FILED 12/8/2020 DOCUMENT NO. 13272-2020 FPSC - COMMISSION CLERK

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STATE OF FLORIDA

DIVISION OF ECONOMICS JUDY HARLOW DIRECTOR (850) 413-6410

Public Service Commission

December 8, 2020

Staff's First Data Request *Via E-Mail*

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

Mike Cassel AVP, Regulatory and Governmental Affairs Florida Public Utilities Company/Chesapeake 208 Wildlight Avenue, Yulee, Florida 32097

Re: Docket 20200214-GU – Joint Petition of Florida Public Utilities Company, Florida Public Utilities Company- Indiantown Division, Florida Public Utilities Company- Fort Meade, and the Florida Division of Chesapeake Utilities Corporation for approval of the Consolidation of the Company's Florida Business Unit Tariffs and the Consolidation and Modification to Company's Retail Choice Transportation Service Programs and to Change the MACC for Florida Public Utilities Company

Dear Ms. Keating and Mr. Cassel:

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

- 1. Please refer to Paragraph 11, Subsection VI of the petition regarding the proposed modifications to the Maximum Annual Construction Cost (MACC). The Companies state that the modification of FPUC's MACC will adequately protect the remaining body of ratepayers from uneconomic system expansion. Please explain.
- 2. Please refer to Paragraph 11, Subsection VII of the petition. The Companies propose to adopt FPUC and FPUC Ft. Meade's Area Expansion Program (AEP) fixed rated calculation methodology. Are there currently any AEP surcharges for Chesapeake or

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850 An Affirmative Action / Equal Opportunity Employer FPUC – Indiantown customers? If so, will current AEP surcharges be affected by this proposal?

- 3. Please refer to Paragraph 11, Subsection IX of the petition for the following questions regarding the proposed modifications to the Measurement Section of the consolidated tariff. The joint petitioners propose including a waiver provision that will allow the Company to waive its gas quality specifications on a not-unduly discriminatory basis.
 - a. Please explain what prompted the Companies to propose a provision to waive its gas quality specifications.
 - b. Please explain how the Companies will ensure that its own facilities and the facilities of its customers will be protected, given the proposed waiver provision.
- 4. Please refer again to Paragraph 11, Subsection IX of the petition. As described in the petition, the Commission recently approved modifications to the Companies' quality of gas tariffs. Please explain why the Companies propose to further modify the BTU Heat Value and allowable oxygen content.
- 5. Please refer to Paragraph 11, Subsection XIII of the petition for the following questions regarding the proposed Force Majeure language.
 - a. Have there been any specific occurrences which prompted the Companies to propose this Force Majeure language?
 - b. Are the Companies aware of any other Investor-Owned Natural Gas Utilities with similar waiver language?
- 6. Please refer to Paragraph 12 of the petition, regarding other rate schedule and billing adjustment modifications for the following questions. The Companies propose that Indiantown adopt the GRIP Rider, but not to implement and bill any expenses related to the rider.
 - a. Please explain how this provides additional flexibility, if any, for the Companies.
 - b. If this proposal is approved by the Commission, do the Companies believe that they would need Commission approval to implement and bill Indiantown customers for a GRIP rider? Please explain.
- 7. Please refer to Paragraph 17 of the petition. The Companies state that a meeting was held in June 2019 to discuss the proposed changes with the affected Pool Managers. Have the Companies received any input from affected Pool Managers? Please discuss.

Please file all responses electronically no later than December 29, 2020, via the Commission's website at <u>www.floridapsc.com</u> by selecting the Clerk's Office tab and Electronic Filing Web Form. If you have any questions please contact me at <u>champson@psc.state.fl.us</u> or at (850) 413-6676.

Page 3 December 8, 2020

Thank you,

/s/Corey Hampson Corey Hampson Public Utility Analyst I

cc: Office of the Commission Clerk