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July 20, 2023

VIA HAND DELIVERY

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

REDACTED

Re: Docket No. 20230023-GU; Petition for Rate Increase by Peoples Gas System, Inc.

Docket No. 20220219-GU; Peoples Gas System's Petition for Rate Approval of 2022 Depreciation Study


Docket No. 20220212-GU; Peoples Gas System's Petition for Approval of Depreciation Rate and Subaccount for Renewable Natural Gas Facilities Leased to Others

Dear Mr. Teitzman:

Enclosed for filing in the above docket is Peoples Gas System, Inc.'s Request for Confidential Classification of certain information contained in Rachel B. Parson's Exhibit RBP-2 and Luke A. Buzard's Exhibit LAB-1.

Thank you for your assistance in connection with this matter.

Sincerely,


J. Jeffrey Wahlen

JJW/ne
Attachment

cc: All parties of record (w/att.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition for Rate Increase by Peoples Gas System, Inc.	DOCKET NO. 20230023-GU
Peoples Gas System's Petition for Rate Approval of 2022 Depreciation Study	DOCKET NO. 20220219-GU
Peoples Gas System's Petition for Approval of Depreciation Rate and Subaccount for Renewable Natural Gas Facilities Leased to Others	DOCKET NO. 20220212-GU FILED: July 20, 2023

**PEOPLES GAS SYSTEM INC.'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION
AND REQUEST FOR TEMPORARY PROTECTIVE ORDER**

Peoples Gas System, Inc. ("Peoples" or "the company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby requests confidential classification of the yellow highlighted information contained in the following described document(s) ("the Document(s)") stamped "CONFIDENTIAL" and all information that is or may be printed on yellow paper stock stamped "CONFIDENTIAL" within the Document(s), all of said confidential information being hereinafter referred to as "Confidential Information."

Description of the Document(s)

This request for confidential classification covers a limited number of documents included in exhibits that accompany the rebuttal testimony filed by the company contemporaneously with this request ("Rebuttal Exhibits"). The company believes that portions of its Rebuttal Exhibits, as specified on Exhibit "A," constitute Confidential Information and has designated it as such by highlighting. Contemporaneous with the filing of this request, Peoples submitted the confidential portions of its Rebuttal Exhibits to the Commission Clerk under a separate, confidential cover letter. Peoples' requests confidential classification for this information such that it will be entitled

to protection against public disclosure pursuant to Section 366.093, Florida Statutes. In support of this request, the company states:

1. Subsection 366.093(1), Florida Statutes, provides that any records “found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1), Florida Statutes [requiring disclosure under the Public Records Act].” 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; and (f) employee personnel information unrelated to compensation, duties, qualifications, or responsibilities. §366.093(3)(a)-(f), Fla. Stat. The Confidential Information that is the subject of this request and motion falls within one or more of these statutory categories and, thus, constitutes proprietary confidential business information entitled to protection under Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

2. Attached hereto as Exhibit "A" is a justification for confidential treatment of the Confidential Information contained in the Documents.

3. The public versions of the Documents with the Confidential Information are included as Exhibit "B" and are shown as redacted pages in the Rebuttal Exhibits filed contemporaneous with this request.

4. The Confidential Information contained in the Documents is intended to be and is treated by Peoples as private and has not been publicly disclosed.

5. For the same reasons set forth herein in support of its request for confidential classification, Peoples also moves the Commission for entry of a Temporary Protective Order pursuant to Rule 25-22.006(6)(a) of the Florida Administrative Code.


Requested Duration of Confidential Classification

6. Pursuant to Rule 25-22.006(9)(a), Peoples requests that the Confidential Information be treated by the Commission as confidential proprietary business information for 18 months. If, and to the extent that the company needs confidential classification of the Confidential Information beyond the 18-month period set forth in the Commission rule, the justification and grounds for such extended confidential treatment are set forth in Exhibit "C" to this request and motion.

WHEREFORE, Peoples Gas System, Inc. respectfully requests that the Confidential Information that is the subject of this request and motion be accorded confidential classification for the reasons set forth herein and for 18 months.

DATED this 20th day of July 2023.

