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September 1, 2017

BY ELECTRONIC FILING

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

Re: NEW FILING - Joint petition for approval of revised swing service rider rates for the period January through December 2018, by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation

Dear Ms. Stauffer:

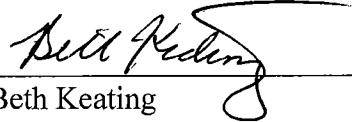
Attached for electronic filing, please find the Joint Petition of Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Corporation for Approval of Revised Swing Service Rider Rates. With this Joint Petition, the Companies are submitting the following tariff pages in clean and legislative versions:

Florida Public Utilities Company - F.P.S.C. Gas Tariff, Third Revised Volume I - Tariff Fifth Revised Sheet No. 35.6
Florida Public Utilities Company-Fort Meade-F.P.S.C. Gas Tariff – Original Volume I- First Revised Sheet No. 64.1
Florida Public Utilities Company-Indiantown Division – Original Volume 2 – Tariff First Revised Sheet No. 35.2
Florida Division of Chesapeake Utilities Corporation – Original Volume No. 4 – Tariff First Revised Sheet No. 105.4

Ms. Carlotta Stauffer, Clerk
September 1, 2017
Page 2

As always, thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

A handwritten signature in cursive script, appearing to read "Beth Keating", is written over a horizontal line.

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: **Joint petition for approval of revised swing service rider rates for the period January through December 2018, by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation**) Docket No.
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) Filed: September 1, 2017
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JOINT PETITION FOR APPROVAL OF SWING SERVICE RIDER RATES FOR THE PERIOD JANUARY THROUGH DECEMBER 2018

On April 11, 2016, Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, and Florida Public Utilities Company-Fort Meade (jointly, “FPUC”), as well as the Florida Division of Chesapeake Utilities Corporation (“CFG”) (herein, all FPUC divisions and CHPK, jointly, “Companies”) jointly filed a petition for approval to allow the Companies to expand the allocation of the intrastate and local distribution company (“LDC”)-to-LDC unreleased capacity-related components of the Purchased Gas Adjustment (“PGA”) mechanism for FPUC and the Operational Balancing Account (“OBA”) mechanism for CHPK to include those customers not currently subject to those cost allocation mechanisms (herein “Initial Petition”). By Order No. PSC-16-0422-TRF-GU, issued October 23, 2016, the Companies’ request, as amended, was approved. Consistent with the Commission’s approval in that Order, the Companies now seek approval of updated Swing Service Rider rates for the period January through December, 2018, and submit for Commission approval revised tariff pages, attached and incorporated herein as Exhibit A, reflecting the proposed updated Swing Service rates. The Companies are also submitting, in support of the proposed revised Swing Service rates, the Direct Testimony of Michelle D. Napier along with Exhibit MDN-1, which contain Schedules A-

Swing Service Update Petition

D showing the Companies' computation of the revised charges. In support of this request, the Companies hereby state:

1) FPUC is a natural gas utility subject to the Commission's jurisdiction under Chapter 366, Florida Statutes. Its principal business address is:

Florida Public Utilities Company
1750 S 14th Street, Suite 200
Fernandina Beach FL 32034

Florida Public Utilities Company – Fort Meade is a division of FPUC with its principal business address being the same as FPUC.

2) CFG is also a natural gas utility subject to the Commission's jurisdiction under Chapter 366, Florida Statutes. Its principal business address is:

Florida Division of Chesapeake Utilities Corporation
1750 S 14th Street, Suite 200
Fernandina Beach FL 32034

3) The name and mailing address of the persons authorized to receive notices are:

Beth Keating, Esq.
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601
Tallahassee, Florida 32301-1839
(850) 521-1706

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

4) The Commission is vested with jurisdiction in this matter in accordance with Sections 366.04, 366.05, and 366.06, Florida Statutes, pursuant to which the Commission is authorized to establish rates and charges for public utilities, including the relief requested herein.

I. BACKGROUND

5) The Swing Service Rider was designed to further allocate unreleased intrastate capacity and transportation components of the PGA, as well as transportation and unreleased

Swing Service Update Petition

intrastate capacity costs embedded in the OBA, as was contemplated by the Companies' "Phase I" petition, which was approved by Order No. PSC-15-0321-PAA-GU, issued August 10, 2015, in Docket No. 150117-GU. By requesting approval of a new Swing Service Rider, the Companies' sought Commission approval of a further redistribution of costs (Phase II) to include those transportation customers not currently sharing in the costs associated with unreleased intrastate capacity and LDC-to-LDC interconnections, including customers in the Florida Division of Chesapeake Utilities Corporation and Indiantown divisions.

6) On August 2, 2016, the Companies filed an Amended Joint Petition. The Companies still proposed to implement the Swing Service Rider in stages over a period of 5 years for customers in the rate classes identified on Exhibit A of this Petition, with the exception of customers in rates classes FTS-1 through FTS-3 on CFG and TS-1 through TS-3 on Indiantown, which generally represent customers in the TTS Pool. The Companies modified their proposal, however, to suggest that the Swing Service Rider be applied annually at a rate of 20% of the total allocation for each year of the 5-year program, as opposed to the original proposal that the allocation in year 1 be 40% of the total amount, and thereafter be increased by an additional 15% annually so that the total allocation of 100% would be reached at year 5. Using the 20%-per-year implementation schedule, those larger transportation customers in rate classes above FTS-3 on CFG and TS-3¹ on Indiantown would still reach their fully allocated portion at year 5, but would do so in more regular increments that are more easily accounted for in yearly budgeting, while still enabling customers typically subject to longer term contracts to negotiate adjustments as may be

¹The Companies note that the customers in this class, TS-4, are no longer on the system; therefore, the rate is appropriately reflected as \$0.

