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November 27, 2023

BY E-PORTAL

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

Docket No. 20230110-GU- Petition for approval of tariff modifications to implement transportation balancing charge rider, by Florida City Gas.

Dear Mr. Teitzman:

Attached for electronic filing, please find the Florida City Gas's Responses to Staff's First Data Requests.

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,

Beth Keating

Beth Keating
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QUESTION:
Please provide copies of the spreadsheets included in Appendices 2-6 in Excel with all formulas intact and unlocked.

RESPONSE:
Copies of Appendices 2 through 6 are being separately provided to Staff in Excel format with all formulas intact and unlocked.

QUESTION:
Please refer to the petition, page 3, to address this question. Footnote 2 states, in part, "FCG will provide gas delivery service to Transportation Customers that become Sales Customers if there is sufficient capacity to do so." Please address or explain what occurs if there is insufficient capacity?

RESPONSE:
The information requested in Staff's First Set of Data Requests, No. 2 is not relevant to and has no impact on the proposed Transportation Balancing Charge. Notwithstanding and without waiver of any objections, FCG's current Commission-approved Tariff provides "[t]he Company will, when possible, provide firm gas delivery service to Sales Customers who were Transportation Customers. However, if sufficient interstate pipeline capacity is not available, those Customers may not receive firm gas delivery service." See FCG Tariff Rule 15.J, Sheet No. 23. Consistent therewith, FCG will provide gas delivery service to Transportation Customers that become Sales Customers provided that it does not jeopardize the safety, reliability, and integrity of FCG's system or the service provided to other existing Sales Customer. If conditions exist, including insufficient capacity, such that FCG is unable to provide gas delivery service to Transportation Customers that become Sales Customers without compromising the safety, reliability, and integrity of FCG's system or the service provided to other existing Sales Customer, FCG will decline to provide such service in accordance with Tariff Rule 15.J. If such a situation were to occur, the Transportation Customer would need to seek gas supply service from the competitive market through a third-party supplier/marketer.

QUESTION:
Referring to the petition, paragraph 10, discuss whether FCG holds any capacity with the delivering pipeline for transportation customers or whether it is solely the TPSs' responsibility to arrange for interstate or intrastate capacity to serve their Transportation Customers.

RESPONSE:
FCG currently does not hold interstate pipeline capacity on behalf of Transportation Customers or their Third-Party Suppliers (TPSs). As set forth in footnote 6 on page 5 of FCG's Petition, FCG is required to hold sufficient capacity to serve its Sales Customers on a design day plus a reserve margin of not less than 5%. See FCG Tariff, Rule 15.J, Sheet No. 22.

Pursuant to FCG's Commission-approved Tariff, "the TPS is responsible for making arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline supplier." *See* FCG Tariff Rule 15.C, Sheet No. 20. Further, FCG's Third-Party Supplier (TPS) Tariff, Sheet Nos. 60-67, provides as follows:

- "The TPS daily nominations shall consist of the ADDQ amount as provided by the Company, if applicable, plus an amount to meet their non-ADDQ Customers daily requirements. The TPS shall use its best efforts to match their daily nominations to ADDQ and non-ADDQ requirements for the Customers it serves." See FCG Tariff, Sheet No. 63.

- "The TPS shall deliver, or cause to be delivered, to the Company at the point(s) of receipt and receive, or cause to be received, from Company at the point(s) of delivery, on a uniform daily basis, that quantity of natural gas that has been Nominated for Service." See FCG Tariff, Sheet No. 64.

- "The TPSs will be required to obtain firm interstate pipeline capacity into the Company's distribution system at points designated by the Company at a quantity equivalent to their Customers' aggregate ADDQ. TPSs that do not demonstrate sufficient interstate firm capacity will be required to accept assignment of such capacity from the Company to the extent that it's available, and consistent with the capacity assignment process outlined in the Rules and Regulations Section 15 (Transportation – Special Conditions) section of the tariff." See FCG Tariff, Sheet, No. 67.

To date, FCG has not obtained sufficient interstate pipeline capacity to trigger the capacity release provisions of its tariff. Moreover, FCG is not aware of and currently does not forecast any new interstate pipeline capacity becoming available in the reasonably foreseeable future.

