

August 5, 2022

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**BY E-PORTAL**

Mr. Adam Teitzman, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

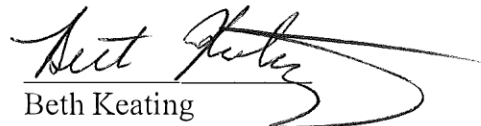
Re: Docket No. 20220123-GU: Petition for Approval of Transportation Service Agreement to reflect Expansion of St. Cloud by Florida Public Utilities Company and Peninsula Pipeline Company, Inc.

Dear Mr. Teitzman:

Attached for electronic filing, please find Florida Public Utilities Company and Peninsula Pipeline Company's Joint Responses to Staff's First Data Requests.

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

Sincerely,



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

Docket No: 20220123-GU: Petition for approval of transportation service agreement to reflect expansion of St. Cloud by Florida Public utilities Company and Peninsula Pipeline Company, Inc.

Response to Staff's First Data Request

Below, please find Florida Public Utilities Company's ("FPUC") and Peninsula Pipeline's Joint Responses to Staff's First Data Requests.

- 1) Please provide estimated costs and start and completion dates for the expansion projects shown in the table below:

Description	Location	Cost \$	Start & Completion
Construction of 23,232 ft. of 4-inch steel pipeline by PPC	From FGT interconnect going south along Missouri Avenue, west along Fertic Road, then south following Canoe Creek Road to Nolte Road and to the east along Nolte Road to the district regulator station		
New district regulator station by PPC	At or near intersection of Nolte Road and Hickory Tree Road		
Construction of 1,320 ft. of 6-inch plastic pipeline by FPUC	From above regulator station along Hickory Tree Road		

**Company Response:**

Description	Location	Cost \$	Start & Completion
Construction of 23,232 ft. of 4-inch steel pipeline by PPC	From FGT interconnect going south along Missouri Avenue, west along Fertic Road, then south following Canoe Creek Road to Nolte Road and to the east along Nolte Road to the district regulator station	\$3,350,000	Start - October 2022 Complete – March 2023
New district regulator station by PPC	At or near intersection of Nolte Road and Hickory Tree Road	\$460,000	Start – February 2023 Complete – March 2023
Construction of 1,320 ft. of 6-inch plastic pipeline by FPUC	From above regulator station along Hickory Tree Road	\$105,000	Start – February 2023 Complete – March 2023

- 2) Please provide an updated project map (electronic) to replace the provided project map in Attachment B in the petition, that clearly indicates the city gate locations, regulator locations, proposed pipelines indicating beginning and ending locations and PPC and FPUC segments, and Twin Lakes community discussed in the petition.

**Company Response:**

**An updated Map has been attached.**

- 3) What is the expected build out date of the Twin Lakes community?

**Company Response:**

**FPUC's more recent agreement with Twin Lakes was signed in July 2021. It was to add more units to the development with complete buildout within eight years. Twin Lakes could also add additional phases to their project in the future.**

- 4) Please provide a description of the approvals required by Peninsula from any other state or local agencies to complete the projects outlined in the petition.

**Company Response:**

**Peninsula is required to obtain permits from the Florida Department of Environmental Protection, Osceola County, and the City of St. Cloud.**

- 5) Please provide a description of the approvals required by FPUC from any other state or local agencies to complete the projects outlined in the petition.

**Company Response:**

**FPUC is required to obtain permits from Osceola County.**

- 6) Please describe the manner in which Peninsula will recover its associated costs for installing the pipeline and district regulator.

**Company Response:**

**Peninsula will recover the associated costs through the reservation charge to FPUC in Exhibit A of the contract.**

- 7) Please describe the manner in which FPUC will recover its associated costs for the proposed expansion project.

**Company Response:**

**FPUC will seek to recover its payments to Peninsula through both the PGA and Swing Service mechanisms. FPUC anticipates recovery in the same manner as all prudently incurred pipeline costs.**

- 8) Are the costs associated with this project, being recovered in the pending FPUC Docket No. 20220067-GU? Please discuss.