Respectfully submitted,



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ATTORNEYS FOR PEOPLES GAS SYSTEM, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing request and motion, filed on behalf of Peoples Gas System, Inc., has been furnished by electronic mail on this 20th day of July, 2023 to the following:

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ATTORNEY

**EXHIBIT A
PEOPLES' REBUTTAL EXHIBITS
JUSTIFICATION FOR CONFIDENTIAL TREATMENT**

<u>Pages</u>	<u>Document Description</u>	<u>Column, Paragraph, Page Line Designation or other Identifier</u>	<u>Description of Information</u>	<u>Justification</u>
Ex. RBP-2 Document No. 4 Pages 59-60	This is a component of the revenue requirement model used for the Brightmark and New River projects	Columns 2023-2042 Columns 2023-2038	Highlighted text	(1)
Ex. LAB-1 Document No. 6 Page 75	Detailed listing of assets associated with Brightmark and New River Projects and related asset costs	Column heading dollars	Highlighted text	(2)
Ex. LAB-1 Document No. 7 Page 76	CPVRR Analysis for Alliance Dairies Project showing revenue requirement model	Columns 2023-2042	Highlighted text	(3)

(1) This document is a revenue requirements model and reflects the revenues expected from two specific customers as well and the expenses the company anticipates it will incur to serve the customers. The highlighted information includes “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” and “information relating to competitive interests, the disclosure of which would impair the competitive business of the

provider of the information.” It is also customer specific financial information that the company maintains on a confidential basis to protect the competitive and privacy interests of its customers. This information is protected by Section 366.093(3)(d) and (e) of the Florida Statutes.

(2) The highlighted information reflects the installed cost of assets used to serve specific customers and consists of “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” and “information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.” This information is protected by Section 366.093(3)(d) and (e) of the Florida Statutes.

(3) This document is a revenue requirements model and reflects the revenues expected from one specific customer as well and the expenses the company anticipates it will incur to serve the customer. The highlighted information includes “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” and “information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.” It is also customer specific financial information that the company maintains on a confidential basis to protect the competitive and privacy interests of its customers. This information is protected by Section 366.093(3)(d) and (e) of the Florida Statutes.

EXHIBIT B
PUBLIC VERSION(S) OF THE DOCUMENT(S)

Attached hereto (unless previously filed as may be noted below) are two public versions of the Document(s) with the Confidential Information redacted.

Public Version(s) of the Document(s) attached	<u> x </u>
Public Version(s) of the Document(s) attached in CD format	<u> </u>

Peoples Gas System
 New River Pipeline Project Revenue Requirement Analysis

<u>Project Benefits</u>		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Recipient of cost/benefit	Category										
PGS	Project Revenues										
	Total										
<u>Project Expenses</u>											
Recipient of cost/benefit	Category										
PGS	O&M Expense ²										
PGS	Property Taxes	0	60,527	58,401	56,275	54,149	52,023	49,897	47,771	45,645	43,519
PGS	Book Depreciation	250,354	265,619	265,619	265,619	265,619	265,619	265,619	265,619	265,619	265,619
	Total										
<u>Revenue Requirement Analysis</u>											
	Category										
	Nominal Revenue Requirement										
	Present Value of Revenue Requirement										
	Cumulative Present Value of Revenue Requirement										
	Nominal Project Revenues										
	Present Value of Revenues										
	Cumulative Present Value of Revenues										
	Nominal Net Revenue Requirement (excess/(deficiency))	(69,168)	(142,316)	(82,991)	(33,220)	8,094	47,965	90,319	122,250	143,339	(134,921)
	Present Value of Net Revenue Requirement	(69,168)	(131,908)	(71,296)	(26,452)	5,973	32,810	57,264	71,840	78,072	(68,113)
	Cumulative Present Value of Net Revenue Requirement	(69,168)	(201,076)	(272,372)	(298,824)	(292,851)	(260,041)	(202,777)	(130,937)	(52,865)	(120,977)

Brightmark RNG Project Revenue Requirement Analysis

<u>Project Benefits</u>		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Recipient of cost/benefit	Category										
PGS	RNG Plant Project Revenues										
PGS	Pipeline Project Revenues										
	Total										
<u>Project Expenses</u>											
Recipient of cost/benefit	Category										
PGS	O&M Expense ^{2,1}										
PGS	Property Taxes ¹	0	58,317	56,892	55,467	54,043	52,618	51,194	49,769	48,345	46,920
PGS	Book Depreciation	2,092,618	2,569,242	2,569,242	2,569,242	2,569,242	2,569,242	2,569,242	2,569,242	2,569,242	2,569,242
	Total										
<u>Revenue Requirement Analysis</u>											
	Category										
	Nominal Revenue Requirement										
	Present Value of Revenue Requirement										
	Cumulative Present Value of Revenue Requirement										
	Nominal Project Revenues										
	Present Value of Revenues										
	Cumulative Present Value of Revenues										
	Nominal Net Revenue Requirement (excess/(deficiency))	(852,822)	(1,389,322)	(1,000,732)	(665,612)	(365,453)	(66,261)	232,215	487,232	699,498	911,745
	Present Value of Net Revenue Requirement	(852,822)	(1,287,714)	(859,708)	(529,994)	(269,710)	(45,325)	147,228	286,320	380,995	460,281
	Cumulative Present Value of Net Revenue Requirement	(852,822)	(2,140,536)	(3,000,244)	(3,530,238)	(3,799,948)	(3,845,274)	(3,698,046)	(3,411,726)	(3,030,731)	(2,570,450)