QUESTION:
The petition, paragraph 12, states, in part, "As shown on Appendix 2, there was an average monthly system-wide total TPS imbalance of 9.63 percent for calendar year 2021 and 10.07 percent for calendar year 2022."

a. Please explain why a two-year average data set (2021 and 2022) was used to set the initial Transportation Balancing Charge, while the proposed tariff (in Section D) refers to a three-year average for purposes of calculating the threshold for filing updates.

b. Through the latest date that actual data is available, please provide the same detail provided in Appendix 2 to show the year-to-date average monthly system-wide imbalances for 2023.

RESPONSE:
a. To estimate the monthly average system-wide total TPS imbalance as a percentage of FCG's total capacity and storage, FCG relied upon the most accurate and complete data available for full calendar years. Due to the impacts of COVID-19, the usage during calendar year 2020 was not representative of typical usage on FCG's system. Additionally, calendar year 2023 is ongoing and does not represent a full calendar year of data. Given the potential for seasonal swings in gas usage, FCG submits that it is appropriate to use data for a full calendar year to avoid the monthly average system-wide total being improperly skewed due to a partial calendar year data that may rely too heavily on seasonal usage. For these reasons, FCG used a combined two-year monthly average for calendar years 2021 and 2022 to estimate the initial monthly average system-wide total TPS imbalance because it was the most accurate and complete data available at the time of this filing. Further, if FCG waited until it had imbalance data through the end of calendar year 2023, it would delay FCG's proposal to mitigate the potential for Sales Customers to subsidize the balancing costs incurred on behalf of the Transportation Customers.

   Although FCG used a combined two-year monthly average to estimate the initial monthly average system-wide total TPS imbalance, FCG nonetheless believes that using a three-year average going forward is a reasonable method to track and identify whether average monthly system-wide total TPS imbalances change by more than 10.0%. To be clear, this three-year average will be tracked on a rolling basis each year rather than once every three years.

b. See Attachment 1 to this response for data through the end of October 2023. However, as explained in FCG's response to Staff Data Request No. 4(a) above, FCG submits that it is appropriate to use data for a full calendar year to avoid the monthly average system-wide total being improperly skewed due to a partial calendar year data that may rely too heavily on seasonal usage.

QUESTION:

Please refer to page 5. Paragraph 14 states, in part, "All costs for the FCG's interstate and intrastate capacity and storage are currently charged to the PGA (Purchased Gas Adjustment) and paid solely by the Sales Customers."

a. Please state the amount of actual costs for interstate and intrastate capacity that were charged to the PGA in 2021.

b. Please state the amount of actual costs for interstate and intrastate capacity that were charged to the PGA in 2022.

c. Please state the amount of actual and estimated costs for interstate and intrastate capacity that were recorded for 2023 in the August 4, 2023 filing in Docket No. 20230003-GU (the Actual/Estimated and Projection filing for the PGA docket), and identify the schedule, page and line references where such costs are shown.

d. Please state the amount of projected costs for interstate and intrastate capacity in 2024 that were in the August 4, 2023 filing in Docket No. 20230003-GU (the Actual/Estimated and Projection filing for the PGA docket), and identify the schedule, page and line references where such costs are shown.

RESPONSE:

a. The actual costs incurred in 2021 for interstate and intrastate capacity and storage and charged to the PGA for calendar year 2021 were $11,775,051, which was included in FCG's final 2021 PGA true-up approved in Docket No. 20220003-GU.

b. The actual costs incurred in 2022 for interstate and intrastate capacity and storage and charged to the PGA for calendar year 2022 were $10,508,873, which was included in FCG's final 2022 PGA true-up approved in Docket No. 20230003-GU.

c. The actual/estimated costs incurred in 2023 for interstate and intrastate capacity and storage and charged to the PGA for calendar year 2023 were $12,128,786, which was included in FCG's actual/estimated 2023 PGA true-up approved in Docket No. 20230003-GU. This amount is shown in FCG Exhibit MB-2, page 3 of 8, Schedule E-1/R, Line 5.

d. The costs projected in 2024 for interstate and intrastate capacity and storage to be charged to the PGA for calendar year 2024 were $12,863,340, which was included in FCG's 2024 PGA projection approved in Docket No. 20230003-GU. This amount is shown in FCG Exhibit MB-2, page 2 of 8, Schedule E-1, Line 5.