Swing Service Update Petition

necessary. As for those customers in FTS-1 through FTS-3 and TS-1 through TS-3, which generally include the TTS Pool and PGA customers, they would still see a discount to their allocated portion over the life of the Swing Service Rider, but the amount per year will reflect the changed implementation schedule for the Swing Service Charge. As noted herein, the Commission ultimately approved the Companies' Joint Petition, as amended on August 2, 2016, by Order No. PSC-16-0422-TRF-GU, issued October 23 2016.

7) By that same Order, the Commission required that the Companies submit, by September 1, 2017, a revised tariff with updated Swing Service rates to be calculated based upon the most recent 12 months of actual data, which in this case, is June 2016 through July 2017. This Joint Petition is submitted in conformance with that requirement.

8) The calculation of the new Swing Service Rider rates is made in compliance with Order No. PSC-16-0422-TRF-GU, and is as set forth below:

- a. The percentage split between transportation and sales service customers to total system usage is first calculated. The current basis for this calculation is the daily peak, plus the average of the non-peak months, based upon historical usage. This step will be completed annually based on the most recent 12-months' usage data.
- b. The percentage, by transportation rate class, determined in step 1 is then applied to the total cost of the unreleased intrastate and LDC-to-LDC capacity to produce the dollars allocated to each rate class. These dollars are divided by therms in the rate class to arrive at the cost recovery factor or rider to be billed, by rate class, directly to the transportation customers.

Swing Service Update Petition

- c. The aggregate of the costs calculated in step 2 will then be credited to the PGA with the remainder of the costs associated with the unreleased intrastate and LDC-to-LDC capacity being allocated to the remaining sales service customers.

9) The Company's actual costs for intrastate capacity, other costs and LDC-LDC interconnects is \$5,166,583 for the period July 2016 through June 2017. The Company expects to recover \$313,726 of this amount through special contracts. Therefore, \$4,852,857 remains to be recovered during the period January 1, 2018 through December 31, 2018. Based on the percent of peak and average usage from July 2016 thru June 2017, 29.89% of these costs or \$1,450,343 relate to PGA customers and 70.11% or \$3,402,514 to transportation customers. The transportation cost was allocated to the rate classes based on total throughput during July 2016 thru June 2017. After allocating based on the phase in percent, the updated Swing Service rates for which the Companies seek approval by this petition are those set forth on the tariff pages included in Exhibit A hereto.

10) The Companies attest that these revised Swing Service rates have been calculated correctly and consistent with Commission requirements as set forth in Order No. PSC-16-0422-TRF-GU. Thus, the Companies ask that the Commission approve the proposed factors as set forth herein.

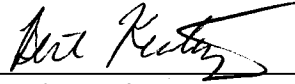
RELIEF REQUESTED

WHEREFORE, Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, and Florida Public Utilities Company-Fort Meade, as well as the Florida Division of Chesapeake Utilities Corporation, respectfully request that the Commission approve

Swing Service Update Petition

the updated Swing Service rates proposed herein to be effective for all meter readings for the period January 2018 through December 2018.

RESPECTFULLY SUBMITTED this 1st day of September, 2017.



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

*Attorneys for Florida Public Utilities Company,
Florida Public Utilities Company – Indiantown
Division, Florida Public Utilities Company-Fort
Meade, and the Florida Division of Chesapeake
Utilities Corporation*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Hand Delivery or Electronic Mail this 1st day of September, 2017.

Jennifer Crawford Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 jcrowfor@psc.state.fl.us	J.R. Kelly Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Kelly.JR@leg.state.fl.us
Mike Cassel Florida Public Utilities Company 1750 S. 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@chpk.com	

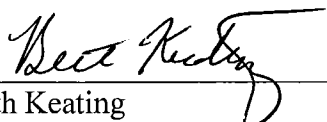
By: 
Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

EXHIBIT A

Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division,
Florida Public Utilities Company-Fort Meade, and
The Florida Division of Chesapeake Utilities Corporation

Revised Tariff Sheets

(Clean and Legislative Versions)

FPUC: 35.6

FPUC – Fort Meade: 33 and 64.1

FPUC – Indiantown Division: 35.2

Florida Division of Chesapeake: 70 and 105.4

EXHIBIT A

Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division,
Florida Public Utilities Company-Fort Meade, and
The Florida Division of Chesapeake Utilities Corporation

Revised Tariff Sheets

(Clean and Legislative Versions)

FPUC: 35.6

FPUC – Fort Meade: 64.1

FPUC – Indiantown Division: 35.2

Florida Division of Chesapeake: 105.4

BILLING ADJUSTMENTS

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service Rider factors for the period from the first billing cycle for January 2018 through the last billing cycle for December 2018 are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule GSTS-1	\$0.0165
Rate Schedule GSTS-2	\$0.0164
Rate Schedule LVTS	\$0.0162

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

BILLING ADJUSTMENTS

(Continued)

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2018 through the last billing cycle for December 2018 are as follows:

<u>Rate Class</u>	<u>Classification</u>	<u>Rates Per Therm</u>
Transportation Service 1	TS1	\$0.0428
Transportation Service 2	TS2	\$0.0415
Transportation Service 3	TS3	\$0.0485
Transportation Service 4	TS4	\$0.0000

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

RATE SCHEDULES
MONTHLY RATE ADJUSTMENTS

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2018 through the last billing cycle for December 2018 are as follows:

<u>Rate Class</u>	<u>Classification</u>	<u>Rates Per Therm</u>
Firm Transportation Service A	FTS-A	\$0.0444
Firm Transportation Service B	FTS-B	\$0.0429
Firm Transportation Service 1	FTS-1	\$0.0459
Firm Transportation Service 2	FTS-2	\$0.0478
Firm Transportation Service 2.1	FTS-2.1	\$0.0443
Firm Transportation Service 3	FTS-3	\$0.0396
Firm Transportation Service 3.1	FTS-3.1	\$0.0400
Firm Transportation Service 4	FTS-4	\$0.0168
Firm Transportation Service 5	FTS-5	\$0.0162
Firm Transportation Service 6	FTS-6	\$0.0159
Firm Transportation Service 7	FTS-7	\$0.0169
Firm Transportation Service 8	FTS-8	\$0.0168
Firm Transportation Service 9	FTS-9	\$0.0152
Firm Transportation Service 10	FTS-10	\$0.0183
Firm Transportation Service 11	FTS-11	\$0.0184
Firm Transportation Service 12	FTS-12	\$0.0148

<u>Experimental Rate Class</u>	<u>Classification</u>	<u>Rates Per Bill</u>
Firm Transportation Service A	FTS-A	\$0.3819
Firm Transportation Service B	FTS-B	\$0.6527
Firm Transportation Service 1	FTS-1	\$0.9917
Firm Transportation Service 2	FTS-2	\$2.0927
Firm Transportation Service 2.1	FTS-2.1	\$6.7514
Firm Transportation Service 3	FTS-3	\$8.8700
Firm Transportation Service 3.1	FTS-3.1	\$25.2933

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

Issued by: Michael P. McMasters, President
Chesapeake Utilities Corporation

Effective:

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2018 through the last billing cycle for December 2018 are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule GSTS-1	\$0.0149

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

BILLING ADJUSTMENTS

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service Charge factors for the period from the first billing cycle for January 2017~~8~~ through the last billing cycle for December 2017~~8~~ are as follows:

Rate Class	Rates Per Therm
Rate Schedule GSTS-1	\$0.00 90 <u>165</u>
Rate Schedule GSTS-2	\$0.00 83 <u>164</u>
Rate Schedule LVTS	\$0.00 83 <u>162</u>

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

BILLING ADJUSTMENTS

(Continued)

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017~~8~~ through the last billing cycle for December 2017~~8~~ are as follows:

<u>Rate Class</u>	<u>Classification</u>	<u>Rates Per Therm</u>
Transportation Service 1	TS1	\$0.0441428
Transportation Service 2	TS2	\$0.0392415
Transportation Service 3	TS3	\$0.0468485
Transportation Service 4	TS4	\$0.0139000

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

RATE SCHEDULES
MONTHLY RATE ADJUSTMENTS

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017~~8~~ through the last billing cycle for December 2017~~8~~ are as follows:

Rate Class	Classification	Rates Per Therm
Firm Transportation Service A	FTS-A	\$0.0521444
Firm Transportation Service B	FTS-B	\$0.0539429
Firm Transportation Service 1	FTS-1	\$0.0591459
Firm Transportation Service 2	FTS-2	\$0.0627478
Firm Transportation Service 2.1	FTS-2.1	\$0.0553443
Firm Transportation Service 3	FTS-3	\$0.0504396
Firm Transportation Service 3.1	FTS-3.1	\$0.0442400
Firm Transportation Service 4	FTS-4	\$0.0091168
Firm Transportation Service 5	FTS-5	\$0.0087162
Firm Transportation Service 6	FTS-6	\$0.0084159
Firm Transportation Service 7	FTS-7	\$0.0090169
Firm Transportation Service 8	FTS-8	\$0.0075168
Firm Transportation Service 9	FTS-9	\$0.0084152
Firm Transportation Service 10	FTS-10	\$0.0063183
Firm Transportation Service 11	FTS-11	\$0.0090184
Firm Transportation Service 12	FTS-12	\$0.0071148

<u>Experimental Rate Class</u>	<u>Classification</u>	<u>Rates Per Bill</u>
Firm Transportation Service A	FTS-A	\$0.44813819
Firm Transportation Service B	FTS-B	\$0.81936527
Firm Transportation Service 1	FTS-1	\$1.27669917
Firm Transportation Service 2	FTS-2	\$2.74632.0927
Firm Transportation Service 2.1	FTS-2.1	\$8.43326.7514
Firm Transportation Service 3	FTS-3	\$11.28968.8700
Firm Transportation Service 3.1	FTS-3.1	\$27.974225.2933

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in

Issued by: Michael P. McMasters, President
Chesapeake Utilities Corporation

Effective:

Florida Division of Chesapeake Utilities Corporation
Original Volume No. 4

First Revised Sheet No. 105.4
Cancels Original Sheet No. 105.4

accordance with the PSC approved Swing Service Rider.