**Company Response:**

**No costs associated with this project are in the pending docket.**

- 9) Please identify and explain the types of costs that the monthly reservation charge as shown on Exhibit A to the Agreement is designed to recover.

**Company Response:**

The costs associated with the monthly reservation charge include, but are not limited to, design engineering, permitting, material and installation costs associated with constructing the pipeline and related facilities, on-going maintenance costs to meet PHMSA compliance and safety requirements, property taxes, gas control, and Peninsula's return on investment.

- 10) Did FPUC issue a Request for Proposals (RFP) to obtain construction cost estimates for the pipeline and regulator station from other entities? If so, please identify all respondents to the RFP and provide an explanation regarding why their proposals were rejected. If not, please state why FPUC did not solicit competitive bids.

**Company Response:**

No, FPUC did not obtain formal RFP responses from other entities. In previous discussions and requests with Florida Gas Transmission (FGT) for other projects, FGT has declined to bid on those projects citing constructing, owning, and operating laterals such as the one proposed in this Petition are not a focus of their expansion activities.

- 11) Please discuss how many residential, commercial, and industrial customers are expected to take service from the proposed Saint Cloud expansion project.

**Company Response:**

At the completion of the Saint Cloud expansion, FPUC will be able to fully provide service to the latest expansion of the Twin Lakes Community. At complete build out, it will consist of an additional 719 residential homes. Twin Lakes has additional phases planned that could add an estimated 250 homes. The developer owns an additional property adjacent to the development that could be developed for residential use in the future.

FPUC is currently negotiating a project with Gentry Land Development named Center Lake Ranch. The first phase will be 1,054 resident homes and six to eight commercial establishments within the development. The second phase of the project will add over 1,000 additional residential homes, and estimated bring in up to six more commercial customers.

In totality, FPU should be able to add over 3,000 residential customers, and 15 or more commercial accounts, in addition the opportunity for light industrial development in the area.

- 12) Paragraph 10 of the petition states that "other commercial customers are also expected to be picked up along the path of the PPC portion ..." (in Osceola County). Please provide a general description of type of expected commercial customers and an estimated number of commercial customers.

**Company Response:**

The area has multiple residential projects that will drive additional growth in the area. These majority of the residential growth will consist of the Twin Lakes Community, and a pending agreement with Center Lake Ranch. It is anticipated that the development of Center Lake Ranch will spur the growth of additional commercial opportunities such as restaurants and shopping centers in the area as the community develops. It is anticipated that there will be 3,000 residential customers and an estimated one hundred more single family homes being added near the pipeline project. FPUC should be able add 15 commercial accounts in the area.

- 13) Referring to Attachment A – Transportation Agreement, it appears that subsections 3.3 and 3.4 are identical. If a new 3.4 subsection is needed, please provide it as an addendum to the Transportation Agreement.

**Company Response:**

**Section 3.3 of the transportation agreement allows for adjustment to the reservation charge in cases of changes due to tax charges or rates by governmental authorities. Section 3.4 allows for adjustment to the reservation charge in cases of changes due to required capital expenditures by governmental authorities.**

- 14) Please describe the nature of service and the customer base already being served by FPUC and Peninsula in the St. Cloud area and Osceola County.

**Company Response:**

**The current customer base being served by FPUC and Peninsula in the St. Cloud and Osceola County consists of a mix of residential, commercial, and industrial customers. Saint Cloud has a mix of residential customers in the central part of the city along with numerous commercial customers on or near the main thoroughfare Irlo Bronson Highway. The original development of the Twin Lakes Development five years ago drove growth and the need to focus and further expand into Saint Cloud and Osceola County. The Orlando Health St Cloud Hospital is the largest FPUC customer in the area. FPUC's industrial customers are primarily light industrial.**

- 15) Which pipelines does FPUC currently use to transport gas to Osceola County?