Notes:
 1. Property taxes and insurance for Brightmark RNG plant are the responsibility of the counterparty
 2. O&M includes insurance costs. 2% annual inflation assumed for 2025 & beyond

WACC 7.89%

Peoples Gas System
New River Pipeline Project Revenue Requirement Analysis

<u>Project Benefits</u>		2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Recipient of cost/benefit	Category										
PGS	Project Revenues										
	Total										
<u>Project Expenses</u>											
Recipient of cost/benefit	Category										
PGS	O&M Expense ²										
PGS	Property Taxes	41,392	39,266	37,140	35,014	32,888	30,762	28,636	26,510	24,384	22,258
PGS	Book Depreciation	265,619	265,619	265,619	265,619	265,619	265,619	265,619	265,619	265,619	265,619
	Total										
<u>Revenue Requirement Analysis</u>											
	Category	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
	Nominal Revenue Requirement										
	Present Value of Revenue Requirement										
	Cumulative Present Value of Revenue Requirement										
	Nominal Project Revenues										
	Present Value of Revenues										
	Cumulative Present Value of Revenues										
	Nominal Net Revenue Requirement (excess/(deficiency))	161,608	210,574	234,313	256,849	277,686	301,465	(22,891)	312,503	368,488	390,954
	Present Value of Net Revenue Requirement	75,618	91,324	94,188	95,696	95,893	96,491	(6,791)	85,928	93,912	92,351
	Cumulative Present Value of Net Revenue Requirement	(45,359)	45,965	140,153	235,849	331,742	428,233	421,441	507,370	601,282	693,632

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Brightmark RNG Project Revenue Requirement Analysis

<u>Project Benefits</u>		2033	2034	2035	2036	2037	2038
Recipient of cost/benefit	Category						
PGS	RNG Plant Project Revenues						
PGS	Pipeline Project Revenues						
	Total						
<u>Project Expenses</u>							
Recipient of cost/benefit	Category						
PGS	O&M Expense ^{2,1}						
PGS	Property Taxes ¹	45,496	44,071	42,647	41,222	39,798	38,373
PGS	Book Depreciation	2,569,242	2,569,242	2,569,242	2,569,242	2,569,242	279,588
	Total						
<u>Revenue Requirement Analysis</u>							
	Category	2033	2034	2035	2036	2037	2038
	Nominal Revenue Requirement						
	Present Value of Revenue Requirement						
	Cumulative Present Value of Revenue Requirement						
	Nominal Project Revenues						
	Present Value of Revenues						
	Cumulative Present Value of Revenues						
	Nominal Net Revenue Requirement (excess/(deficiency))	1,123,978	1,336,191	1,548,389	1,760,567	1,972,729	466,824
	Present Value of Net Revenue Requirement	525,925	579,497	622,413	655,946	681,239	149,417
	Cumulative Present Value of Net Revenue Requirement	(2,044,525)	(1,465,029)	(842,615)	(186,669)	494,569	643,987

Notes:
1. Property taxes and insurance for Brightmark RNG plant are the responsibility of the counterparty
2. O&M includes insurance costs. 2% annual inflation assumed for 2025 & beyond

Document Number 6

Asset	Dollars	Correlation to Tariff
BRIGHTMARK		
Feedstock Reception, Preprocessing, Storage and Feed Eq	██████████	Other related appurtenances including any redundancy
Anaerobic Digestion Equipment & Controls	██████████	Digesters / quality monitoring equipment
Digestate Dewatering and Drying Equipment	██████████	Driers and other related appurtenances including any redundancy
Electrical & Controls (SCADA)	██████████	Quality monitoring equipment
Biogas Conditioning, Upgrade and Flare Control	██████████	Blowers / Chillers / Condensate Removal equipment / Heat exchangers / driers / gas constituent removal equipment / other related appurtenances including any redundancy
Biogas Pipeline	██████████	Piping
RNG Pipeline	██████████	Piping
Total	\$43,145,503	
NEW RIVER		
Steel pipeline extension	██████████	Piping & other appurtenances
Interconnect Facilities	██████████	Metering, quality monitoring equipment, condensate removal equipment, controls, and other appurtenances
Total	\$7,812,333	