QUESTION:
Please refer to the petition, paragraph 14, which states that "FCG's Sales Customers are currently subsidizing the Transportation Customers." Please state the expected reduction in PGA factor an average Sales Customer would save in PGA charges following implementation of the proposed new tariff.

RESPONSE:
Based on the total 2024 forecast of annual therms for the Transportation Customer rate classes, the proposed Transportation Balancing Charge is a dollar/therm charge designed to recover an estimated $1.0 million of balancing costs incurred on behalf of Transportation Customers and their TPSs, which would be booked to and reflected as an offset/credit to FCG's annual final actual PGA true-up filing. See paragraphs 19-21 of FCG's Petition. This would result in a savings of approximately 7.8% as compared to the $12,863,340 of capacity and storage costs forecasted in FCG's 2024 PGA Factor approved in Docket No. 20230003-GU.[1]

All things being equal and assuming the revenues from the Transportation Balancing Charge are recovered equally over a twelve-month period, a credit of an estimated $1.0 million of revenues from the Transportation Balancing Charge to the PGA would reduce the maximum levelized 2024 PGA Factor approved in Docket No. 20230003-GU from $0.84816 per therm to an estimated $0.82773 per therm. Obviously, the extent of savings actually realized by the Sales Customers would be dependent upon multiple factors, including: the actual Transportation Balancing Charge revenues recovered and credited to the PGA; the effective date of the Transportation Balancing Charge; the applicable annual PGA cycle; and the Sales Customer's individual usage.

[1] See FCG Exhibit MG-2, page 2 of 8, Schedule E-1, Line 5.

QUESTION:
Please refer to the petition, page 5, footnote 6. It is stated that "FCG has not obtained sufficient interstate pipeline capacity to trigger the capacity release provisions of its tariff." Please explain why FCG is unable to increase capacity.

RESPONSE:
The information requested in Staff's First Set of Data Requests, No. 7 is not relevant to and has no impact on the proposed Transportation Balancing Charge. Notwithstanding and without waiver of any objections, FCG does not own, operate, or control interstate capacity, and to FCG's knowledge all interstate capacity within the state of Florida is currently fully subscribed. If, when, and where new interstate capacity is to be built is a matter to be determined by the interstate pipeline companies. FCG is not aware of and currently does not forecast any new interstate pipeline capacity becoming available to serve FCG's system in the reasonably foreseeable future. Further, in the event that interstate pipeline capacity was to become available in the future, FCG would only acquire such capacity if (a) it was necessary and appropriate to serve its customers based on the circumstances and conditions that existed at that time, and (b) the terms and costs of such future interstate capacity were reasonable.

QUESTION:
Please refer to the petition, page 6. Paragraph 17 states, in part, "However, FCG's system currently cannot track daily imbalances at the individual customer level, which would be necessary to directly assign the balancing costs incurred for each Transportation Customer to their applicable TPS."

a. Please discuss what system enhancement(s) would be necessary to enable the utility to track daily imbalances at the individual customer level.

b. Is FCG aware of any investor-owned gas utilities in Florida that have the capability to track daily imbalances at the individual customer level?

RESPONSE:
a. Using FCG's gas scheduling system, Gastar, the TPSs currently track their daily imbalance on a Pool Level Basis for the gas supply nominated and delivered to both the North and South Pools on FCG's system consistent with Tariff Rule 15.I, Sheet No. 22. The TPSs aggregate their Florida Gas Transmission supply into each of these pools. In order for the TPSs to be able to manage and track their gas supply nominations and deliveries at the customer level, the TPSs would need to change their nomination process to a customer based system on both the Florida Gas Transmission and FCG gas scheduling systems. Additionally, FCG would need to upgrade its Gastar scheduling system to accommodate the ability for TPSs to nominate and track the gas supply deliveries at the individual customer level. FCG submits that the current pooling process works well and implementing the changes necessary for the TPSs and FCG to track daily imbalances at the individual customer level would complicate the nomination/confirmation process.

b. To the best of its knowledge, FCG is not aware of any investor-owned gas utility in Florida that has the ability to track daily imbalances at the individual customer level.

QUESTION:
Please refer to the petition, paragraph 23. Please explain how the utility calculates the 3-year average monthly system-wide total TPS imbalances.

