



Writer's Direct Dial Number: (850) 521-1706  
Writer's E-Mail Address: bkeating@gunster.com

August 29, 2017

**E-PORTAL FILING**

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

**Re: Docket No. 20170150-EI - Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company.**

Dear Ms. Stauffer:

Attached for filing in the referenced docket, please find a corrected page 4 of the Company's Petition for Limited Proceeding. In responding to PSC staff data requests, the Company identified an erroneous representation at page 4, paragraph 8, which is corrected in the attached page and reflected in bold type. This page 4 would replace page 4 of the Petition originally filed on July 3, 2017, in its entirety. Also included is a corrected Page 9 of the Testimony of Mike Cassel, which likewise contains the same error that has been corrected and reflected in bold. The Company would likewise request the attached Page 9 replace the previously filed version in its entirety. Our apologies for any inconvenience caused by this error.

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

Kind regards,

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

cc:/ (Certificate of Service)

storm hardening, safety and system capabilities and helped to identify additional upgrades needed to continue improving the service FPUC provides to its customers.

## **II.** **SYSTEM IMPROVEMENTS**

8) Since the acquisition by Chesapeake, FPUC has invested approximately **\$19M** in capital to enhance safety, and to modernize and storm harden its system. These investments have included, among other things, the hardening of more than 182 miles of power lines, including those that serve critical facilities, such as hospitals, police and fire stations, in both the Northeast (Amelia Island) and Northwest (parts of Jackson, Liberty, and Calhoun Counties) Divisions, inspection of more than 23,692 poles, and replacement of those that are failing or no longer meeting the appropriate system standards. Some of the efforts have been activities contemplated by the Company's Storm Hardening Plan. Others, such as FPUC's purchased power agreements with Rayonier and Eight Flags, as well as its project to interconnect with Florida Power & Light ("FPL"), have provided multiple benefits, including addressing high fuel costs, while also improving reliability of supply. These activities, and others, have moved FPUC forward in terms of overall system stability.

9) Prior to the acquisition by Chesapeake, little had been done to replace aging equipment or to implement modern technologies and associated operational improvements. For example, after the acquisition by Chesapeake, an investment was made to replace mechanical relays with electronic equipment more consistent with the industry standard. Following the acquisition, the Company also replaced extensive underground conduit on Amelia Island, much of which had been in place for several decades and was nearing the end of its useful life. In fact, both of the

CORRECTED

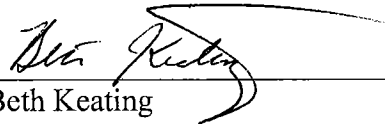
1 Chesapeake Utilities Corporation acquisition of FPUC, the Company has  
2 invested approximately \$19 million in modernizing and improving its  
3 energy delivery system. In the rate case settlement discussions with OPC,  
4 the Company asserted that it fully intended to continue those  
5 improvements beyond the end of the September 2015 projected test year.  
6 As part of the settlement, the Company agreed (Section III) to, “. . . use  
7 all reasonable and prudent efforts to continue implementing infrastructure  
8 projects, consistent with those outlined in the attached demonstrative  
9 Exhibit A. . . .” The referenced Exhibit A to the Settlement Agreement  
10 includes a list of the types of initiatives that the Company contemplated  
11 completing over the period 2016-2019. This schedule has been included  
12 for ease of reference as Attachment B to the Company’s Petition. The  
13 Settlement goes on to note that the project list is, “. . .in no way intended  
14 to constrain or otherwise restrict FPUC’s ability to undertake other capital  
15 projects that it deems necessary and prudent for purposes of ensuring  
16 reliable service to its customers.” The list included initiatives from the  
17 Company’s five-year capital improvement plan. Some, but not all, of the  
18 projects on that list have been included for recovery in the instant request.  
19 As explained in the testimony of witness Shelley, circumstances  
20 necessitated that certain projects take precedence over projects identified  
21 on the list included with the Settlement.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Letter with Corrected Page 4 of the Petition initiating this proceeding, and Amended Page 9 of Mr. Cassel's testimony attached thereto, has been furnished by electronic mail to the following parties on this 29<sup>th</sup> day of August, 2017.

Suzanne Brownless, Esquire  
Jennifer Crawford, Esquire  
Office of the General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
[sbrownle@psc.state.fl.us](mailto:sbrownle@psc.state.fl.us)

Virginia Ponder  
Charles Rehwinkel  
Office of Public Counsel  
111 W. Madison Street  
Rm 812  
Tallahassee, FL 32399-1400  
Phone: (850) 488-9330  
[ponder.virginia@leg.state.fl.us](mailto:ponder.virginia@leg.state.fl.us)  
[Rehwinkel.charles@leg.state.fl.us](mailto:Rehwinkel.charles@leg.state.fl.us)

  
Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe Street  
Suite 601  
Tallahassee, Florida 32301  
Phone: (850) 521-1706