

Eric Fryson

From: Keating, Beth [BKeating@gunster.com]
Sent: Tuesday, July 31, 2012 2:44 PM
To: Filings@psc.state.fl.us
Cc: Martha Brown
Subject: Docket No. 120036-GU
Attachments: 20120731143758846.pdf

Attached for electronic filing in the referenced Docket, please find a copy of Florida Public Utilities Company and Florida Division of Chesapeake Utilities Corporation's updated and revised Attachment G, as well as revised tariff pages, filed consistent with discussions with Commission staff.

a. Person responsible for this electronic filing:

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b. Docket No. 120036-GU - Joint petition for approval of Gas Reliability Infrastructure Program (GRIP) by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation.

c. On behalf of: Florida Public Utilities Company

d. There are a total pages: 12

e. Description: Revised Attachment G and Revised Tariff Pages



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7/31/2012



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July 31, 2012

VIA ELECTRONIC FILING

Ms. Ann Cole, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 120036-GU - Joint petition for approval of Gas Reliability Infrastructure Program (GRIP) by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation.

Dear Ms. Cole:

Attached for filing in the referenced docket, please find Florida Public Utilities Company's and the Florida Division of Chesapeake Utilities Corporation's revised tariff pages:

Chesapeake – Original Sheet No. 105.1 and Original Sheet No. 105.2
Florida Public Utilities Company – Seventh Revised Sheet No. 35.4

Also included with this filing is the updated (Revised) Attachment G, filed consistent with discussions with Commission staff.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

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

MEK

DOCUMENT NUMBER-DATE

05126 JUL 31 02

**RATE SCHEDULES
MONTHLY RATE ADJUSTMENTS
Rate Schedule MRA**

7. GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP):

Applicability:

All Customers receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1, FTS-3, FTS-3.1, FTS-4, FTS-5, FTS-6, FTS-7, FTS-8, FTS-9, FTS-10, FTS-11, FTS-12, and FTS-13.

The Usage Rate for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 2013 through December 31, 2013 for each rate classification are as follows:

<u>Rate Schedule</u>	<u>Classification of Service</u>	<u>Rate per therm</u>
FTS-A	< 130 therms	\$0.02652
FTS-B	> 130 therms up to 250 therms	\$0.01438
FTS-1	> 0 up to 500 therms	\$0.01610
FTS-2	> 500 therms up to 1,000 therms	\$0.01307
FTS-2.1	> 1,000 therms up to 2,500 therms	\$0.01751
FTS-3	> 2,500 therms up to 5,000 therms	\$0.01023
FTS-3.1	> 5,000 therms up to 10,000 therms	\$0.01152
FTS-4	> 10,000 therms up to 25,000 therms	\$0.01204
FTS-5	> 25,000 therms up to 50,000 therms	\$0.01517
FTS-6	> 50,000 therms up to 100,000 therms	\$0.00838
FTS-7	> 100,000 therms up to 200,000 therms	\$0.01029
FTS-8	> 200,000 therms up to 400,000 therms	\$0.01642
FTS-9	> 400,000 therms up to 700,000 therms	\$0.01326
FTS-10	> 700,000 therms up to 1,000,000 therms	\$0.01729
FTS-11	> 1,000,000 therms up to 2,500,000 therms	\$0.01180
FTS-12	> 2,500,000 therms up to 12,500,000 therms	\$0.01231
FTS-13	> 12,500,000 therms	N/A

Issued by: Michael P. McMasters, President
Chesapeake Utilities Corporation

DOCUMENT NUMBER-DATE
Effective: 05126 JUL 31 2013

FPSC-COMMISSION CLERK

RATE SCHEDULES
MONTHLY RATE ADJUSTMENTS
Rate Schedule MRA

7. GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP) (Experimental):

Applicability:

All Customers, assigned to a TTS Shipper, receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A (Exp), FTS-B (Exp), FTS-1 (Exp), FTS-2 (Exp), FTS-2.1 (Exp), FTS-3 (Exp), and FTS-3.1 (Exp).

