



December 13, 2023

VIA: ELECTRONIC FILING

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

Re: Docket 20230125; Joint petition for approval of amendment to territorial agreement in Pasco County, by Florida Public Utilities Company and Peoples Gas System, Inc.

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is Florida Public Utilities Company and Peoples Gas System, Inc.'s Joint Response to Staff's First Data Request (Nos. 1-7) served on November 17, 2023.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Malcolm N. Means'.

Malcolm N. Means

MNM/ne
Attachment

cc: Beth Keating, bkeating@gunster.com
Michelle D. Napier, mnapier@fpuc.com
All parties of record


CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Joint Response, filed on behalf of Florida Public Utilities Company and People Gas System, Inc., has been furnished by electronic mail on this 13th day of December 2023 to the following:

Austin Watrous
Office of General Counsel
Florida Public Service Commission
Room 390L – Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
awatrous@psc.state.fl.us

Alara Kaymak
Public Utility Analyst
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
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Walt L. Trierweiler
Office of Public Counsel
111 West Madison Street – Room 812
Tallahassee, FL 32399-1400
trierweiler.walt@leg.state.fl.us



ATTORNEY

**FLORIDA PUBLIC UTILITIES
COMPANY
PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230125-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
BATES PAGE(S): 1 - 7
FILED: DECEMBER 13, 2023**

1. Please refer to the petition, page 3, paragraph 5 to address the following questions.
 - a. How many acres are encompassed in "Service Area B?"
 - b. Please describe the new commercial development.
 - c. Describe the nearest FPUC's operating gas facilities in terms of pipeline size and proximity to "Service Area B."
 - d. Describe the facilities that would need to be constructed from the nearest FPUC's operating gas facilities in order to serve the new commercial development. Include in your response approximate distance (linear feet and/or miles) between FPUC's nearest operating gas facilities and the specific location of the new commercial development.
 - e. State the estimated costs if FPUC were to construct the facilities necessary to serve the new commercial development in "Service Area B."
 - f. Provide a demonstrative exhibit or diagram similar to Amendment Exhibit A that shows the nearest FPUC's operating gas facilities to "Service Area B," and the placement of facilities that would need to be constructed in order to serve the new commercial development.
 - g. Describe the nearest Peoples Gas's operating gas facilities in terms of pipeline size and proximity to "Service Area B."
 - h. Describe the facilities that would need to be constructed from the nearest Peoples Gas's operating gas facilities in order to serve the new commercial development. Include in your response approximate distance (linear feet and/or miles) between Peoples Gas's nearest operating gas facilities and the specific location of the new commercial development.
 - i. State the estimated costs if Peoples Gas were to construct the facilities necessary to serve the new commercial development.

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DOCKET NO. 20230125-GU
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FILED: DECEMBER 13, 2023**

