019	Growth 2019-2021
Gross Plant in Service	74.43%	31.63%
CWIP	44.57%	485.82%
Total	73.89%	38.51%

Gross plant and CWIP increased by 73.89% from 2009 to 2019 and is projected to increase by another 38.51% in the two-year period between the Historic Base Year and the Projected Test Year in this case. Thus, while there are 12 years between the Projected Test Year in the last case and the Projected Test Year in this case, a disproportionate amount of the rate base growth is due to the two years of projections included by PGS in this case. [REDACTED]

Q. How do the Company's 2020 and 2021 capital budgets compare with the amounts traditionally budgeted by PGS?

A. As shown in its response to OPC IRR-30 and Exhibit SPH-1 (Document No. 6), the Company's capital budgets have increased dramatically over the past five years, and additional growth is projected for 2020 and 2021:

	Approved Capital Budget (\$000)
2015	\$103,970
2016	\$106,539
2017	\$148,892
2018	\$195,929
2019	\$240,014
2020	\$358,693
2021	\$263,805

3 PGS response to OPC POD No. 34 at Bates No. 5212.

1 **Q. Doesn't your recommendation effectively move the Test Year up by one year,**
2 **from calendar year December 31, 2021, to calendar year December 31, 2020?**

3 **A.** No, it does not. While the Company's filing is based on the Projected Test Year ending
4 December 31, 2021, the Company reflected average Test Year balances in its rate base
5 claim. Assuming the Company added plant consistently during the year, the
6 Company's filing would effectively represent plant balances at June 30, 2021, the
7 midpoint of the Projected Test Year. Since I am recommending that the PSC utilize
8 Projected Plant Balances at December 31, 2020, my recommendation essentially
9 represents a difference of only six months from the Company's claim.

10 The purpose of my adjustments is not to change the Test Year selected by the
11 Company. It is simply to update the capital spending anticipated for that Test Year.
12 The data that was originally projected by the Company at December 31, 2020, is a
13 proxy for my recommended adjustments during the Projected 2021 Test Year. Given
14 the extremely ambitious capital program proposed in the filing, the inherent speculative
15 nature of any projected test year, and the unique economic situation that is currently
16 evolving in Florida, it is reasonable and appropriate for the PSC to set rates based on a
17 less ambitious capital program. [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 **Q. What is the net impact on rate base of the plant-in-service, CWIP, and reserve**
21 **adjustments that you are recommending in this case?**

22 **A.** As shown in Exhibit ACC-2, Schedule 3, my recommendations will result in a rate base

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Q. What amortization period are you recommending in this case?

A. I am recommending that rate case costs for the current case be amortized over five years, instead of over three years as proposed by the Company. While the Company's last base rate case was 12 years ago, I am not recommending an amortization period of longer than five years, given the possibility of a base rate case being filed within the next few years. However, given the rate case history of PGS, a five-year period is more reasonable than the three-year amortization period requested by the Company. My adjustment is shown in Exhibit ACC-2, Schedule 17.

4. TIMP Pipeline Reassessment and Risk Analysis

Q. What adjustment are you recommending to the Company's claim for \$2,107,400 in TIMP Pipeline Reassessment and Risk Analysis Costs?

A. This is one area where I am recommending an adjustment to a cost category for which the Company also provided 2019 and 2020 actual expenditures on Exhibit SPH-1, Document No. 5. As shown in this exhibit, the Company incurred actual costs of \$112,961 in the Historic Base Year and is projecting costs of \$292,500 for 2020. However, PGS is seeking to include \$2,107,000 in rates resulting from this proceeding.

According to the testimony of Sean Hillary at page 38, "the pipeline integrity compliance costs can vary from year-to-year depending on which pipelines are due for assessment and inspection." Witness Hillary goes on to state that PGS has scheduled

EXHIBIT C

JUSTIFICATION TABLE

EXHIBIT C

Company: Peoples Gas System

Title: List of Confidential Documents Included in Peoples' Request for Confidential Treatment

Docket Nos.: 20200051-GU & 20200166-GU

Document	Description	No. of Pages	Conf. Y/N	Line No./Col. No.	Florida Statute 366.093(3) Subsection
1	Direct Testimony of Andrea C. Crane dated 8/31/20	1	Y	Page 9, lines 7-8	(e)
2	Direct Testimony of Andrea C. Crane dated 8/31/20	1	Y	Page 15, lines 17-19	(e)
3	Direct Testimony of Andrea C. Crane dated 8/31/20	1	Y	Page 37, lines 1-3	(e)