The Firm Transportation Charge for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all meters read for the period January 1, 2013 through December 31, 2013 for each rate classification are as follows:

<u>Consumer</u> <u>Rate Schedule</u>	<u>Rate per bill</u>
FTS-A (Exp)	\$ 0.24
FTS-B (Exp)	\$ 0.26
FTS-1 (Exp)	\$ 0.37
FTS-2 (Exp)	\$ 0.95
FTS-2.1 (Exp)	\$ 2.29
FTS-3 (Exp)	\$ 3.40
FTS-3.1 (Exp)	\$ 7.14

BILLING ADJUSTMENTS
(Continued from Sheet No. 35.3)

Gas Reliability Infrastructure Program (GRIP)

The bill for gas or transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The GRIP factors for the period from the first billing cycle for January 2013 through the last billing cycle for December 2013 are as follows:

Rate Class	GRIP Factor
Rate Schedule RS	0.584 cents per therm
Rate Schedule GS-1	0.636 cents per therm
Rate Schedule GS-2	0.636 cents per therm
Rate Schedule GSTS-1	0.636 cents per therm
Rate Schedule GSTS-2	0.636 cents per therm
Rate Schedule LVS	0.272 cents per therm
Rate Schedule LVTS	0.272 cents per therm
Rate Schedule IS	0.261 cents per therm
Rate Schedule ITS	0.261 cents per therm
Rate Schedule GLS	0.473 cents per therm
Rate Schedule GLSTS	0.473 cents per therm

(Continued to Sheet No. 35.5)

Florida Public Utilities Company
 Gas Reliability Infrastructure Program (GRIP)
 Investment and Annual Recovery information

Revised Attachment G - Question 6 (REVISED 7/31/12)
 Schedule A (FPUC)

Item	%	Plant Amount	Quantity	Per Unit \$
Bare Steel (Qualified) Remaining Replacement Investment, approved in Docket No. 080366-GU				
Mains		\$ 27,939,030	219.2 Miles	\$ 127,459
Services		9,447,335	11,602 Each	\$ 814
Total Bare Steel replacement Investment 1/1/2009		<u>\$ 37,386,365</u>		
Estimated Qualified Remaining Replacement Investment as of 6/30/2012				
Mains	74%	\$ 34,503,084	198 Miles	\$ 174,258
Services	26%	\$ 12,416,880	7,980 Each	\$ 1,556
Remaining Qualified Replacement Investment as of 06/30/2012		<u>\$ 46,919,964</u>		
Annual Qualified Replacement Investment, beginning 7/1/2012				
		<u>7/1/2012-6/30/2014</u>	10 Years	<u>7/1/2014-6/30/2022</u>
Mains		\$ 5,865,524		\$ 2,846,504
Services		\$ 2,110,870		\$ 1,024,393
Total Annual Qualified Replacement Investment		<u>\$ 7,976,394</u>		<u>\$ 3,870,897</u>
Annual Amortization, 50 year period, approved in Docket No. 080366-GU, beginning 1/1/2009				
Mains		\$ 558,780		
Services		188,947		
Total Annual Amortization		<u>\$ 747,727</u>		
Accumulated Amortization as of 06/30/2012, 50 year amortization program				
Mains		\$ 1,955,730		
Services		661,315		
Accumulated Amortization as of 06/30/2012		<u>\$ 2,617,045</u>		
Earnings Surveillance Report - December 31, 2011				
Equity Cost Rate		10.85%		
Weighted Equity Cost Rate		5.37%		
Revenue Expansion Factor		1.6197		
Weighted Equity Cost Rate, times Revenue Expansion Factor		<u>8.698%</u>		
Weighted Debt Cost Rate		2.30%		
Overall Weighted Cost Rate		<u>7.67%</u>		

Florida Public Utilities Company
Gas Reliability Infrastructure Program (GRIP)
Calculation of the Projected Revenue Requirements
July 1, 2012 through June 30, 2013

Revised Attachment G - Question 6 (REVISED 7/31/12)
Schedule B (FPUC)
Page 1 of 2

