

STATE OF FLORIDA



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Public Service Commission

October 17, 2014

Beth Keating, Esquire
Gunster Law Firm
215 South Monroe Street, Suite 601
Tallahassee, Florida 32301
bkeating@gunster.com

STAFF'S FIRST DATA REQUEST

Re: Docket No. 140189-GU - Petition for approval of transportation service agreement for an extension in Nassau County with Florida Public Utilities Company, by Peninsula Pipeline Company, Inc.

Dear Ms. Keating:

By this letter, the Commission staff requests that Peninsula Pipeline Company (Peninsula) and Florida Public Utilities Company (FPUC) provide responses to the following data requests.

Staff respectfully requests the following information from Peninsula:

1. What is the cost to Peninsula to run the 4.6 mile line extension (including any necessary appurtenances) to the two additional custody transfer points at or near the Nassau County Government Complex and at or near the East Nassau Employment Center? Please include a general description of the types of costs that will be incurred (*e.g.*, materials, labor, permitting, secure right-of-way, etc.)
2. Will Peninsula need to obtain approval from any other state or local agencies to construct the line extension? If the answer is affirmative, please provide a brief description of the approvals that will be required.
3. When does Peninsula anticipate that construction of the line extension will commence and what is the estimated completion date?
4. Please describe the manner in which Peninsula will recover its costs associated with the 4.6 mile line extension.
5. Please identify and explain the types of costs that the monthly reservation charge as shown on Exhibit A to the agreement is designed to recover.

6. Please provide the basis for the derivation of the Unauthorized Use Rate shown in Exhibit A to the agreement.
7. Please refer to Sections 7.1 and 7.2 of the agreement and to Exhibit A. Please clarify whether Exhibit A shows Points of Delivery rather than Delivery Points. Also, please explain whether Exhibit A to the agreement should list the Delivery Points and the Points of Delivery; as an illustrative example showing both, please see Original Sheet No. 36 in Volume No. 1 of Peninsula's approved tariff.
8. On page 6 of the petition, paragraph 13, Peninsula states that the rates in the agreement are consistent with a "market rate" in that they are within the range of rates set forth in similar agreements between Peninsula and other customers. Please provide an analysis to support this statement, and identify the similar agreements.
9. Please refer to the monthly reservation charge and the total MDTQ quantities (confidential) shown in Exhibit A to the agreement. When one performs a calculation to arrive at a basic per-unit cost (*e.g.*, \$/Dt), the resulting quotient is a significantly different value from the corresponding value presented by Peninsula in its Exhibit A to the agreement filed with the petition in Docket No. 140190-GU. Please describe the reasons for the significant difference between the two values. In responding to this question, it might be helpful to refer to staff's Questions 9 and 10 in Staff's First Data Request in Docket No. 140190-GU.
10. Please explain the significance of the last sentence in footnote 1 to Exhibit A of the agreement.
11. Please provide a map showing the location(s) of the planned Peninsula facilities.

Staff respectfully requests the following information from FPUC:

12. Did FPUC issue a Request for Proposals (RFP) to obtain construction cost estimates for the line extension from other entities? If the answer is affirmative, please identify all respondents to the RFP and provide an explanation regarding why their proposals were rejected. If the answer is negative, please state why FPUC did not solicit competitive bids.
13. Did FPUC consider building the facilities itself in lieu of contracting with Peninsula? If the answer is affirmative, please provide an estimate of what the costs to FPUC would be if it were to undertake the project itself.
14. How does FPUC plan to recover its payments to Peninsula pursuant to the agreement?
15. Will FPUC seek to recover the payments to Peninsula through the PGA? If the answer is affirmative, what is the projected \$/therm impact to the PGA factor in 2016?

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Staff's First Data Request
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Please file the original and five copies of the requested information by Friday, October 24, 2014, with Carlotta Stauffer, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6856 if you have any questions.

Sincerely,

/s/ Danijela Janjic

Danijela Janjic
Senior Attorney

DJ/as

cc: Office of Commission Clerk