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July 2, 2019

E-Portal

Mr. Adam Teitzman, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20190128-GU - Petition for Approval of Transportation Service Agreement for Polk County with the Florida Division of Chesapeake Utilities Corporation by Peninsula Pipeline Company, Inc.

Dear Mr. Teitzman:

Attached for electronic filing, please find the Joint Responses of FPUC and Peninsula Pipeline to Staff's First Data Requests in the referenced docket.

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

Kind regards,



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MEK

Cc:// Kristen Simmons (Office of the General Counsel) *via email*: ksimmons@psc.state.fl.us

Docket No. 20190128-GU - Petition for Approval of Transportation Service Agreement for Polk County with the Florida Division of Chesapeake Utilities Corporation by Peninsula Pipeline Company, Inc.

Peninsula Pipeline Company and Chesapeake’s Joint Responses
to Staff’s First Data Request

1. Please provide cost estimates for the expansion as shown in the table below:

Company Response:

Description	Cost	Location
1,200 ft. 12 in. steel (existing)	\$1,200,000	South and west of Derby Ave., from Gulfstream Gate Station to CFG south of Derby Ave., to the east of Calpine
13,000 ft. 10 in. steel (existing)	\$147,000	From CFG’s Lake Blue Gate Station to the south of Derby Ave. to the east of Calpine
800 ft. 6 in. polyethylene (new construction)	\$200,000	From the new interconnect north to CFG’s distribution system near Derby Ave.
Regulator*	\$1,080,000	Lake Blue Gate Station

*(includes valve installation, fabricate and install meter run, pressure testing, materials and labor)

2. Please provide a brief description of the approvals required by Peninsula from any other state or local agencies to complete the projects.

Company Response:

A Polk County Right-of-Way is the only approval required to complete this project.

3. When does Peninsula anticipate pipeline construction will begin and end for the 800 feet of 6 inch polyethylene pipeline and the regulator at the Lake Blue Gate Station?

Company Response:

Peninsula anticipates the pipeline construction for the 800 feet of 6" polyethylene and the regulator at the Lake Blue Gate station to commence in July 2019 and be completed by September 2019.

4. Please describe the manner in which Peninsula will recover its associated costs for installing the pipeline.

Company Response:

Peninsula's project costs are recovered through monthly reservation charges to customers.

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.

Company Response:

The costs associated with the monthly reservation charge include, but are not limited to , design engineering, permitting, material and installation costs associated with constructing the pipeline and related facilities, on-going maintenance costs to meet PHMSA compliance and safety requirements, property taxes, gas control and Peninsula's return on investment.

6. Per Article II of the Agreement, should Exhibit A include an Unauthorized Use Rate? Please explain.

Company Response:

The Company stopped including an Unauthorized Use Rate in 2018 because it was administratively burdensome. This contract is consistent with the contract approved in Docket No. 20180015-GU.

7. Did CFG issue a Request for Proposals (RFP) to obtain construction cost estimates for the pipeline from other entities? If so, please identify all respondents to the RFP and provide an explanation regarding why their proposals were rejected. If not, please state why CFG did not solicit competitive bids.

Company Response:

No, CFG did not obtain formal RFP responses from other entities. Peninsula Pipeline did, however, engage in a conversation with Florida Gas Transmission (“FGT”) regarding the possibility of FGT extending the pipeline in Polk County. FGT declined to bid the pipeline construction portion of the project citing constructing, owning and operating laterals such as the one proposed in this Petition are not a focus of their expansion activities.

8. Please explain how CFG plans to recover its payments to Peninsula pursuant to the Agreement.

Company Response:

CFG plans to recover its payments to Peninsula through the swing service mechanism.

9. Please discuss how many residential, commercial, and industrial customers are expected to take service from this expansion project.

Company Response:

The Company foresees an increase in residential customers yet is uncertain of the prospective amount but the Company does anticipate approximately two additional industrial customers and at least ten commercial customers to take service from this expansion project.