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Public Service Commission

September 26, 2019

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STAFF'S FIRST DATA REQUEST
Via e-mail

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

Re: Docket No. 20190145-GU: Joint petition for approval of restructured Nassau County agreements to reflect Callahan expansion, by Peoples Gas System, Florida Public Utilities Company, SeaCoast Gas Transmission, and Peninsula Pipeline Company, Inc.

Dear Mr. Brown and Ms. Keating:

By this letter, Commission staff requests that the joint petitioners provide responses to the following questions.

1. Regarding the proposed new Callahan pipeline discussed in paragraph 12 of the petition, please respond to the following:
 - a) Please confirm that no Commission approval is needed for Peninsula and SeaCoast to jointly construct and own the pipeline and Peninsula operating the pipeline.
 - b) Explain why Peninsula and SeaCoast will jointly construct and own the Callahan pipeline, as opposed to one company constructing and owning the pipeline.
 - c) Is the Callahan pipeline sized to meet the current capacity needs of Peoples and Peninsula/FPUC, or is built to allow for potential future capacity requests by other customers?
 - d) How will Peninsula recover its cost of construction and operation of the Callahan pipeline? Does the proposed amended Peninsula – FPUC agreement provide for Peninsula to transport gas for delivery to FPUC over its portion of the Callahan pipeline?

- e) State the estimated total construction cost of the Callahan project and discuss how Peninsula and SeaCoast are coordinating the construction to fairly allocate the costs between them.
2. Regarding the proposed new SeaCoast - Peoples Firm Transportation Agreement discussed on paragraph 19 of the petition, please respond to the following:
 - a) What percentage of the available Callahan capacity will Peoples reserve? How will Peoples recover its payments to SeaCoast? If through the PGA, please state the expected incremental c/therm impact on the PGA cap.
 - b) Paragraph 11 of the agreement refers to operational flow orders. Please explain that term.
 - c) Exhibit B to the SeaCoast – Peoples agreement lists two delivery points. Does this mean these are the only two points Peoples will be able to have gas delivered to its distribution system pursuant to this agreement? Please explain.
 - d) The petition states that Peoples will also receive firm transportation service from FPUC over the Callahan pipeline for an initial term of 10 years. Please explain whether this arrangement is included in an agreement before the Commission or no Commission approvals are needed.
 - e) Please provide the effective date of this agreement.
 3. Regarding the changes of ownership of the Fernandina Beach Line, discussed on paragraph 15 of the petition, please respond to the following:
 - a) Please explain the purpose of changing the ownership from jointly owned by Peninsula and Peoples to Peninsula owning the northern portion and Peoples owning the southern portion of the Fernandina Beach Line.
 - b) The “like-kind exchange” referred to in the petition – does that mean no monies will be exchanged between Peninsula and Peoples and vice versa for the change in ownership? If yes, please explain how that is “fair” since the northern portion of the Fernandina Beach line appears to be the majority of the length of the Fernandina Beach Line, while the southern portion of the Fernandina Beach Line that will be owned by Peoples Gas is a lot shorter.
 - c) Discuss the reasons for the gas flow changes discussed on paragraph 13 of the petition and technically how that gets accomplished.
 - d) Paragraph 10 of the petition states that the existing Fernandina Beach pipeline is approaching being fully subscribed. What are the reasons/events that have caused this pipeline to be almost fully subscribed? Is FPUC the only customer that takes service from the Peninsula delivery points on the Fernandina Beach line, or are there other customers that request capacity from Peninsula? Please explain.
 - e) Please provide the anticipated date the change in ownership will occur.

4. Regarding the amendment of the 2012 FPUC – Peninsula Transportation Agreement that Commission approved in 2012, please respond to the following:
 - a) Please clarify whether the 2012 agreement is replaced in its entirety (3rd Whereas on first page of amended agreement) or certain provisions remain the same (4th Whereas on first page of amended agreement).
 - b) The 2012 agreement provides for FPUC to pay Peninsula for the transportation of gas from the FGT/Peoples interconnection through Peoples System and Peninsula portion of the Fernandina Beach Line to points of delivery to FPUC in Nassau County. What exactly changes to the above described agreement to necessitate an amendment to the 2012 agreement? Is it the addition of the Callahan pipeline and over which FPUC will have gas delivered? Please explain.
 - c) Please provide the effective date of this amendment.
5. Regarding the proposed termination of the Peoples – Peninsula agreement the Commission approved in 2012, please respond to the following:
 - a) The agreement provides for Peoples’ recovery of certain costs as stated in the order approving the agreement. How will Peoples continue to recover those costs if the agreement is proposed to be terminated (i.e., Peninsula will stop paying Peoples)? Please explain.
 - b) Please provide the anticipated effective date of the termination.
6. Please provide a large scale map showing the existing and proposed pipeline interconnects, interconnection points, delivery points, points of delivery discussed/listed in the petition and exhibits, and indicate the directional flow of gas of the existing and proposed pipelines that are the subject matter in this docket.
7. Exhibit C, in the SeaCoast/PGS Firm Transportation Service Agreement, contains only the title page of the Operational Balancing Agreement (OBA) which states “to be negotiated per Section 5 of the Firm Service Agreement”. Please state if the OBA has been executed, and if so, please provide copy.
8. If there is a delay in the construction of the new Callahan pipeline, what impact will this have on the pending modification/cancelation/agreement requests in the instant petition? Please explain.

Please file all responses electronically no later than October 10, 2019 via the Commission’s website at www.floridapsc.com by selecting the Clerk’s Office tab and Electronic Filing Web Form. Please contact me at sguffey@psc.state.fl.us or at 850.413.6204 if you have any questions.

Thank you.

Andrew M. Brown, Esq.
Beth Keating, Esq.
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/s/Sevini Guffey
Sevini Guffey
Public Utility Analyst

cc: Ansley Watson, Esq. (aw@macfar.com)
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