

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Foster Energy	)	
Services, LLC d/b/a/ My Choice Energy for	)	
Certification as a Competitive Retail Natural Gas	)	Case No. 11-1440-GA-CRS
Broker/Aggregator in the State of Ohio.	)	

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**AMENDED MOTION FOR A PROTECTIVE ORDER**

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On March 18, 2015, the applicant Foster Energy Services, LLC d/b/a My Choice Energy (“My Choice”), filed its renewal application for certification as a competitive retail natural gas provider (broker/aggregator), including a motion for protective order to shield proprietary information contained in Updated Exhibits C-3, C-4 and C-5. Upon Staff request, My Choice is providing additional information in Updated Exhibits C-3, C-4 and C-5.

Pursuant to Ohio Administrative Code (“OAC”) Rule 4901-1-24(D), My Choice hereby moves the Public Utilities Commission of Ohio (the “Commission”) for a protective order to shield proprietary information from the public record and keep confidential the updated financial data and other proprietary information contained in Updated Exhibits C-3 (financial statements), C-4 (financial arrangements) and C-5 (forecasted financial statements) to its renewal certification application to operate as a competitive retail natural gas broker/aggregator in the State of Ohio. The Memorandum in Support below presents the reasons supporting this motion.

Consistent with the requirements of OAC Rule 4901-1-24(D), My Choice has filed under seal three (3) unredacted copies of the updated confidential exhibits that are the subject of this motion.

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## MEMORANDUM IN SUPPORT

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OAC Rule 4901-1-24(D) provides that the Commission or certain designated Commission employees may issue an order “which is necessary to protect the confidentiality of information contained in the document, to the extent that state or federal law prohibits release of the information, including where the information is deemed. . . to constitute a trade secret under Ohio law, and where nondisclosure of the information is not inconsistent with the purposes of Title 49 of the Revised Code.” Moreover, Ohio Revised Code (“R.C.”) Section 4928.06(F) specifically permits the Commission to grant confidentiality to competitive information. My Choice asserts that the information being submitted in updated Exhibits C-3, C-4 and C-5 constitutes confidential and proprietary business information, as well as a trade secret; and as such, state law prohibits the release of the information.

R.C. 4901.12 and 4905.07 were amended in 1996 to facilitate the protection of trade secrets in Commission proceedings. By referencing R.C. 149.43 (Ohio’s Public Records Law), the Commission-specific statutes incorporate the definition of “public records,” as well as an exception to that definition that includes “[r]ecords the release of which is prohibited by state or federal law.” R.C. 149.43(A)(1). In turn, state law prohibits the release of information meeting the definition of a trade secret. See R.C. 1333.61(D) and 1333.62. For this reason, records containing trade secrets are prohibited from public disclosure.

The definition of “trade secret” is set forth in R.C. 1333.61(D)

“Trade secret” means information, including the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, patter, compilation, program, device, method, technique, or improvement, or any business information or plans, financial information or listing of names, addresses, or telephone numbers, that satisfies both of the following:

(1) It derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

(2) It is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

This definition clearly reflects the state policy favoring the protection of trade secrets such as the financial information which is the subject of this motion. As the Ohio Supreme Court recently explained:

by adopting the Uniform Trade Secrets Act, with the express purpose to make uniform the law with respect to their subject among states, the General Assembly has determined that public policy in Ohio, as in the majority of other jurisdictions, favors the protection of trade secrets, whether memorized or reduced to some tangible form.

*Al Minor & Associates, Inc. v. Martin*, (2008) 117 Ohio St.3d 58.

Courts of other jurisdictions not only have held that a state public utilities commission has the authority to protect trade secrets, but that trade secret statutes create a duty to protect them. See *New York Tel. Co. v. Pub. Serv. Comm. N.Y.*, 56 N.Y. 2d 213 (1982).

Furthermore, this Commission itself has recognized the need to protect trade secrets from public disclosure as consistent with its other statutory obligations:

The Commission is of the opinion that the “public records” statute must also be read *in pari materia* with Section 1333.31, Revised Code (“trade secrets” statute). The latter statute must be interpreted as evincing the recognition, on the part of the General Assembly, of the value of trade secret information.

