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STATE OF FLORIDA



DIVISION OF ECONOMICS
GREG SHAFER
DIRECTOR
(850) 413-6410

Public Service Commission

September 18, 2017

STAFF'S FIRST DATA REQUEST via email

Beth Keating, Esq.
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601
Tallahassee, Florida 32301-1839
bkeating@gunster.com

Mr. Mike Cassel
Director, Regulatory and Governmental Affairs
Florida Public Utilities Company/Chesapeake
1750 S 14th Street, Suite 200
Fernandina Beach, Florida 32034
mcassel@fpuc.com

Re: Docket No. 20170190-GU – Joint petition for approval of gas reliability infrastructure program (GRIP) cost recovery factors by Florida Public Utilities Company, Florida Public Utilities Company–Fort Meade, and Florida Division of Chesapeake Utilities Corporation

Ms. Keating and Mr. Cassel:

By this letter, Commission staff requests the following information from Florida Public Utilities Company (FPUC and Fort Meade) and the Florida Division of Chesapeake Utilities Corporation (Chesapeake), jointly FPUC Companies.

1. Please update the pipe replacement program progress tables for FPUC, Chesapeake, and Fort Meade as contained in Attachment 1 of Order No. PSC-16-0567-TRF-GU in Docket No. 20160199-GU and displayed below.

Table 1
FPUC Pipe Replacement Program Progress

Year	Main Replacement					Service Replacement	
	Replaced Cast Iron (miles)	Replaced Bare Steel (miles)	Remaining Cast Iron at Year End (miles)	Remaining Bare Steel at Year End (miles)	Total Miles Remaining	Replaced Number of Bare Steel Services	Total Number of Remaining Steel Services
July 2012			0.9	197.10	198.00		7980
2012		6.00	0.9	191.10	192.00	91	7889
2013	0.6	26.40	0.3	164.70	165.00	2071	5818
2014		38.00	0.3	126.70	127.00	1275	4543
2015		30.00	0.3	96.70	97.00	605	3938
2016		29.00	0.3	67.70	68.00	815	3123
2017	0.3	13.70	0	54.00	54.00	650	2473
2018		14.00	0	40.00	40.00	650	1823
2019		14.00	0	26.00	26.00	650	1173
2020		14.00	0	12.00	12.00	650	523
2021		10.00	0	2.00	2.00	465	58
2022		2.00	0	0.00	0.00	58	0

Table 2
Chesapeake Pipe Replacement Program Progress

Year	Main Replacement					Service Replacement	
	Replaced Cast Iron (miles)	Replaced Bare Steel (miles)	Remaining Cast Iron at Year End (miles)	Remaining Bare Steel at Year End (miles)	Total Miles Remaining	Replaced Number of Bare Steel Services	Total Number of Remaining Steel Services
July 2012			0	152.00	152.00		762
2012		5.00	0	147.00	147.00	34	728
2013		3.00	0	144.00	144.00	139	589
2014		19.00	0	125.00	125.00	47	542
2015		34.00	0	91.00	91.00	284	258
2016		30.00	0	61.00	61.00	52	206
2017		13.00	0	48.00	48.00	42	164
2018		13.00	0	35.00	35.00	42	122
2019		13.00	0	22.00	22.00	42	80
2020		13.00	0	9.00	9.00	42	38
2021		7.00	0	2.00	2.00	26	12
2022		2.00	0	0.00	0.00	12	0

Table 3
Fort Meade Pipe Replacement Program Progress

Year	Main Replacement				Service Replacement		
	Replaced Cast Iron (miles)	Replaced Bare Steel (miles)	Remaining Cast Iron at Year End (miles)	Remaining Bare Steel at Year End (miles)	Total Miles Remaining	Replaced Number of Bare Steel Services	Total Number of Remaining Steel Services
Jan. 2016			0	0	0		250
2016		0	0	0	0	100	150
2017		0	0	0	0	125	25
2018		0	0	0	0	25	0

2. Referring to Mr. Cassel’s testimony on page 4, please provide a general overview of the cast iron and bare steel replacement projects undertaken in/forecast for 2017 for FPUC, Fort Meade, and Chesapeake.
3. On page 4 of his testimony, witness Cassel discusses newly discovered bare steel and cast iron mains and services that were not included in the original petition. Witness Cassel’s example occurs in Fort Meade. Are there examples for FPUC and Chesapeake that are included for recovery in 2018? If yes, please explain.
4. Please provide the total amount of depreciation and/or operations and maintenance (O&M) expense savings, if any, that were included as a reduction in expenses for FPUC, Fort Meade, and Chesapeake. If there were no depreciation or O&M savings, please explain why.
5. Referring to Schedules B-1 and C-1 for FPUC, Fort Meade, and Chesapeake, please provide the source of the interest rates used.
6. The following questions concern capital expenditures. The source is Exhibit MC-1, pages 2-4 (FPUC), 7-9 (Chesapeake), and 12-14 (Fort Meade), Total Qualified Investment.
 - a. Please explain the decrease in FPUC’s capital expenditures from final 2016 expenditures of \$19,571,150 to actual/estimated 2017 expenditures of \$6,071,766.
 - b. Given that FPUC’s projected 2018 expenditures are \$6,600,000, does FPUC expect the annual level of capital expenditures to remain in the \$6 million range? Please explain.
 - c. Please explain the decrease in Chesapeake’s capital expenditures from final 2016 expenditures of \$6,453,987 to actual/estimated 2017 expenditures of \$2,852,772.

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- d. Given that Chesapeake's projected 2018 expenditures are \$3,300,000, does Chesapeake expect the annual level of capital expenditures to remain in the \$3 million range? Please explain.
 - e. Does Fort Meade expect the annual level of capital expenditures to remain at about \$100,000? Please explain.
7. Please provide all the GRIP schedules in Excel with the formulas unlocked.
 8. Referring to paragraph 8 of the petition, please confirm that Chesapeake's 2018 revenue requirement is \$3,525,450.
 9. In Docket No. 170062-GU, FPUC provided refunds to Chesapeake's FTS-9 customers. Please confirm that the refunds and amended rate are reflected in the exhibit.
 10. Please provide a corrected tariff page 105.1, legislative version, that reflects the FTS-9 rate of \$0.08359 ordered by the Commission in Docket No. 170062-GU.

Please file all responses electronically no later than Tuesday, October 3, 2017 via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at 850-413-6540 if you have any questions.

Sincerely,

/s/ Sue Ollila

Economic Analyst
sollila@psc.state.fl.us

cc: Office of Commission Clerk