Issued by: Michael P. McMasters, President
Chesapeake Utilities Corporation

Effective:

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017~~8~~ through the last billing cycle for December 2017~~8~~ are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule GSTS-1	\$0.0076149

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF MICHELLE D. NAPIER

On behalf of Florida Public Utilities Company

1 **Q. Please state your name and business address.**

2 A. My name is Michelle D. Napier. I am the Manager of Regulatory Affairs
3 for Florida Public Utilities Company (including both the electric and
4 natural divisions), Florida Public Utilities Company – Indiantown
5 Division, and Florida Public Utilities Company-Fort Meade (jointly,
6 “FPUC”), and the Florida Division of Chesapeake Utilities Corporation
7 (“CFG”), (herein, all FPUC divisions and CHPK, jointly, “Companies”).
8 My business address is 1641 Worthington Road, Suite 220, West Palm
9 Beach, Florida 33409.

10 **Q. Could you give a brief description of your background and business
11 experience?**

12 A. I received a Bachelor of Science degree in Finance from University of
13 South Florida in Tampa, Florida in 1986. I have been employed with
14 FPUC since 1987. During my employment at FPUC, I have performed
15 various roles and functions in accounting, management and most
16 recently, regulatory accounting (PGA, conservation, earnings
17 surveillance reports, regulatory reporting).

18 **Q. Have you provided testimony in other proceedings?**

19 A. Yes, I have submitted testimony in various dockets including but not

1 limited to Purchased Gas Adjustment and Natural Gas Conservation.

2 **Q. What is the purpose of your testimony at this time?**

3 A. My testimony will provide the actual swing service rider costs based on
4 twelve months data for the period July 2016 through June 2017. My
5 testimony will describe and summarize the computations that are
6 contained in composite Exhibit MDN-1 supporting the January through
7 December 2018 swing service rider rates.

8 **Q. Were the schedules filed by the Company completed by you or under
9 your direct supervision?**

10 A. Yes, they were completed under my direct supervision and review.

11 **Q. Which set of schedules has your company completed and filed?**

12 A. The Company has prepared and filed in composite Exhibit MDN-1,
13 which supports the calculation of the annual swing service rider rates for
14 January through December 2018 for the Companies.

15 **Q. What is the projection period for this filing?**

16 A. The projection period is January through December 2018.

17 **Q. What is the actual transportation costs for the period July
18 2016 through June 2017?**

19 A. The actual costs for intrastate capacity costs, other costs and local
20 distribution company (LDC) to LDC interconnects for the period July
21 2016 through June 2017 is \$5,166,583. Some of these costs have been
22 directly billed as a swing charge to certain special contract customers and

1 the amount to be used in the Swing Service computations is reduced by
2 these direct billings of \$313,726. The total transportation costs to be
3 recovered through PGA and Swing Service, excluding the swing charge
4 directly billed to some special contract customers, is \$4,852,857. (See
5 Schedule D of Exhibit MDN-1)

6 **Q. Describe the how the Companies computed the Swing Service Rider**
7 **rates.**

8 A. As reflected in Schedules of Exhibit MDN-1, the Companies compiled
9 the actual throughput volumes, based on the most recent 12-months
10 usage data (July 2016 – June 2017) on Schedule A and B for each
11 affected transportation and sales rate schedule to determine the
12 percentage split between transportation and sales service customers
13 relative to the total throughput for the affected rate schedules. The split
14 for allocating the annual total intrastate and LDC-to-LDC capacity costs
15 of \$4,852,857 is 70.11 percent or \$3,402,514 to transportation customers
16 and 29.89 percent or \$1,450,343 to sales customers. Then, on Schedule C
17 page 1, the transportation customers' share of the \$3,402,514 was
18 allocated to the affected transportation rate schedules based on the
19 percent of peak and average usage. Since the Companies recognized that
20 implementation of the swing service rider could have a significant
21 financial impact on large volume customers, the Companies requested
22 and received approval of a five-year stepped implementation process,

1 annually applying a rate of 20 percent of the total allocation. Therefore,
2 the Companies applied a rate of 40 percent for the period January 2018
3 through December 2018. Transportation customers in the Transitional
4 Transportation Service (TTS) pool, were allocated at 100 percent since
5 they were already allocated these costs as approved by the Commission
6 by Order No. PSC-15-0321-PAA-GU. The allocated costs to each rate
7 schedule (based on the peak and average percent) were multiplied by the
8 phase in percent for this year. These costs were then divided by the rate
9 schedule's actual billed volumes to calculate the cost recovery factor to
10 be billed directly to the transportation customers. Experimental Rates
11 were calculated on Schedule C page 2.

12 **Q. What is the total costs to be collected and reflected in the PGA filing**
13 **for the swing service rider?**

14 A. The Company will show a reduction to PGA costs of \$1,864,388
15 attributable to the Swing Service Rider. The Company plans to re-file
16 the PGA projections to reflect the appropriate Swing Service credit.

