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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 120229-GU

PETITION OF THE FLORIDA DIVISION
OF CHESAPEAKE UTILITIES CORPORATION
FOR APPROVAL OF SPECIAL CONTRACT
WITH SUWANNEE AMERICAN CEMENT LLC.

PROCEEDINGS: COMMISSION CONFERENCE
ITEM NO. 12

COMMISSIONERS
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Monday, December 10, 2012

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, CRR, RPR
Official FPSC Reporter
(850) 413-6734

P R O C E E D I N G S

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3 **CHAIRMAN BRISÉ:** We're moving on, now we're
4 moving on to Item Number 12.

5 **MR. GARL:** Thank you, Mr. Chairman. Good
6 morning, Commissioners. I'm Steve Garl with Commission
7 staff.

8 Item 12 is a request for approval of a special
9 contract between Chesapeake Utilities Corporation and
10 Suwannee American Cement, LLC, for transportation of
11 natural gas to the Suwannee facility.

12 The proposed new contract would replace the
13 now expired initial ten-year contract between the two
14 parties. Staff recommends that the Commission approve
15 the new special agreement.

16 **CHAIRMAN BRISÉ:** Commissioner Brown.

17 **COMMISSIONER BROWN:** Thank you, Mr. Garl. I
18 pulled this because I just wanted to clarify a couple of
19 things.

20 On page 4 of the recommendation, can you help
21 me understand -- whereby Suwannee has paid \$2 million so
22 far to Chesapeake over the life of the contract on an
23 investment of 343,000, 343,000. To me it seems like
24 they're paying more than what the investment is worth.
25 Can you just clarify that?

1 **MR. GARL:** Yes, Commissioner. Chesapeake did
2 spend \$343,241 to connect gas service to the Suwannee
3 facility. Suwannee has paid, over the ten-year period,
4 over \$2 million, \$20,000 per month from service from
5 Chesapeake -- actually a total of \$2,409,000.
6 Chesapeake therefore does not believe that ratepayers
7 are at any risk, so the requirement for a letter of
8 credit or surety bond was unnecessary because of their,
9 Suwannee's investment.

10 **COMMISSIONER BROWN:** Ms. Jaber, do you want to
11 add anything to that?

12 **MS. JABER:** Thank you, Commissioner. Lila
13 Jaber with the Gunster law firm on behalf of the Florida
14 Division of Chesapeake.

15 I think the response is accurate. Obviously
16 we agree with staff's recommendation. The number that
17 is quoted in staff's recommendation is a comprehensive
18 number that covers the cost of the initial
19 infrastructure as well as the service, so.

20 **COMMISSIONER BROWN:** With that, I would move
21 staff's recommendation, if there are no other
22 Commissioners.

23 **CHAIRMAN BRISÉ:** It's been moved and seconded.
24 Any further questions or discussion? Seeing none, all
25 in favor, say aye.

1 (Vote taken.)

2 Okay.

3 **MS. JABER:** Thank you, Commissioners.

4 **CHAIRMAN BRISÉ:** Thank you very much. And
5 that concludes our discussion for this morning on the
6 issues before us for agenda. We are going to adjourn
7 this meeting and take about a ten-minute break, and then
8 convene for Internal Affairs in the Internal Affairs
9 room.

10 (Agenda item concluded.)

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1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTER
3 COUNTY OF LEON)

4 I, LINDA BOLES, RPR, CRR, Official Commission
5 Reporter, do hereby certify that the foregoing
6 proceeding was heard at the time and place herein
7 stated.

8 IT IS FURTHER CERTIFIED that I
9 stenographically reported the said proceedings; that the
10 same has been transcribed under my direct supervision;
11 and that this transcript constitutes a true
12 transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties, nor
15 am I a relative or employee of any of the parties'
16 attorneys or counsel connected with the action, nor am I
17 financially interested in the action.

18 DATED THIS 13th day of December, 2012.

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LINDA BOLES, CRR, RPR
FPSC Official Commission Reporter
(850) 413-6734