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May 28, 2014

BY E-PORTAL/ELECTRONIC FILING

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

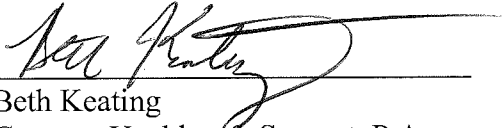
Re: Docket No. 140025-EI -Application for rate increase by Florida Public Utilities Company.

Dear Ms. Stauffer :

Attached for electronic filing on behalf of Florida Public Utilities Company/Electric Division (FPU) in the above-referenced docket, please find FPU's Preliminary Objections to Citizen's Second Set of Interrogatories (Nos.36-55), Second Requests for Production of Documents (Nos. 42-58), Third Set of Interrogatories (Nos.56-87) and Third Requests for Production of Documents (Nos. 59-83) in the referenced proceeding.

Please do not hesitate to contact me if you have any questions whatsoever regarding this filing.

Sincerely,


Beth Keating
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Cc:/Service List (Docket 140025-EI)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Rate Increase by Florida
Public Utilities Company.

DOCKET NO. 140025-EI

DATED: May 28, 2014

**PRELIMINARY OBJECTIONS TO CITIZEN'S
SECOND SET OF INTERROGATORIES (NOS. 36 - 55), SECOND REQUEST FOR
PRODUCTION OF DOCUMENTS (NOS. 42 - 58), THIRD SET OF
INTERROGATORIES (NOS. 56 – 87). AND THIRD REQUEST FOR PRODUCTION OF
DOCUMENTS (NOS. 59 – 83)**

Florida Public Utilities Company (“FPU” or “Company”), pursuant to Rules 1.340 and 1.350, Florida Rules of Civil Procedure, Rule 28-106.206, Florida Administrative Code, and the Order Establishing Procedure for this case, Order No. PSC-14-0194-PCO-EI, submits the following Preliminary Objections to the Second Set of Interrogatories, Second Request for Production of Documents, Third Set of Interrogatories and Third Request for Production of Documents (discovery jointly referenced herein as “Second and Third Sets”) served upon the Company by the Office of Public Counsel (“OPC”) on May 8 and May 14, respectively.

PRELIMINARY AND GENERAL OBJECTIONS

The objections set forth herein are preliminary in nature and submitted in compliance with the time frames set forth in Order No. PSC-14-0194-PCO-EI. As the Company develops and finalizes its responses to the subject discovery requests, FPU reserves the right to modify or supplement these objections at the time responses are filed.

To the extent that any of the “Definitions and Instructions” in the OPC’s Second and Third Sets are inconsistent with FPU’s discovery obligations under the applicable rules, the Company objects. Furthermore, FPU objects to any request that would require FPU to create

data, documents, charts, spreadsheets, or other information that it otherwise does not have because there is no such requirement under the applicable rules and law.

FPU also objects to any definition or request that seeks information with regard to any persons or entities that are not parties to this proceeding and not subject to discovery under the applicable rules. Records of affiliated companies, including Chesapeake Utilities Corporation, that are directly relevant to the Company's request for a rate increase, including records regarding cost allocations, may be provided in response to requests. Chesapeake Utilities Corporation is, however, a large corporation with multiple business locations in various jurisdictions. During the regular course of business, Chesapeake creates a wide variety of documents, many of which are not subject to either Florida Public Service Commission ("PSC") or other governmental retention requirements. As such, it is possible that not every relevant document may have been reviewed in developing FPU's responses and that not every possible relevant document will be retrieved after a reasonable and diligent search conducted by the Company in response to these discovery requests. To the extent that these discovery requests would require the Company to do more, FPU objects as compliance would be unduly burdensome and impose unnecessary additional expense upon the Company.

Likewise, the Company objects to the extent that any of the OPC's requests seek information, data, or documents that are protected by the attorney-client privilege, the trade secret privilege, or any other applicable privilege or protection afforded by law.

The Company further objects to the extent that OPC's Second and Third Sets would require FPU to provide documents and responses in a specific electronic format. Electronic data will be provided in native format, but non-electronic documents will be produced in PDF format. The Company likewise objects to OPC's request that all scanned documents be provided in

Optical Character Recognition searchable format, as to do so would be unduly burdensome to the Company and exceed FPU's discovery obligations under applicable law.

FPU further objects to providing information that is already in the public record of the Florida Public Service Commission or other public agencies referenced in the OPC's discovery requests.

The Company also objects to any requests that seek information that is irrelevant and immaterial to this proceeding. Likewise, the Company objects to the extent that certain requests are unnecessarily broad, and would impose an undue burden and cost upon FPU in order to comply.