17 **Q. Have the tariffs for the Companies been updated?**

18 A. Yes, the Companies are submitting the revised tariffs with this testimony
19 in Exhibit A.

20 **Q. Were the tariffs filed by the Companies completed by you or under**
21 **your direct supervision?**

22 A. Yes, they were completed under my direct supervision and review.

FPUC Swing Service Rider

- 1 **Q.** **Does this conclude your testimony?**
- 2 **A.** **Yes.**

		2016-2017 Monthly Volumes - Therms												Annual Total- peak	Annual Total
LDC	Customer Class	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE		
FPU	FPU - RS	683,441	602,699	668,900	788,726	996,038	1,304,442	1,708,829	1,495,349	1,436,444	1,303,074	900,969	787,794	10,967,876	12,676,705
FPU	FPU - RS-GS	1,657	1,790	2,076	7,023	4,580	6,036	7,350	5,011	6,685	5,830	3,180	2,676	46,544	53,894
FTM	FT-RS	4,051	4,384	4,637	4,564	4,612	7,084	7,958	8,443	6,473	6,032	4,512	4,829	59,621	67,579
FPU	FPU - GS - 1	68,997	71,035	76,018	84,287	98,630	119,969	134,431	121,444	99,609	102,816	80,212	76,268	999,286	1,133,717
FPU	FPU - GS - 2	506,372	479,121	524,073	515,956	590,833	699,262	766,275	737,140	711,093	662,858	534,262	526,408	6,487,377	7,253,652
FPU	FPU - CS - GS	1,678	1,940	2,190	6,027	4,993	3,361	3,881	5,114	3,308	3,335	2,241	2,221	36,348	40,229
FPU	FPU - LVS	769,442	725,715	789,742	786,895	963,317	1,097,915	1,147,420	1,054,391	1,098,820	981,534	771,551	751,661	9,730,983	10,878,403
FPU	FPU - IS	-	-	-	-	-	-	-	-	-	-	-	-	0	-
FPU	FPU - GLS	17,359	17,359	17,359	16,903	16,903	16,903	16,903	16,903	16,231	16,327	15,655	15,385	183,289	200,193
FTM	FT-Comm PA	6	-	-	-	18	19	55	45	21	24	11	18	162	217
FTM	FT-Comm Small	1,212	1,097	1,338	2,297	4,016	5,891	5,809	6,244	5,175	4,655	3,260	1,712	36,839	42,648
	Total PGA Volumes	2,054,216	1,905,141	2,086,333	2,212,679	2,683,881	3,200,821	3,798,911	3,450,086	3,383,858	3,086,487	2,315,854	2,168,971	28,548,326	32,347,237
	Total Transport Volumes	6,230,029	6,480,748	6,235,041	6,783,566	7,028,100	7,445,452	8,109,293	7,474,676	7,765,366	7,011,124	6,703,216	6,546,258	75,703,576	83,812,869
	Total Billed Volumes To Be Allocated FRS	8,284,244	8,385,889	8,321,374	8,996,246	9,711,980	10,646,273	11,908,204	10,924,762	11,149,225	10,097,611	9,019,070	8,715,230	104,251,902	116,160,106
		31	31	30	31	30	31	31	28	31	30	31	30		337

		2016 - 2017 Daily Volumes - Therms													
LDC	Customer Class	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE		
FPU	FPU - RS	22,046	19,442	22,297	25,443	33,201	42,079	55,124	53,405	46,337	43,436	29,064	26,260	32,546	
FPU	FPU - RS-GS	53	58	69	227	153	195	237	179	216	194	103	89	138	
FTM	FT-RS	131	141	155	147	154	229	257	302	209	201	146	161	177	
FPU	FPU - GS - 1	2,226	2,291	2,534	2,719	3,288	3,870	4,336	4,337	3,213	3,427	2,587	2,542	2,965	
FPU	FPU - GS - 2	16,335	15,456	17,469	16,644	19,694	22,557	24,719	26,326	22,938	22,095	17,234	17,547	19,250	
FPU	FPU - CS - GS	54	63	73	194	164	108	125	183	107	111	72	74	108	
FPU	FPU - LVS	24,821	23,410	26,325	25,384	32,111	33,481	37,014	37,657	35,446	32,718	24,889	25,055	28,875	
FPU	FPU - IS	0	0	0	0	0	0	0	0	0	0	0	0	0	
FPU	FPU - GLS	560	560	579	545	563	545	545	604	524	544	505	513	544	
FTM	FT-Comm PA	0	0	0	0	1	1	2	2	1	1	0	1	0	
FTM	FT-Comm Small	39	35	45	74	134	188	187	223	167	155	105	57	109	
	Total PGA Volumes	66,265	61,456	69,544	71,377	89,463	103,252	122,546	123,217	109,157	102,883	74,705	72,299	84,713	
	Total Transport Volumes	200,969	209,056	207,835	218,825	234,270	240,176	261,590	266,953	250,496	233,704	216,233	218,209	224,640	
	Total Billed Volumes To Be Allocated FRS	267,234	270,513	277,379	290,201	323,733	343,428	384,136	390,170	359,652	336,587	290,938	290,508	309,353	

	TOTAL	PGA	Transport
Average of non peak months	309,353	84,713	224,640
Peak	384,136	122,546	261,590
Total	693,488	207,259	486,230
Allocation		0.2989	0.7011