RESPONSE:
FCG will calculate the three-year average monthly system-wide total TPS imbalances in the same manner it calculated the two-year average monthly system-wide total TPS imbalances in its Petition and supporting Appendices. See Paragraph 19 and Appendices 3 and 4 of FCG's Petition. The only difference will be that instead of using two full calendar years of data, FCG will use three full calendar years of data. See also FCG's response to Staff First Set of Data Requests, No. 4.

QUESTION:
Please refer to the petition, paragraph 24. It is stated that the Balancing Charge will remain "fixed and relatively stable unless there are significant material changes." Please list all examples of a material change that would cause the Balancing Charge to fluctuate, and the threshold used to determine whether a change is material or not.

RESPONSE:
Significant material changes that could impact the Transportation Balancing Charge include, but are not limited to: any three-year average monthly system-wide total TPS imbalances change by more than 10.0%, as described in Paragraph 23 and Appendix 1 of FCG's Petition; acquisition of new interstate capacity; acquisition of new intrastate capacity; acquisition of additional or new interstate storage capacity; or some other material change in the capacity costs (increase or decrease) that are currently being recovered through the PGA Factor.

QUESTION:
Please describe any actions FCG will take to coordinate with the third party suppliers to implement the balancing charge for transportation customers.

RESPONSE:
See paragraphs 26 through 29 of FCG's Petition. Consistent therewith, FCG has already provided notice to all TPSs on its system and all existing Transportation Customers.

QUESTION:
Please discuss any impacts the implementation of the proposed balancing charge would have on third party suppliers that purchase gas for transportation service customers of FCG.

RESPONSE:
The Transportation Customers served by the TPS would incur the Transportation Balancing Charge to reduce the potential for Sales Customers to subsidize the balancing costs incurred on behalf of the Transportation Customers and their TPSs, and more fairly allocate existing costs between FCG's Sales Customers and Transportation Customers. FCG is not privy to and has no knowledge about any of the terms, conditions, or pricing voluntarily agreed to in the confidential gas supply agreements between Transportation Customers and their TPSs and, therefore, cannot opine or speculate on whether the proposed Transportation Balancing Charge would have any impact on these gas supply agreements. However, FCG submits this is no different than any other Commission-approved change in a tariff, rule, or rate that applies to Transportation Customers. Indeed, all TPSs on FCG's system must agree to be bound by the terms and conditions of FCG's Tariff, as may be amended from time to time. See FCG Tariff, Sheet No. 60.

QUESTION:
Please refer to Appendix 2. Please provide system-wide total third party supplier imbalances for calendar year 2020.

RESPONSE:
See Attachment 1 to this response for the TPS imbalance data for calendar year 2020. As noted in FCG's response to Staff First Data Request, No. 4(a), the usage during calendar year 2020 was not representative of typical usage on FCG's system due to the impacts of COVID-19.

<u>QUESTION</u>:
Please refer to Appendix 3 for the following questions.

a. Appendix 3 is titled "Total Annual Interstate and Intrastate Capacity and Storage, and Estimated Balancing Costs." Please define what period is referenced as "estimated."

b. Appendix 3 contains a table titled "Total FCG Capacity Costs Booked to PGA."

   i. Please state what year the costs shown were booked to the PGA.

   ii. Please clarify whether the amounts shown are rounded, and if so, explain.

   iii. Please state by filing, schedule, page, and line references where the costs shown were booked to the PGA.

c. Appendix 3 contains a table titled "Costs to be Allocated to Transportation Balancing Charge." The table indicates that the imbalance as a percentage of capacity (7.85 percent) is equally applied to all storage providers.

   i. Please explain why this percentage is assessed equally, rather than on a weighted or volumetric basis?

   ii. This table reflects that about $1.0 million of estimated balancing costs would be allocated to the Transportation Balancing Charge. Would a similar amount be reflected as a reduction of costs in the utility's 2024 PGA filings? Please explain your response.

   iii. Please identify what data in Appendix 3 is updated in the calculation of allocated TBC costs that FCG intends to track and the frequency (i.e. monthly, quarterly, etc.) the utility intends to track such changes.