Alliance RNG Ratepayer Value Analysis

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Gas Injection																				
Volume of Gas produced per day (MMBtu)	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300
Annual Volume (MMBtu) - planned outage adjusted	76,893	102,284	99,936	102,004	101,475	100,216	102,149	102,004	99,936	100,023	102,004	99,936	102,149	102,284	102,284	102,284	102,284	102,284	102,284	102,284
Revenue Requirement																				
Annual Revenue Requirement (\$)																				
Projected Revenue																				
Revenue Requirement - Excess/(Deficiency)	(1,093,993)	233,414	452,512	682,249	564,024	681,712	760,426	670,676	545,272	(176,553)	701,897	565,839	730,922	736,315	684,670	658,660	631,429	602,951	573,203	542,156
Present Value of Excess/(Deficiency)	\$4,129,561																			
Discount Rate ¹	7.42%																			
Gas price implied by Excess/Deficiency	\$ 14.23	\$ (2.28)	\$ (4.53)	\$ (6.69)	\$ (5.56)	\$ (6.80)	\$ (7.44)	\$ (6.57)	\$ (5.46)	\$ 1.77	\$ (6.88)	\$ (5.66)	\$ (7.16)	\$ (7.20)	\$ (6.69)	\$ (6.44)	\$ (6.17)	\$ (5.89)	\$ (5.60)	\$ (5.30)
EA Pricing																				
PGS' EA price forecast (\$/MMBtu)																				
Average EA Price 2022	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42	\$ 67.42
PGS' EA price forecast discount to 2022 Price																				
Natural Gas Pricing																				
Forward price of FGT Z3 (Gas Commodity) ²	\$ 2.90	\$ 3.46	\$ 3.94	\$ 4.03	\$ 3.98	\$ 3.92	\$ 3.93	\$ 3.94	\$ 3.95	\$ 3.98	\$ 4.01	\$ 4.14	\$ 4.29	\$ 4.29	\$ 4.29	\$ 4.29	\$ 4.29	\$ 4.29	\$ 4.29	\$ 4.29
Implied price of Gas offered to customers	\$ 223,363	\$ 354,117	\$ 393,630	\$ 410,976	\$ 403,406	\$ 392,378	\$ 401,410	\$ 402,016	\$ 394,271	\$ 397,968	\$ 409,224	\$ 413,242	\$ 437,750	\$ 436,331	\$ 438,331	\$ 438,331	\$ 438,331	\$ 438,331	\$ 438,331	\$ 438,331
Present Value of Free Gas	\$4,002,021																			
Discount Rate	7.42%																			
Breakeven Analysis																				
Implied EA price to cover revenue requirement (\$/MMBtu)																				
Breakeven price premium/discount to PGS' EA price forecast																				
Breakeven price premium/discount to 2022 Price																				
Sensitivity Analysis - Downside																				
Projected Revenue - 10% reduction in Forecasted EA Price																				
Revenue Requirement - Excess/(Deficiency)	(1,437,703)	(339,195)	(125,260)	84,210	(34,659)	80,848	167,068	99,147	(13,755)	(735,159)	133,157	9,544	163,238	168,810	117,164	91,155	63,924	35,446	5,697	(25,349)
Present Value of Excess/(Deficiency)	\$1,967,060																			
Discount Rate	7.42%																			
Sensitivity Analysis - Upside																				
Projected Revenue - 10% increase in Forecasted EA Price																				
Revenue Requirement - Excess/(Deficiency)	(750,283)	806,023	1,030,283	1,280,289	1,162,708	1,282,576	1,353,764	1,242,204	1,104,299	382,052	1,270,637	1,122,134	1,298,605	1,303,820	1,252,175	1,228,165	1,198,934	1,170,456	1,140,708	1,109,661
Present Value of Excess/(Deficiency)	\$9,826,181																			
Discount Rate	7.42%																			

Notes

- 1. WACC assumes 11% RDE and forecasted borrowing rates
- 2. Forward strip as at June 22, 2023

EXHIBIT C
JUSTIFICATION FOR EXTENSION OF CONFIDENTIALITY PERIOD

N/A