FLORIDA PUBLIC UTILITIES COMPANY
COMPUTATION OF SWING SERVICE RATES
TRANSPORT THERMS

Schedule B
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		2016-2017 Monthly Volumes Therms											Annual Total Minus Peak	Annual Total	
LDC	Customer Class	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE		
CFG	FTS-A	6,037	5,790	6,557	6,870	8,198	9,083	11,001	10,219	11,200	8,457	6,626	6,253	85,291	96,292.24
CFG	FTS-B	18,331	17,613	20,186	19,908	22,657	26,909	29,660	29,064	28,409	24,087	19,695	20,323	247,182	276,842.39
CFG	FTS-1	106,745	101,964	115,508	123,013	156,592	200,108	237,392	238,468	229,459	185,682	129,716	128,042	1,715,296	1,952,688.23
CFG	FTS-2	18,651	19,583	19,312	30,832	46,450	57,319	74,128	71,662	86,224	70,708	38,893	33,708	493,342	567,470.36
CFG	FTS-2.1	41,183	41,891	45,994	66,110	85,970	101,835	109,731	120,240	130,539	106,636	61,028	54,764	856,189	965,920.39
CFG	FTS-3	76,097	72,660	83,868	80,664	93,269	102,425	98,601	120,549	109,616	90,884	76,511	79,366	985,908	1,084,508.99
CFG	FTS-3.1	164,340	165,124	179,321	172,856	185,990	208,094	211,257	215,596	216,750	203,877	176,918	178,570	2,067,837	2,279,093.14
IND	IGC - TS1	8,197	8,571	8,716	8,739	8,696	11,615	11,479	8,823	10,262	9,480	8,570	9,744	96,415	107,894.58
CFG	FTS-4	205,719	183,183	203,675	225,475	241,796	257,606	289,327	281,948	277,412	250,093	196,870	211,905	2,535,682	2,825,009.59
CFG	FTS-5	72,089	88,531	70,765	87,933	94,070	101,542	105,370	108,621	92,656	104,028	91,615	91,966	1,003,815	1,109,185.02
CFG	FTS-6	101,730	105,538	138,006	122,858	117,291	117,519	139,564	178,645	129,255	124,820	118,618	123,381	1,377,660	1,517,223.39
CFG	FTS-7	217,566	225,846	238,639	209,984	255,930	283,617	328,641	261,743	320,717	271,462	289,582	279,644	2,854,730	3,183,371.21
CFG	FTS-8	440,689	362,381	369,616	352,281	409,001	394,710	496,524	401,486	434,122	422,846	411,402	360,001	4,358,535	4,855,059.51
CFG	FTS-9	295,854	271,214	273,571	278,813	280,285	277,702	295,237	264,724	289,843	325,714	339,110	332,978	3,229,808	3,525,045.18
CFG	FTS-10	98,906	104,275	96,555	128,653	189,272	203,614	225,730	205,908	195,854	140,871	155,679	124,728	1,644,315	1,870,044.86
CFG	FTS-11	716,627	882,176	726,399	858,479	819,384	810,052	874,536	762,154	718,869	-	-	-	6,294,139	7,168,674.54
CFG	FTS-12	878,444	1,093,049	1,012,461	1,175,326	1,102,690	1,073,319	1,156,676	1,043,425	1,122,207	1,681,125	1,729,907	1,670,007	13,581,959	14,738,635.12
FPU	FPU - GSTS - 1	33,253	34,205	38,790	37,971	45,625	50,348	54,993	53,126	57,599	55,536	44,783	46,336	497,573	552,566.25
FPU	FPU - GSTS - 2	233,282	234,114	255,837	254,695	279,377	333,004	351,768	343,420	357,025	356,484	299,262	313,913	3,260,412	3,612,179.80
FPU	FPU - LVTS <50k	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FPU	FPU - LVTS >50k	2,488,246	2,454,506	2,322,307	2,532,908	2,578,049	2,813,322	2,997,748	2,757,277	2,937,825	2,569,287	2,499,669	2,471,057	28,424,454	31,422,201.73
FTM	FT-TRANSPORTATION	1,337	1,339	2,127	1,972	1,941	2,108	1,807	2,160	2,098	1,992	1,869	1,937	20,880	22,687.18
IND	IGC - TS2	6,471	7,023	6,714	6,966	5,560	9,179	7,823	403	7,244	6,934	6,653	7,061	70,209	78,032.49
IND	IGC - TS3	234	173	116	261	8	421	300	14	182	120	238	175	1,942	2,242.78
IND	IGC - TS4 -(Note A)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ALLOCATED THERMS		6,230,029	6,480,748	6,235,041	6,783,566	7,028,100	7,445,452	8,109,293	7,474,676	7,765,366	7,011,124	6,703,216	6,546,258	75,703,576	83,812,869