<u>RESPONSE</u>:
a. Appendix 3 provides FCG's forecast for the combined total annual interstate and intrastate capacity and storage and associated annual costs for calendar year 2024. As shown therein, FCG's forecast for the combined total annual interstate and intrastate capacity and storage is 4.15 million maximum daily quantity ("MDQ") of gas at a total annual cost of $12.8 million, which is consistent with the projection in FCG's maximum levelized 2024 PGA Factor approved in Docket No. 20230003-GU. See FCG Exhibit MB-2, page 2 of 8, Schedule E-1, Line 5 in Docket No. 20230003-GU.

b.
   i. See FCG's response to Staff First Set of Data Requests, No. 14(a) above.

   ii. As shown on Appendix 3, all costs are reflected to the cent and have not been rounded.

   iii. See FCG's response to Staff First Set of Data Requests No. 14(a) above.

c. Appendix 3 is not limited to storage providers as suggested by Staff First Set of Data Requests No. 14(c). Appendix 3 provides FCG's forecast for the combined total annual interstate and intrastate capacity and storage and associated annual costs for calendar year 2024. Subject to the foregoing clarification, FCG responds as follows:

   i. As explained in Paragraphs 11-14 of FCG's Petition, FCG uses both its available capacity (interstate and intrastate) and storage on a daily basis to correct Transportation Customers' imbalances in order to avoid significant imbalance penalties and charges from the interstate pipelines. The source of the capacity or storage used to correct imbalances can change daily or even hourly depending on the capacity needs of FCG's customers and what capacity or storage remains available for balancing purposes. Given this variability, FCG does not track the specific source used to correct hourly, daily, or monthly imbalances. As a reasonable proxy, FCG proposes to allocate a portion of the total capacity and storage costs recovered through the PGA Factor based on the monthly average system-wide total TPS imbalance as a percentage of FCG's total capacity and storage.

   ii. The information requested in Staff's First Set of Data Requests, No. 14(c)(ii) is dependent on several variables that are not entirely within FCG's control, including, but not limited to: the effective date of the Transportation Balancing Charge; the actual annual therms of usage for the Transportation Customer rate classes; the actual annual revenues received through the dollar per therm Transportation Balancing Charge; and the applicable PGA filing cycle. The $1.0 million of revenues estimated to be recovered through the Transportation Balancing Charge is based on the current capacity costs included in the maximum levelized 2024 PGA Factor approved in Docket No. 20230003-GU, and FCG's total 2024 forecast of annual therms for the Transportation Customer rate classes. All things being equal, FCG would anticipate that $1.0 million in annual revenues would be recovered through the Transportation Balancing Charge and reflected as a credit in the applicable final PGA true-up filing. As stated in the proposed tariff attached as Appendix 1 to FCG's Petition, FCG will not forecast or estimate the revenues/credits from the Transportation Balancing Charge in its annual PGA filing and, instead, proposes to only reflect the actual revenues received as a credit in its final actual PGA true-up filed annually with the Commission. See also footnote 9 on pages 7-8 of FCG's Petition.

iii. Appendix 3 provides FCG's forecast for the combined total annual interstate and intrastate capacity and storage and associated annual costs for calendar year 2024. The capacity and storage, and associated costs, shown therein are based on long-term contracts with the providers that may, if reasonable and prudent, be amended, renegotiated, renewed, extended, or terminated from time-to-time in the ordinary course of business. Consistent with FCG's annual PGA filings, FCG will track the total capacity and storage, and associated costs, on an annual basis and update to reflect any changes, including changes in the existing or future contracts with the providers.

QUESTION:
Please refer to Appendix 4. Please provide monthly average system-wide total third-party supplier imbalance for calendar year 2020.

RESPONSE:
See Attachment 1 to this response for the monthly average system-wide total TPS imbalance data for calendar year 2020. As noted in FCG's response to Staff First Data Request No. 4, the usage during calendar year 2020 was not representative of typical usage on FCG's system due to the impacts of COVID-19.

QUESTION:
Please refer to Appendix 5 for the following questions.

a. Please explain why FCG is not seeking in this filing to apply the proposed swing service rider to the following existing gas transportation service rate schedules:

   i. General Service 11M (GS-11M)

   ii. General Service 25M (GS-25M)

   iii. Commercial Standby Generator Service (CSG)

   iv. Natural Gas Vehicle Service-I (NGV-I)

b. The first column shown for Rate Classes is titled as "2024 Annual Therm Forecast." Please state by schedule, page and line references where the forecasted values from Appendix 5 are shown in Schedule E-5 of the 2024 Projection filing for Docket No. 20230003-GU (the PGA cost recovery clause docket).