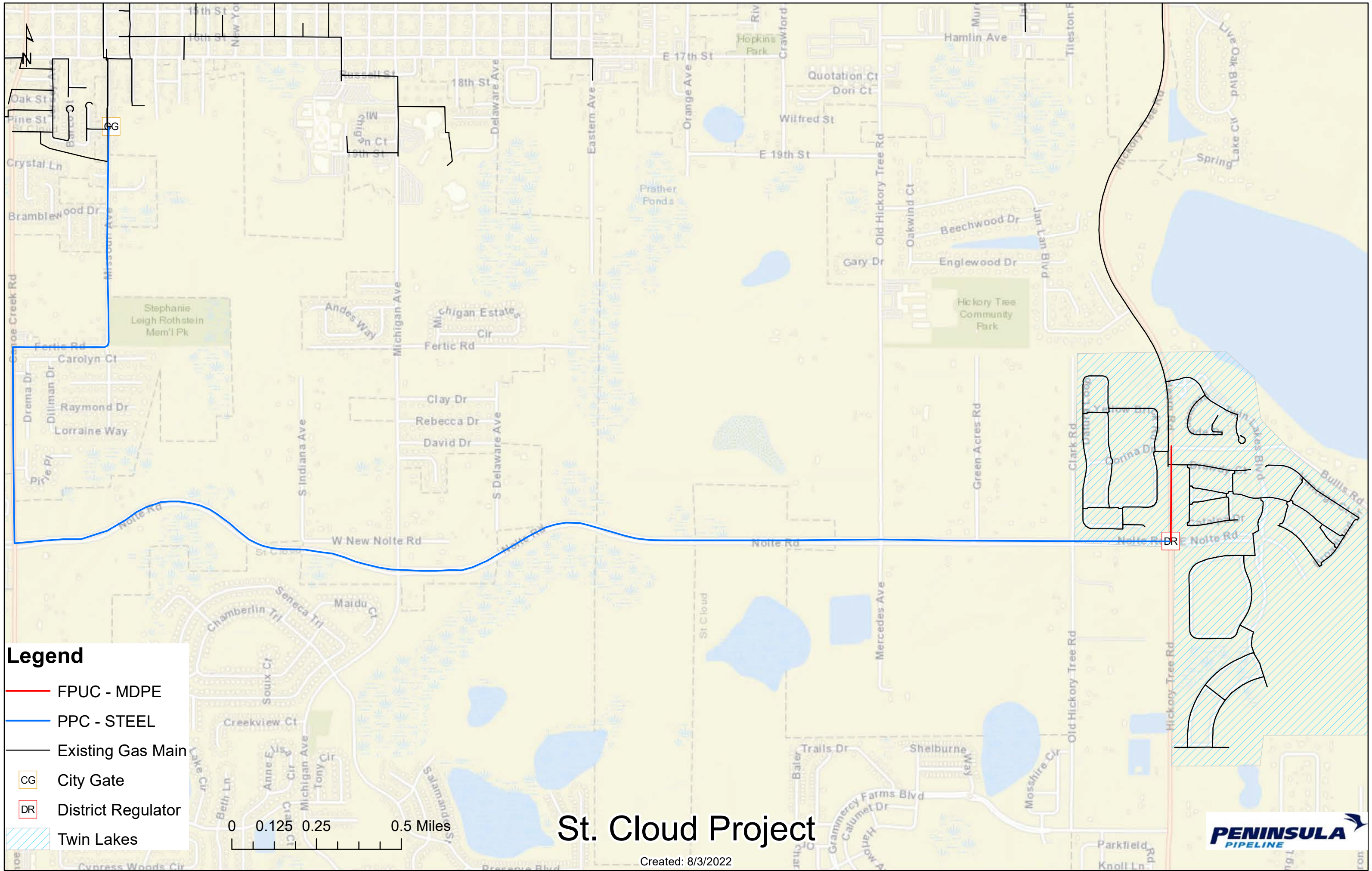
**Company Response:**

**FPUC uses Florida Gas Transmission for gas supply in Osceola County.**

- 16) Referring to paragraph 4.1 of the Agreement, please state the expected in-service date that begins the initial period of 20 years.

**Company Response:**

**The expected in-service date will begin at the commencement of service at the completion of the project build out.**



**Legend**

- FPUC - MDPE
- PPC - STEEL
- Existing Gas Main
- City Gate
- District Regulator
- Twin Lakes

0 0.125 0.25 0.5 Miles

# St. Cloud Project

Created: 8/3/2022