		31	31	30	31	30	31	31	28	31	30	31	30	337
LDC	Customer Class	2016-2017 Daily Volumes - Therms												
CFG	FTS-A	195	187	219	222	273	293	355	365	361	282	214	208	253
CFG	FTS-B	591	568	673	642	755	888	957	1,038	916	803	635	677	733
CFG	FTS-1	3,443	3,289	3,850	3,968	5,220	6,455	7,658	8,517	7,402	6,189	4,184	4,268	5,090
CFG	FTS-2	602	632	644	995	1,548	1,849	2,391	2,559	2,781	2,357	1,255	1,124	1,464
CFG	FTS-2.1	1,328	1,351	1,533	2,133	2,866	3,285	3,540	4,294	4,211	3,555	1,969	1,825	2,541
CFG	FTS-3	2,455	2,344	2,796	2,602	3,109	3,304	3,181	4,305	3,536	3,029	2,468	2,646	2,926
CFG	FTS-3.1	5,301	5,327	5,977	5,576	6,200	6,713	6,815	7,700	6,992	6,796	5,707	5,966	6,136
IND	IGC - TS1	264	276	291	282	290	375	370	137	331	316	276	325	286
CFG	FTS-4	6,636	5,909	6,789	7,273	8,060	8,310	9,333	10,070	8,949	8,336	6,351	7,063	7,524
CFG	FTS-5	2,325	2,856	2,359	3,136	3,276	3,399	3,879	3,879	2,989	3,468	2,955	3,066	2,979
CFG	FTS-6	3,282	3,404	4,600	3,963	3,910	3,791	4,502	6,380	4,170	4,161	3,826	4,113	4,088
CFG	FTS-7	7,018	7,285	7,955	6,774	8,531	9,149	10,601	9,348	10,346	9,049	9,341	9,321	8,471
CFG	FTS-8	14,216	11,690	12,321	11,364	13,633	12,733	16,017	14,339	14,004	14,095	13,271	12,000	12,933
CFG	FTS-9	9,544	8,749	9,119	8,994	9,343	8,958	9,524	9,454	9,350	10,857	10,839	11,099	9,584
CFG	FTS-10	3,191	3,364	3,219	4,150	6,309	6,568	7,282	7,354	6,318	4,696	5,022	4,158	4,879
CFG	FTS-11	23,117	28,457	24,213	27,693	27,313	26,131	28,211	27,220	23,189	0	0	0	18,677
CFG	FTS-12	28,337	35,260	33,749	37,914	36,756	34,623	37,312	37,265	36,200	56,037	55,803	55,667	40,303
FPU	FPU - GSTS - 1	1,073	1,103	1,293	1,225	1,521	1,624	1,774	1,897	1,858	1,851	1,445	1,545	1,476
FPU	FPU - GSTS - 2	7,525	7,552	8,528	8,216	9,313	10,742	11,347	12,265	11,517	11,883	9,654	10,464	9,675
FPU	FPU - LVTS <50k	0	0	0	0	0	0	0	0	0	0	0	0	-
FPU	FPU - LVTS >50k	80,266	79,178	77,410	81,707	85,935	90,752	96,702	98,474	94,769	85,643	80,634	82,369	84,346
FTM	FT-TRANSPORTATION	43	43	71	64	65	68	58	77	68	66	60	65	62
IND	IGC - TS2	209	227	224	225	185	296	252	14	234	231	215	235	208
IND	IGC - TS3	8	6	4	8	0	14	10	1	6	4	8	6	6
IND	IGC - TS4	-	-	-	-	-	-	-	-	-	-	-	-	-
ALL TOTAL ALLOCATED THERMS		200,969	209,056	207,835	218,825	234,270	240,176	261,590	266,953	250,496	233,704	216,233	218,209	224,640

Note A: IGC-TS4 customers will no longer be on the system. Therefore, the therms have been removed from this schedule and rate is reflected as \$0.

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FLORIDA PUBLIC UTILITIES COMPANY
 COMPUTATION OF SWING SERVICE RATES
 ALLOCATION OF DOLLARS

	DOLLARS	AVERAGE COST/THERM
Total Costs to Allocate	\$ 4,852,857	
% PGA	29.89% \$ 1,450,344	\$ 0.0448
% TRANSPORT	70.11% \$ 3,402,514	\$ 0.0406