c. Information is given regarding the number of bills by rate class. Please state by schedule, page and line references where the information from Appendix 5 is shown in Schedule E-5 of the 2024 Projection filing for Docket No. 20230003-GU (the PGA clause docket).

d. Please refer specifically to "Bill Impacts" as shown in the lower half of data table. The table shows that, for KDS (Combined), the "Annual Therm Forecast" is the same as the "Annual Use Per Customer" (44,442,920 therms), yet the number of bills are 2. Please explain how the value of 44,442,920 therms for KDS (Combined) is calculated. If the utility finds that this calculation of "Annual Use Per Customer" is in error, and the reliance on that number resulted in further errors in this table, please provide a revised version of Appendix 5 and all other schedules or appendices that use input values that were derived from the as-filed Appendix 5.

RESPONSE:

a. As set forth in Appendix 1, the proposed Transportation Balancing Charge will be applied to all customers taking Transportation Service from a TPS.

   For clarity, Appendix 5 provides the allocated costs per therm based on the total 2024 forecast of annual therms for the Transportation Customer rate classes, which results in a Balancing Charge of $0.00780/therm to be applied to the monthly bill for each current and future Transportation Customer. FCG's total 2024 forecast of annual therms for the Transportation Customer rate classes does not forecast any customers (or usage) in rate schedules GS-11M, GS-25M, CSG, and NGV-I in 2024. However, to the extent that any future Transportation Customers take service under these rate schedules, they would be subject to the Transportation Balancing Charge in effect at that time.

b. The 2024 annual therm forecast is provided in Exhibit MB-2, page 7 of 8, Schedule E-5, Line 26 in Docket No. 20230003-GU.

c. The number of bills for 2024 is provided in Exhibit MB-2, page 7 of 8, Schedule E-5, Line 45 in Docket No. 20230003-GU.

d. Pursuant to the Contract Demand Service (KDS) rate schedule of FCG's Tariff, KDS customers are at negotiated rates agreed to by FCG and the Customer. See FCG Tariff, Sheet Nos. 54-56. KDS customers are very large industrial customers that can have significantly different gas delivery service requirements (*i.e.*, anything above 250,000 annual therms). The KDS rates are negotiated on an individual basis with each customer and take into account the applicable competitive and market conditions. To avoid giving customers an unfair competitive advantage in these negotiations, all terms and pricing of the KDS agreements are strictly confidential. See FCG Tariff, Sheet No. 55. As shown in Appendix 5 to FCG's Petition, there are currently two KDS customers forecasted on FCG's system during calendar year 2024. However, in order to properly maintain confidentiality, FCG has combined the usage and negotiated rates for these two KDS customers to estimate the combined bill impacts for this rate class, as shown in Appendix 6 to FCG's Petition.

QUESTION:
Assuming approval of the petition in this docket, how will these proposed changes to the transportation and sales costs, therms, and other related data be reflected in the PGA cost recovery clause docket schedules in 2024 and beyond? Please provide specific locations (i.e. filings, schedules, page, lines, columns) where additional line or schedule entries would appear.

RESPONSE:
As stated in the proposed tariff attached as Appendix 1 to FCG's Petition, FCG will not forecast or estimate the revenues/credits from the Transportation Balancing Charge in its annual PGA filings and, instead, FCG proposes to only reflect the actual revenues received as a credit in its final actual PGA true-up filed annually with the Commission. See also footnote 9 on pages 7-8 of FCG's Petition. FCG has not at this time identified a specific line in the final PGA true-up schedules where the credit will be reflected; however, FCG anticipates that it will be included as a subpart to Line 1 on Schedule A-7 of FCG's final PGA true-up filing similar to the credit from the FCG's Off System Sales (OSS).

Florida City Gas
Docket No. 20230110-GU
Staff's First Set of Data Requests
Request No. 18

<u>QUESTION</u>:
NextEra recently announced the sale of Florida City Gas to Chesapeake Utilities. Please discuss the timing and impacts the sale will have on the proposed tariff.

<u>RESPONSE</u>:
The information requested in Staff's First Set of Data Requests, No. 18 is not relevant to and has no impact on the proposed Transportation Balancing Charge. Notwithstanding and without waiver of any objections, FCG does not anticipate that the potential sale of FCG to Chesapeake Utilities will have any impact on the proposed Transportation Balancing Charge.