Item	Beginning Balance	July	August	September	October	November	December	January	February	March	April	May	June	Year End Total
Qualified Investment														
Qualified Investment - Mains - Current Year		\$488,794	\$488,794	\$488,794	\$488,794	\$488,794	\$488,794	\$488,794	\$488,794	\$488,794	\$488,794	\$488,794	\$488,794	\$5,865,524
Qualified Investment - Services - Current Year		\$175,906	\$175,906	\$175,906	\$175,906	\$175,906	\$175,906	\$175,906	\$175,906	\$175,906	\$175,906	\$175,906	\$175,906	\$2,110,870
Total Qualified Investment - Mains	\$0	\$488,794	\$977,587	\$1,466,381	\$1,955,175	\$2,443,968	\$2,932,762	\$3,421,556	\$3,910,349	\$4,399,143	\$4,887,937	\$5,376,730	\$5,865,524	\$5,865,524
Total Qualified Investment - Services	\$0	\$175,906	\$351,812	\$527,718	\$703,623	\$879,529	\$1,055,435	\$1,231,341	\$1,407,247	\$1,583,153	\$1,759,058	\$1,934,964	\$2,110,870	\$2,110,870
Total Qualified Investment	\$0	\$664,700	\$1,329,399	\$1,994,099	\$2,658,798	\$3,323,498	\$3,988,197	\$4,652,897	\$5,317,596	\$5,982,296	\$6,646,995	\$7,311,695	\$7,976,394	\$7,976,394
Less: Accumulated Depreciation	\$0	(\$1,517)	(\$4,550)	(\$9,100)	(\$15,167)	(\$22,751)	(\$31,451)	(\$42,468)	(\$54,602)	(\$68,252)	(\$83,420)	(\$100,104)	(\$118,704)	(\$138,304)
Net Book Value	\$0	\$663,183	\$1,324,849	\$1,984,998	\$2,643,631	\$3,300,747	\$3,956,746	\$4,610,428	\$5,262,994	\$5,914,043	\$6,563,575	\$7,211,591	\$7,857,690	\$7,838,090
Average Net Qualified Investment		\$331,591	\$994,016	\$1,654,924	\$2,314,314	\$2,972,389	\$3,628,546	\$4,283,387	\$4,938,711	\$5,548,519	\$6,238,809	\$6,887,583	\$7,534,840	
Depreciation Rates														
Approved Depreciation Rate-Mains		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Approved Depreciation Rate-Services		3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, Inclusive of Income Tax Gross-up		8.6980%	8.6980%	8.6980%	8.6980%	8.6980%	8.6980%	8.6980%	8.6980%	8.6980%	8.6980%	8.6980%	8.6980%	8.6980%
Debt - Cost of Capital		2.3000%	2.3000%	2.3000%	2.3000%	2.3000%	2.3000%	2.3000%	2.3000%	2.3000%	2.3000%	2.3000%	2.3000%	2.3000%
Equity Component - Inclusive of Income Tax Gross-up		\$2,403	\$7,205	\$11,995	\$16,775	\$21,543	\$26,301	\$31,047	\$35,783	\$40,507	\$45,221	\$49,923	\$54,615	\$843,320
Debt Component		\$636	\$1,905	\$2,972	\$4,436	\$6,697	\$9,955	\$14,210	\$21,462	\$32,711	\$48,064	\$69,315	\$98,566	\$90,784
Return Requirement		\$3,039	\$9,110	\$15,167	\$21,211	\$27,240	\$33,256	\$39,257	\$45,245	\$51,219	\$57,179	\$63,125	\$69,057	\$434,104
Investment Expenses														
Depreciation Expense - Mains		\$1,018	\$2,037	\$3,055	\$4,073	\$5,092	\$6,110	\$7,128	\$8,147	\$9,165	\$10,183	\$11,202	\$12,220	\$79,429
Depreciation Expense - Services		\$498	\$997	\$1,495	\$1,994	\$2,492	\$2,990	\$3,489	\$3,987	\$4,486	\$4,984	\$5,482	\$5,981	\$38,875
Property Taxes		\$0	\$0	\$0	\$0	\$0	\$0	\$6,594	\$6,594	\$6,594	\$6,594	\$6,594	\$6,594	\$59,564
Customer Notice Expense		\$24,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,000
General Public Notice Expense		\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$9,996
Total Expense		\$26,350	\$3,866	\$5,383	\$6,900	\$8,417	\$9,933	\$11,444	\$12,951	\$14,462	\$15,973	\$17,484	\$18,995	\$191,864
Total Revenue Requirements		\$29,389	\$12,877	\$20,551	\$28,111	\$35,657	\$43,189	\$50,801	\$58,406	\$66,019	\$73,633	\$81,246	\$88,859	\$625,868
Annual Revenue Requirement for Bare Steel Replacement Investment														\$747,727
Net Annual Revenue Requirements														<u>(\$121,759)</u>

