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July 1, 2013

**BY HAND DELIVERY**

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


**Re: Docket 130136 -- Petition for approval of assumption of special contract with JDC Development, LLC by the Florida Division of Chesapeake Utilities Corporation.**

Dear Ms. Cole:

Enclosed for filing, please find the original and five (5) copies of the Florida Division of Chesapeake Utilities Corporation's Responses to Commission Staff's First Data Requests to the Company in the above-referenced docket.

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

Kind regards,

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

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**CHESAPEAKE UTILITIES' RESPONSES TO STAFF'S FIRST DATA REQUEST**

***Questions Pertaining to the Petition***

1. Please refer to item number 5 on page 2 of the petition. Please explain why Chesapeake is "best positioned" to provide transportation service to JDC.

**Company Response:**

**Initially, JDC was positioned in an area that was not near any of the Florida Division of Chesapeake Utilities Corporation/Central Florida Gas's ("CFG" or "Company") operating facilities, and was best positioned to be served by Peninsula (PPC). The Company is expanding in this area, and has recently received approval to proceed with the purchase of Ft. Meade. Accordingly this customer will be located in an area that will be served by one of our Distribution Companies.**

**This customer has also requested service by a Distribution Company that can offer Conservation incentives.**

2. Please refer to item number 5 on page 2 of the petition. Please explain why JDC has indicated a preference for service by Chesapeake rather than Peninsula.

**Company Response:**

**JDC wanted to participate in the Conservation Program.**

3. Please refer to item number 5 on page 2 of the petition. Please identify and describe any other company conservation programs besides the Conservation Demonstration and Development Program (CDD) in which JDC would be able to participate if it were served by Chesapeake.

**Company Response:**

**JDC would also be eligible for CFG's Gas Space Conditioning Program if JDC were to install the equipment.**

**Program Description:**

**The program is intended to encourage the use of energy efficient natural gas air conditioning products to non-residential customers. The program provides an allowance of \$50 per ton of natural gas space conditioning up to a maximum of 500 tons per system, to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and installation.**

**Additionally, the Company was recently part of the jointly filed petition by the AGDF for a Commercial Program. If those are approved, JDC would be eligible for any of those programs that would apply to their business needs as well.**

4. Please explain the operational and financial advantages to Peninsula of giving up JDC as a customer.

Company Response:

**Initially the customer was situated in an area that our distribution companies did not serve, and was therefore best served by PPC. PPC would have had to provide operational service to this customer. There are no specific advantages or disadvantages to PPC outside of the loss of the revenues generated, and the expenses associated with servicing this customer. Since the Company is planning to expand in this area, the customer and Company will be better positioned financially to operate this area as a Distribution facility. Revenues are unchanged as the contract is simply being assigned to the Distribution Company.**

*Questions Generally Applicable to the Special Contract*

5. Please refer to Article VII, Article VIII, and Exhibit A of the Special Contract. Under the provisions of the Special Contract, is Peninsula required to secure capacity on Florida Gas Transmission Company's pipeline for purposes of serving JDC?

Company Response:

**No. Under the contract, the Shipper, i.e. JDC, is responsible for securing its own supply and transportation by FGT up to the Delivery Point on Peninsula's system.**

6. If the answer to Question 5 is yes, would Peninsula release this capacity to Chesapeake in conjunction with Chesapeake's assumption of the contract?

Company Response:

**See Response to Request 5.**

7. If the answer to Question 5 is yes, did Peninsula secure capacity on Florida Gas Transmission Company's pipeline and, if so, under what rate schedule?

Company Response:

**See Response to Request 5.**

***Questions Pertaining to Petitioner's Cost of Service Study***

8. Please refer to page 1 of the cost of service study. Please provide the date that the indicated infrastructure (City Gate Station, Mains, and Meters) was placed into service to supply gas to JDC.

Company Response:

**The facilities to supply gas to JDC were placed into service on 6/10/2013; however, there is still temporary electrical service at this location. We are waiting for FPL to install permanent electrical service to this facility. Once permanent electric is put into place, we will finish up with the complete installation.**

9. If the infrastructure items identified in Question 3(a) have been installed and are part of Peninsula's fixed assets, please provide a description of the accounting entries that will be made on both Peninsula's and Chesapeake's books to accomplish the transfer, including any cash payments made.

Company Response:

**A simple transfer of assets between PPC and CFG books will be made at the net book value. Since it was just placed in service there is no depreciation associated with the assets. There are no cash payments as part of this transfer: the assets will be transferred at net book value. This is the current book value of assets to be transferred. Debit will be made to CFG's fixed assets, and a credit will be made to PPC's fixed assets.**

JDC Capital Projects/FERC #	Total Expenditures
PC12051012 - JDC Ft Meade 4"PE 367	\$ 9,866
PC12091001 - FGT JDC Tap 371	152,104
PC13091103 - JDC Phosphates 371	139,313
	<u>\$301,283</u>

10. Please refer to page 1 of the cost of service study. Please explain why the Rate Base values are characterized as being "Projected."

Company Response:

**The cost of service study was completed based on estimated values. The term projected reflects that these costs were estimated.**