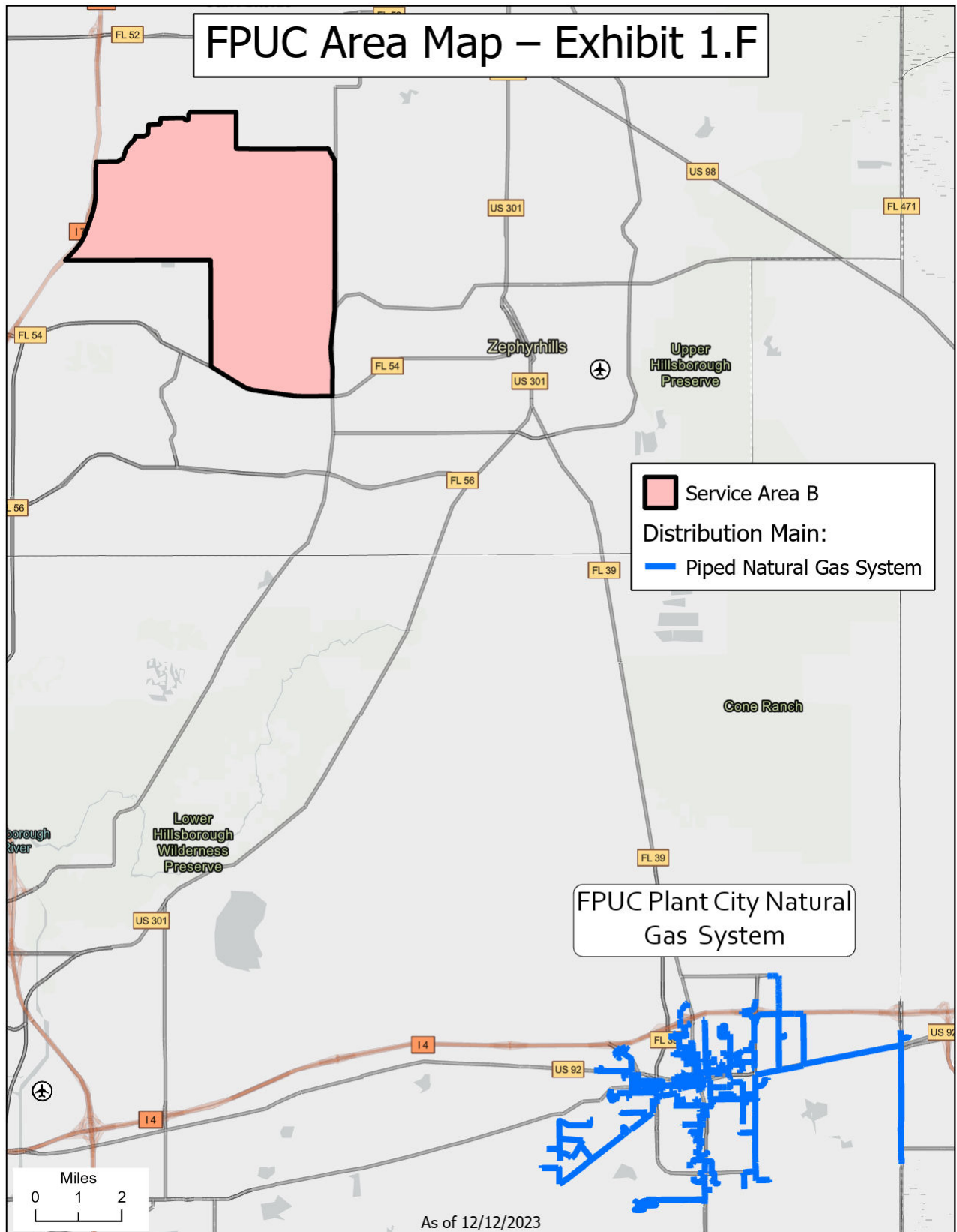
- j. Provide a demonstrative exhibit or diagram similar to Amendment Exhibit A that shows the nearest Peoples Gas operating gas facilities to “Service Area B,” and the placement of facilities that would need to be constructed in order to serve the new commercial development.

A.