Estimated	As of 6/30/2012
True up	
Net Bare Steel/Qualified Investment Recovery to date	\$ 2,617,045
Net Bare Steel/Qualified Investment Made to date	\$ 2,617,045
Net Recovery less Investment to be refunded/collected - True up	\$ -

Florida Public Utilities Company
 Gas Reliability Infrastructure Program (GRIP)
 Projection of Qualified Mains & Services Revenue Requirements
 Surcharge Calculation - January 1, 2013 through December 31, 2013
 Per Therm Rate

Revised Attachment G - Question 6 (REVISED 7/31/12)
 Schedule C (FPUC)
 Page 1 of 1

1. 7/1/12-12/31/13 Qualified Mains & Services Replacement Revenue Requirements			\$252,131
Mains	74%	\$186,577	
Services	26%	\$65,554	
Net		<u>\$252,131</u>	
2. TRUE-UP from Prior Period			\$0
3. First Year Qualified Mains & Services Replacement Revenue Requirements			\$252,131
Mains	74%	\$186,577	
Services	26%	\$65,554	
Net		<u>\$252,131</u>	

RATE SCHEDULE	2010 THERMS	SERVICES COS %	MAINS COS %	SERVICES REV REQ	MAINS REV REQ	GRIP REV REQ	DOLLARS PER THERM	TAX FACTOR	GRIP FACTORS PER THERM	TYPICAL ANNUAL THERMS	ANNUAL COST
RESIDENTIAL	13,598,390	58.00%	22.00%	\$38,021	\$41,047	\$79,068	\$0.00581	1.00503	\$0.00584	250	\$1.46
COMMERCIAL SMALL (General Service & GS Transportation)	8,536,560	17.00%	23.00%	\$11,144	\$42,913	\$54,057	\$0.00633	1.00503	\$0.00636	2,500	\$15.91
COMM. LRG VOLUME (Large Vol & LV Transportation)	37,819,530	25.00%	46.00%	\$16,389	\$85,825	\$102,214	\$0.00270	1.00503	\$0.00272	25,000	\$67.91
INTERRUPTIBLE SERVICE (Int Service & IS Transportation)	5,737,400	0.00%	8.00%	\$0	\$14,926	\$14,926	\$0.00260	1.00503	\$0.00261	50,000	\$130.73
GENERAL LIGHTING SERVICE	396,090	0.00%	1.00%	\$0	\$1,866	\$1,866	\$0.00471	1.00503	\$0.00473	500	\$2.37
TOTAL	<u>66,087,970</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$65,554</u>	<u>\$186,577</u>	<u>\$252,131</u>					

Florida Division of Chesapeake Utilities Corporation

Gas Reliability Infrastructure Program (GRIP)
Investment and Annual Recovery information

Revised Attachment H - Question 6 (REVISED 7/31/12)
Schedule A (CHPK)

Item	%	Plant Amount	Quantity	Per Unit \$
Estimated Qualified Remaining Replacement Investment as of 6/30/2012				
Mains	96%	\$ 26,487,216	152 Miles	\$ 174,258
Services	4%	\$ 1,185,672	762 Each	\$ 1,556
Remaining Qualified Replacement Investment as of 06/30/2012		<u>\$ 27,672,888</u>		
Annual Qualified Replacement Investment, beginning 7/1/2012			10 Years	
Mains		\$ 2,648,722		
Services		\$ 118,567		
Total Annual Qualified Replacement Investment		<u>\$ 2,767,289</u>		
Earnings Surveillance Report - December 31, 2011				
Equity Cost Rate		10.80%		
Weighted Equity Cost Rate		5.43%		
Revenue Expansion Factor		1.6114		
Weighted Equity Cost Rate , times Revenue Expansion Factor		<u>8.750%</u>		
Weighted Debt Cost Rate		2.00%		
Overall Weighted Cost Rate		<u>7.43%</u>		

Florida Division of Chesapeake Utilities Corporation
 Gas Reliability Infrastructure Program (GRIP)
 Calculation of the Projected Revenue Requirements
 July 1, 2012 through June 30, 2013

