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February 19, 2013

BY HAND DELIVERY

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

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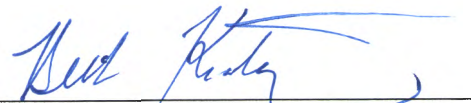
Re: Docket 120313 -- Petition for approval of transportation service agreement with Florida Public Utilities Company, by Peninsula Pipeline Company, Inc.

Dear Ms. Cole:

Enclosed for filing, please find the original and 2 copies of Peninsula Pipeline Company's Responses to Staff's Second Data Requests.

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

Sincerely,



Beth Keating
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00914 FEB 19 2013

Re: Docket Number 120313-GU - Petition for approval of transportation service agreement with Florida Public Utilities Company, by Peninsula Pipeline Company, Inc.

Peninsula's Responses to Staff's Second Data Requests

1. Please provide the work-papers that:
 - a. support the derivation of the monthly reservation charge; and,
 - b. demonstrate that FPUC is only paying for its share of the capacity it uses.

Company Response: a. As the Company stated in the petition (see paragraph 8), "the Agreement was developed through an "arms length" transaction." In other words, the Monthly Reservation Charge was arrived at through negotiations, not through a cost of service derived rate. Both parties submitted an affidavit stating that "Neither PPC, the Natural Gas Transmission Company nor the Customer had an unfair advantage during the negotiations culminating in said Transportation Service Agreement." Thus, there are no work papers to support the derivation of the monthly reservation charge.

b. The Monthly Reservation Charge was arrived at through negotiations, not through a cost of service derived rate or any demonstration "that FPUC is only paying for its share of the capacity it uses." As stated in the petition, paragraph 9, "the rates set forth therein are consistent with a "market rate" in that they are within the range of the rates set forth in similar agreements between Peninsula and other customers."

2. In response to Items 8 and 9 of Staff's First Data Request, Peninsula provided the confidential rates per Dt of capacity for FPUC and similar customers. Please explain why the FPUC-Riviera Lateral rate differs from the other two rates shown and provide any work-papers or documents that support your response.

Company Response: The rates for all customers shown in the Company's response to Items 8 and 9 of Staff's First Data Request were arrived at through negotiations and an "arms length" transaction. There are several reasons for the rate differences, including but not limited to: 1) whether PPC was constructing new pipeline facilities to provide the service or purchasing existing infrastructure from a third-party; 2) size of the pipeline facilities; 3) length of pipeline constructed; 4) quantities to be delivery to meet full requirements; and 5) contracted delivery pressures. There are no work-papers or documents to support the rate differences of the three contracts.



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