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OFFICE OF THE GENERAL COUNSEL
CHARLIE BECK
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

January 23, 2015

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

STAFF'S FIRST DATA REQUEST
via e-mail

Re: Docket no. 150031-GU - Petition for approval of transportation service agreement with the Florida Division of Chesapeake Utilities Corporation by Peninsula Pipeline Company, Inc.

Dear Ms. Keating:

By this letter, the Commission staff requests that Florida Division of Chesapeake Utilities Corporation d/b/a Central Florida Gas (CFG) and Peninsula Pipeline Company, Inc. (Peninsula) provide responses to the following data requests.

Staff respectfully requests the following information from Peninsula Pipeline Company:

1. What is the cost to Peninsula to construct/install the new 14.2 mile 6-inch high pressure pipeline (including any necessary appurtenances) from the Gulfstream Baseball City gate to the three Points of Delivery? 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 pipeline? 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 pipeline will commence and what is the estimated completion date?
4. Please describe the manner in which Peninsula will recover its costs associated with the 14.2 mile pipeline.
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. In the petition, Peninsula states that: (a) “the rate charged under this agreement is not ‘inherently unfair’ or in excess of the going market rate” (pages 5-6, paragraph 12), (b) “the rates in the contract are consistent with rates offered to similarly situated customers of Peninsula” (page 8, paragraph 18), and (c) “the rate set forth...is consistent with a ‘market rate’ similar to rates in other agreements between Peninsula and other customers” (page 5, paragraph 10). Please provide an analysis to support these statements, and identify the similar agreements.
8. Please refer to the monthly reservation charge (confidential) shown in Exhibit A to the agreement. Please describe the reasons for the significant difference between the amount shown in this agreement as compared to the monthly reservation charges (confidential) contained in the agreements presented in Docket Nos. 140189-GU and 140190-GU.
9. Please provide a map showing the location(s) of the planned Peninsula facilities.
10. Please clarify the meaning of the last sentence in Section 2.1 on page one of the transportation service agreement.

Staff respectfully requests the following information from the Florida Division of Chesapeake Utilities Corporation d/b/a Central Florida Gas:

11. Did CFG issue a Request for Proposals (RFP) to obtain construction cost estimates for the pipeline 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 CFG did not solicit competitive bids.
12. Please refer to paragraph 17 on page 7 of the petition. Please identify the reasons why CFG believes it would need to file a rate case or limited proceeding if it were to undertake the project itself.
13. The petition makes several references to other available options that were considered by CFG (page 5, paragraph 10; page 6, paragraph 12, page 7, paragraph 15; page 7, paragraph 17). Please identify the other alternatives considered and elaborate on why “Peninsula provided the least cost option of the alternatives available to CFG” (page 8, paragraph 17).
14. Please elaborate on what is encompassed by the “anticipated additional safety compliance requirements” referred to on page 8 of the petition, paragraph 17.
15. How does CFG plan to recover its payments to Peninsula pursuant to the agreement?
16. Will CFG 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?

Staff's First Data Request

Page 3

January 23, 2015

Please file the original and five copies of the requested information by Friday, February 13, 2015, 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) 413-6220 if you have any questions.

Sincerely,

/s/John Villafrate

John Villafrate
Senior Attorney

JEV/as

cc: Office of Commission Clerk