Item	Beginning Balance	July	August	September	October	November	December	January	February	March	April	May	June	Year End Total
Qualified Investment														
Qualified Investment - Mains - Current Year		\$220,727	\$220,727	\$220,727	\$220,727	\$220,727	\$220,727	\$220,727	\$220,727	\$220,727	\$220,727	\$220,727	\$220,727	\$2,648,722
Qualified Investment - Services - Current Year		\$9,881	\$9,881	\$9,881	\$9,881	\$9,881	\$9,881	\$9,881	\$9,881	\$9,881	\$9,881	\$9,881	\$9,881	\$118,567
Total Qualified Investment - Mains	\$0	\$220,727	\$441,454	\$662,181	\$882,907	\$1,103,634	\$1,324,361	\$1,545,088	\$1,765,815	\$1,986,542	\$2,207,268	\$2,427,995	\$2,648,722	\$2,648,722
Total Qualified Investment - Services	\$0	\$9,881	\$19,761	\$29,642	\$39,522	\$49,403	\$59,284	\$69,164	\$79,045	\$88,925	\$98,806	\$108,686	\$118,567	\$118,567
Total Qualified Investment	\$0	\$230,607	\$461,215	\$691,822	\$922,430	\$1,153,037	\$1,383,645	\$1,614,252	\$1,844,859	\$2,075,467	\$2,306,074	\$2,536,682	\$2,767,289	\$2,767,289
Less: Accumulated Depreciation	\$0	(\$637)	(\$1,910)	(\$3,820)	(\$6,366)	(\$9,550)	(\$13,369)	(\$17,826)	(\$22,919)	(\$28,649)	(\$35,015)	(\$42,018)	(\$49,658)	(\$49,658)
Net Book Value	\$0	\$229,971	\$459,305	\$688,002	\$916,063	\$1,143,487	\$1,370,275	\$1,596,426	\$1,821,940	\$2,046,818	\$2,271,059	\$2,494,663	\$2,717,631	\$2,717,631
Average Net Qualified Investment		\$114,985	\$344,638	\$573,654	\$802,033	\$1,029,775	\$1,256,881	\$1,483,951	\$1,709,183	\$1,934,379	\$2,158,938	\$2,382,861	\$2,606,147	
Depreciation Rates														
Approved Depreciation Rate-Mains		3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Approved Depreciation Rate-Services		3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%
Return on Average Net Qualified Investment														
Equity - Cost of Capital, inclusive of Income Tax Gross-up		8.7500%	8.7500%	8.7500%	8.7500%	8.7500%	8.7500%	8.7500%	8.7500%	8.7500%	8.7500%	8.7500%	8.7500%	8.7500%
Debt - Cost of Capital		2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%
Equity Component - Inclusive of Income Tax Gross-up	\$838	\$2,513	\$4,183	\$5,848	\$7,509	\$9,165	\$10,816	\$12,463	\$14,105	\$15,742	\$17,375	\$19,003	\$19,003	\$119,560
Debt Component	\$192	\$574	\$956	\$1,337	\$1,716	\$2,095	\$2,472	\$2,849	\$3,224	\$3,598	\$3,971	\$4,344	\$4,344	\$17,328
Return Requirement	\$1,030	\$3,087	\$5,139	\$7,185	\$9,225	\$11,260	\$13,288	\$15,311	\$17,329	\$19,340	\$21,346	\$23,347	\$23,347	\$146,888
Investment Expenses														
Depreciation Expense - Mains		\$607	\$1,214	\$1,821	\$2,428	\$3,035	\$3,642	\$4,249	\$4,856	\$5,463	\$6,070	\$6,677	\$7,284	\$47,346
Depreciation Expense - Services		\$90	\$99	\$89	\$119	\$148	\$178	\$207	\$237	\$267	\$296	\$326	\$356	\$2,312
Property Taxes		\$0	\$0	\$0	\$0	\$0	\$0	\$2,284	\$2,284	\$2,284	\$2,284	\$2,284	\$2,284	\$13,704
Customer Notice Expense		\$6,794	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,794
General Public Notice Expense		\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$5,002
Total Expense		\$7,848	\$1,690	\$2,327	\$2,964	\$3,600	\$4,237	\$7,157	\$7,794	\$8,430	\$9,067	\$9,704	\$10,340	\$75,158
Total Revenue Requirements		\$8,878	\$4,778	\$7,466	\$10,148	\$12,825	\$15,496	\$20,446	\$23,105	\$25,759	\$28,408	\$31,050	\$33,687	\$212,046