	Average of All Months Excluding Peak Month	Peak Month	Peak and Average	Peak and Average Percent	Peak and Average Total Transport Cost	Phase in Percent	Phase In Amount	Therms	Phase in Rate Dollars per Therm	Tax Factor	Swing Service Rates
FT TRANSPORTAT	62	58	120	0.02473%	\$ 841	40%	\$ 337	22,687	\$ 0.0148	1.00503	\$ 0.0149
IGC-TS1	286	370	656	0.13500%	\$ 4,593	100%	\$ 4,593	107,895	\$ 0.0426	1.00503	\$ 0.0428
IGC-TS2	208	252	461	0.09475%	\$ 3,224	100%	\$ 3,224	78,032	\$ 0.0413	1.00503	\$ 0.0415
IGC-TS3	6	10	15	0.00318%	\$ 108	100%	\$ 108	2,243	\$ 0.0482	1.00503	\$ 0.0485
IGC-TS4 (Note A)	0	0	0	0.00000%	\$ -	100%	\$ -	-	\$ -	1.00503	\$ -
FPU-GSTS-1	1,476	1,774	3,250	0.66850%	\$ 22,746	40%	\$ 9,098	552,566	\$ 0.0165	1.00503	\$ 0.0165
FPU-GSTS-2	9,675	11,347	21,022	4.32350%	\$ 147,108	40%	\$ 58,843	3,612,180	\$ 0.0163	1.00503	\$ 0.0164
FPU-LVTS	84,346	96,702	181,047	37.23489%	\$ 1,266,922	40%	\$ 506,769	31,422,202	\$ 0.0161	1.00503	\$ 0.0162
FTS-A	253	355	608	0.12504%	\$ 4,254	100%	\$ 4,254	96,292	\$ 0.0442	1.00503	\$ 0.0444
FTS-B	733	957	1,690	0.34762%	\$ 11,828	100%	\$ 11,828	276,842	\$ 0.0427	1.00503	\$ 0.0429
FTS-1	5,090	7,658	12,748	2.62175%	\$ 89,205	100%	\$ 89,205	1,952,688	\$ 0.0457	1.00503	\$ 0.0459
FTS-2	1,464	2,391	3,855	0.79287%	\$ 26,977	100%	\$ 26,977	567,470	\$ 0.0475	1.00503	\$ 0.0478
FTS-2.1	2,541	3,540	6,080	1.25051%	\$ 42,549	100%	\$ 42,549	965,920	\$ 0.0440	1.00503	\$ 0.0443
FTS-3	2,926	3,181	6,106	1.25583%	\$ 42,730	100%	\$ 42,730	1,084,509	\$ 0.0394	1.00503	\$ 0.0396
FTS-3.1	6,136	6,815	12,951	2.66350%	\$ 90,626	100%	\$ 90,626	2,279,093	\$ 0.0398	1.00503	\$ 0.0400
FTS-4	7,524	9,333	16,857	3.46697%	\$ 117,964	40%	\$ 47,186	2,825,010	\$ 0.0167	1.00503	\$ 0.0168
FTS-5	2,979	3,399	6,378	1.31167%	\$ 44,630	40%	\$ 17,852	1,109,185	\$ 0.0161	1.00503	\$ 0.0162
FTS-6	4,088	4,502	8,590	1.76667%	\$ 60,111	40%	\$ 24,044	1,517,223	\$ 0.0158	1.00503	\$ 0.0159
FTS-7	8,471	10,601	19,072	3.92249%	\$ 133,463	40%	\$ 53,385	3,183,371	\$ 0.0168	1.00503	\$ 0.0169
FTS-8	12,933	16,017	28,950	5.95403%	\$ 202,587	40%	\$ 81,035	4,855,060	\$ 0.0167	1.00503	\$ 0.0168
FTS-9	9,584	9,524	19,108	3.92978%	\$ 133,711	40%	\$ 53,485	3,525,045	\$ 0.0152	1.00503	\$ 0.0152
FTS-10	4,879	7,282	12,161	2.50106%	\$ 85,099	40%	\$ 34,040	1,870,045	\$ 0.0182	1.00503	\$ 0.0183
FTS-11	18,677	28,211	46,888	9.64314%	\$ 328,109	40%	\$ 131,244	7,168,675	\$ 0.0183	1.00503	\$ 0.0184
FTS-12	40,303	37,312	77,615	15.96255%	\$ 543,128	40%	\$ 217,251	14,738,635	\$ 0.0147	1.00503	\$ 0.0148
	224,640	261,590	486,230	100.00000%	\$ 3,402,514		\$ 1,550,662	83,812,869			
Special Contracts							\$ 313,726				
Swing Service Revenue to Collect							\$ 1,864,388				

Note A: IGC-TS4 customers will no longer be on the system. Therefore, the therms have been removed from this schedule and rate is reflected as \$0.

FLORIDA PUBLIC UTILITIES COMPANY
 COMPUTATION OF SWING SERVICE RATES
 CALCULATION OF EXPERIMENTAL RATES

Schedule C
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RATE SCHEDULE	EXPERIMENTAL RATE	BASE NON-EXPERIMENTAL	PORTION OF EXPERIMENTAL FOR USAGE	NON-EXPERIMENTAL USAGE CHARGE	THERMS IN EXPERIMENTAL CALCULATION	RATES PER THERM	DOLLARS PER BILL	TAX FACTOR	EXPERIMENTAL SWING SERVICE RATES
FTS-A	\$ 17.00	\$ 13.00	\$ 4.00	\$ 0.4636	8.6	\$ 0.0442	\$ 0.3800	1.00503	\$ 0.3819
FTS-B	\$ 23.00	\$ 15.50	\$ 7.50	\$ 0.4929	15.2	\$ 0.0427	\$ 0.6494	1.00503	\$ 0.6527
FTS-1	\$ 29.00	\$ 19.00	\$ 10.00	\$ 0.4631	21.6	\$ 0.0457	\$ 0.9868	1.00503	\$ 0.9917
FTS-2	\$ 48.00	\$ 34.00	\$ 14.00	\$ 0.3196	43.8	\$ 0.0475	\$ 2.0822	1.00503	\$ 2.0927
FTS-2.1	\$ 87.00	\$ 40.00	\$ 47.00	\$ 0.3083	152.5	\$ 0.0440	\$ 6.7176	1.00503	\$ 6.7514
FTS-3	\$ 162.00	\$ 108.00	\$ 54.00	\$ 0.2410	224.0	\$ 0.0394	\$ 8.8256	1.00503	\$ 8.8700
FTS-3.1	\$ 263.00	\$ 134.00	\$ 129.00	\$ 0.2038	632.9	\$ 0.0398	\$ 25.1667	1.00503	\$ 25.2933

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FLORIDA PUBLIC UTILITIES COMPANY
COMPUTATION OF SWING SERVICE RATES
ACTUAL COSTS
7/1/2016 to 6/30/2017

Schedule D
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Nassau County William Burgess	\$ 443,028
Nassau County	\$ 2,109,996
AGL SR80(2) Benoist Farms	\$ 602,620
Port of Palm Beach	\$ 163,860
Riveria Lateral	\$ 186,996
Herando County CFG	\$ 3,528
Haines City CFG	\$ 1,622,520
Cardinal Technology LLC	\$ 34,036

Total Natural Gas \$ 5,166,583

**Less Special Contract Swing Service Charge to be
Recovered 7/17 to 6/18:**

Mosaic	\$ 36,000
Rayonier	\$ 106,176
8 Flags	\$ 171,550
	<u>\$ 313,726</u>
Net to Reduce PGA through Swing Service Rate	<u><u>\$ 4,852,857</u></u>

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