*In re General Telephone Co.*, Case No. 81-383-TP-AIR (Entry, February 17, 1982). The Commission previously has carried out its obligation to protect the trade secret status of information from utilities and other regulated entities in numerous proceedings. See, e.g., *Cleveland Electric Illuminating Co.*, Case No. 07-171-EL-BTX (Entry dated August 14, 2008);

*Elyria Tel. Co.*, Case No. 89-965-TP-AEC (Finding and Order, September 21, 1989); *Ohio Bell Tel. Co.*, Case No. 89-718-TP-ATA (Finding and Order, May 31, 1989); *Columbia Gas of Ohio, Inc.*, Case No. 90-17-GA-GCR (Entry, August 17, 1990).

Perhaps most importantly, by Entry dated May 13, 2011, the Commission granted My Choice’s motion for protective order filed with its March 25, 2011 certification application. Moreover, the Commission regularly grants motions for protective orders to protect the confidential trade secret status of exhibits to competitive retail natural gas broker/aggregator applications—see e.g. *Palmer Energy Corporation*, Case No. 10-1082-GA-AGG (Entry October 21, 2010); *Midwest Utility Consultants, Inc.*, Case No. 09-983-GA-AGG (Entry November 17, 2009); *Buckeye Energy Brokers, Inc.*, Case No. 02-1676-GA-AGG (Entry July 15, 2003, explaining that “income statement and balance sheet information can be considered a trade secret and afforded confidential treatment”). For the Commission to do otherwise would be to negate the protections the General Assembly has granted to all businesses, including public utilities, through the Uniform Trade Secrets Act.

Expounding upon the “trade secret” definition above, the Ohio Supreme Court has delineated factors to be considered in analyzing a trade secret claim:

- (1) The extent to which the information is known outside the business, (2) the extent to which it is known to those inside the business, i.e., by the employees, (3) the precautions taken by the holder of the trade secret to guard the secrecy of the information, (4) the savings effected and the value to the holder in having the information as against competitors, (5) the amount of effort or money expended in obtaining and developing the information, and (6) the amount of time and expense it would take for others to acquire and duplicate the information.

*State ex. rel. The Plain Dealer v. Ohio Dept. of Ins.* (1997), 80 Ohio St.3d 513, 524-525. The Commission applies these factors in the context of competitive retail natural gas broker/aggregator applications to conclude that certain financial exhibits constitute trade secrets.

Here, My Choice requests that the information designated as confidential (Updated Exhibits C-3, C-4, and C-5) in its renewal certification application be protected from public disclosure. My Choice redacted the confidential information from Updated Exhibits C-3, C-4 and C-5 to the renewal certification application. In addition, the information for which My Choice seeks protection is entirely private and has never appeared in the public record. Because this limited liability company does not have officers, its five members effectively constitute upper management. Only the five members of the Foster Energy Services LLC have any ability whatsoever to review the information, and only one member, whose role is analogous to a chief operating officer, has direct access to the information.

If released to the public, the information for which protection is sought (financial statements, financial arrangements, and forecasted financial statements) would harm My Choice by providing competitors with proprietary information involving profit margins, customer counts, the terms of its financial agreements, and other highly sensitive information. In fact, one of the members of My Choice spent years developing the important relationships with financial entities that ultimately led to the specific terms and conditions in the financial documents. In order to achieve a similar result, a competitor would have to spend years negotiating and building relationships with its financial service providers to have any possibility of achieving a similar result.

For the reasons stated above, the information in Updated Exhibits C-3, C-4 and C-5 to the renewal certification application falls directly within the definition of a “trade secret,” and should be protected from public disclosure. Thus, My Choice requests that the designated information in the updated exhibits to its renewal certification application be protected from public disclosure.

Respectfully submitted,



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ATTORNEYS FOR FOSTER ENERGY SERVICES, LLC  
D/B/A MY CHOICE ENERGY

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**Commission of Ohio Docketing Information System on**

**4/9/2015 3:48:38 PM**

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**Case No(s). 11-1440-GA-CRS**

Summary: Text Amended Motion of Foster Energy Services, LLC d/b/a My Choice Energy for Protective Order electronically filed by Teresa Orahod on behalf of Dylan Borchers