By making these objections at this time, the Company does not waive or relinquish its right to assert additional objections to the OPC's discovery at the time the responses are due.

SPECIFIC OBJECTIONS

I. Second Set of Interrogatories (Nos. 36-55)

Interrogatory 38 – FPU objects to the extent OPC seeks information regarding amounts recorded below the line since 2008. In this context, amounts recorded below the line are irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. FPU is not, and has not, sought recovery of prior amounts recorded below the line; moreover, any such amounts would not be associated with the entirely new program that FPU is proposing in this proceeding. Furthermore, any amounts recorded below the line prior to FPU's acquisition by Chesapeake (October 2009) would have no relevance whatsoever.

Interrogatory 46 – The Company objects to this Interrogatory to the extent that it seeks to require the Company to revise an existing document and produce the new document, which exceeds the scope of

FPU's discovery obligations under Rule 1.340 of the Florida Rules of Civil Procedure. Without waiving this objection, the Company intends to respond.

Interrogatory 47 – The Company objects to this Interrogatory to the extent that it seeks to require the Company to revise an existing document and produce the new document, which exceeds the scope of FPU's discovery obligations under Rule 1.340 of the Florida Rules of Civil Procedure. Without waiving this objection, the Company intends to respond.

Interrogatory 48 – The Company objects to this Interrogatory to the extent that it seeks to require the Company to revise an existing document and produce the new document, which exceeds the scope of FPU's discovery obligations under Rule 1.340 of the Florida Rules of Civil Procedure. Without waiving this objection, the Company intends to respond.

Interrogatory 51 – The Company objects to the extent that this Interrogatory purports to seek “various” cost allocation factors used by Chesapeake. Chesapeake is a large corporation with many businesses and associated costs. The Company may incur costs, and allocate such costs, using analysis, rationale, or allocation methodologies that do not impact FPU or the instant rate request. Information regarding all such analyses, rationales, and methodologies is not readily available to FPU nor is it relevant or likely to lead to the discovery of admissible evidence in this case. To the extent that FPU is seeking inclusion of corporate costs allocated by Chesapeake to FPU in this rate proceeding, FPU will respond.

II. Second Request for Production of Documents (Nos. 42-58)

Production Request 55 – The requested Settlement Agreement is treated as highly confidential by the Company and is subject to specific terms of confidentiality, the breach of which would jeopardize the validity of the settlement and subject the disclosing party to potential penalties. Moreover, the only term with direct impact on this proceeding is the amount of the settlement, which has been disclosed in a manner, and only to the extent, that will not impair the Settlement Agreement terms. Providing the document in its entirety is neither relevant nor likely to lead to the discovery of admissible evidence. Without waiving any portion of this stated objection, the Company will endeavor to work with OPC to determine if there is additional information that can be disclosed without risk to the integrity of the Settlement Agreement.

III. Third Set of Interrogatories (Nos. 56-87)

Interrogatory 74 – See, Objection to Interrogatory 51. The Company objects to the extent that this Interrogatory purports to seek a “best estimate” of “various” cost allocation factors used by Chesapeake. Chesapeake is a large corporation with many businesses and associated costs. The Company may incur costs, and allocate such costs, using analyses, rationale, or allocation methodologies that do not impact FPU or the instant rate request. Information regarding all such analyses, rationales, and methodologies is not readily available to FPU nor is it relevant or likely to lead to the discovery of admissible evidence in this case. To the extent that FPU is seeking recovery of corporate costs allocated by Chesapeake to FPU in this rate proceeding, including those for the projected test year, FPU will respond.

Interrogatory 75 – The Company objects to this Interrogatory to the extent it seeks information regarding pending or potential acquisitions by FPU parent. Such information is not readily available to FPU, nor is it relevant or likely to lead to the discovery of admissible evidence in this case.

Moreover, any such information is highly confidential, proprietary information, the disclosure of which could not only be detrimental to any pending or potential transactions, but could also constitute a violation of regulations of the U.S. Securities Exchange Commission. The Company will respond as it relates to the request for information regarding any acquisitions and the allocation of costs from the historic test year through the most recent transaction consummated to date.

IV. Third Request for Production of Documents (Nos. 59-83)

Production Request 79 - The Company objects to this Request to the extent it seeks information regarding pending or potential acquisitions by FPU's parent. Such information is not readily available to FPU, nor is it relevant or likely to lead to the discovery of admissible evidence in this case. Moreover, any such information is highly confidential, proprietary information, the disclosure of which could not only be detrimental to any pending or potential transactions, but could also constitute a violation of regulations of the U.S. Securities Exchange Commission.

Respectfully submitted this 28th day of May, 2014.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 28th day of May, 2014:

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By: _____



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