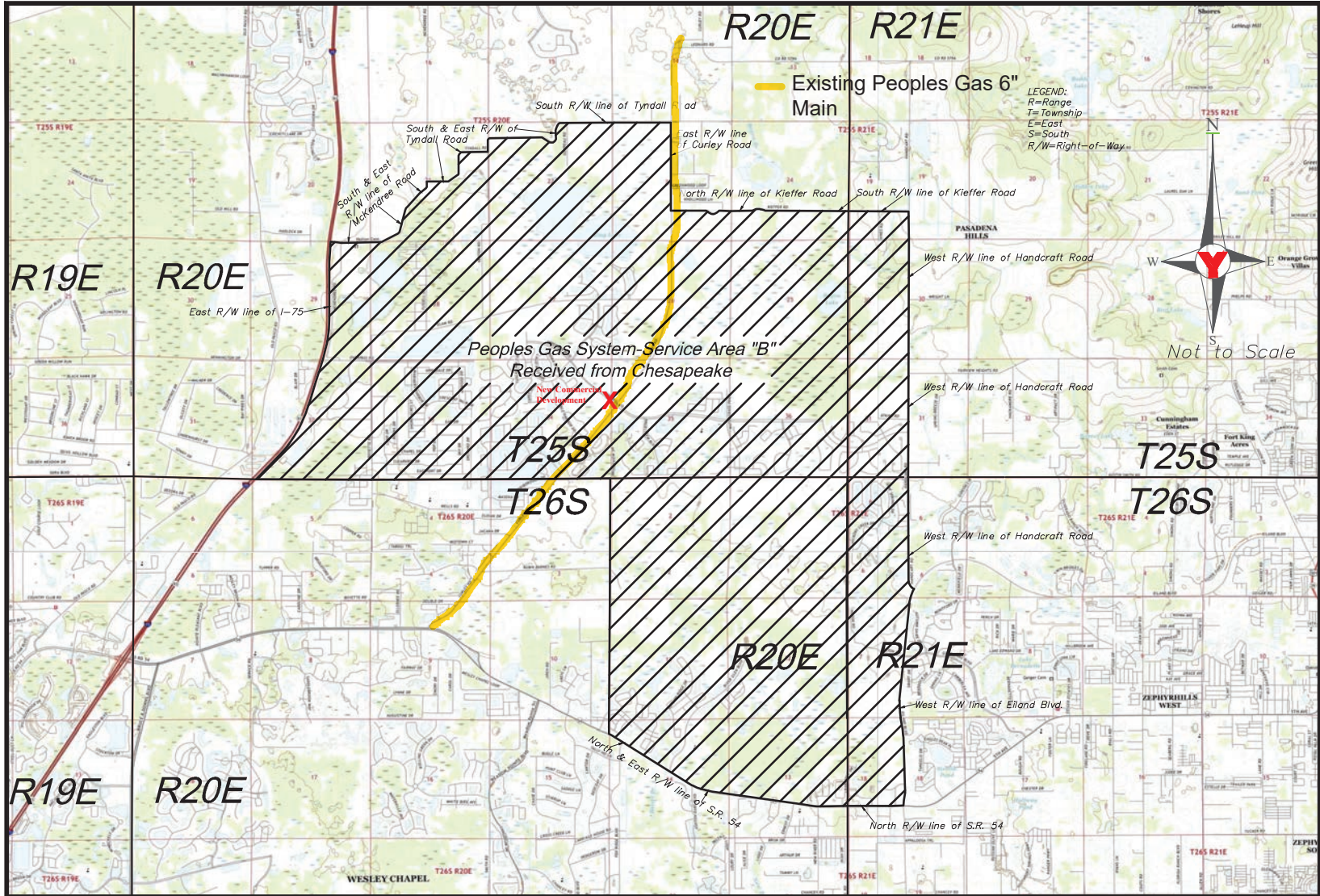
- a. “Service Area B” encompasses approximately 12,212 acres.
- b. The new commercial development is described as a 55,701-square-foot grocery store and approximately 4,200-square-feet of retail space located at the North corner of Overpass Road and Curley Road in Wesley Chapel, FL.
- c. The nearest FPUC operating gas facility is a four-inch (4”) steel pipeline located on Sam Allen Road in Plant City, Florida, approximately twenty-four (24) miles by following roads to this location.
- d. To serve the new commercial development, FPUC would need to construct a new interconnect with Florida Gas Transmission and approximately 24 miles of pipeline.
- e. FPUC has not completed a formal cost estimate for the facilities that would be required to extend the FPUC system to “Service Area B” due to the obvious costs relative to the need for an additional interconnect and 24 miles of pipeline required to serve the potential commercial growth. A new gate station would cost several million dollars. With the additional cost of an approach main included, the cost to extend service could be expected to be significantly greater than expected revenue.
- f. Please see Bates Stamp No. 4.
- g. Peoples has an existing 6-inch coated steel main along County Road 577 (“Curley Road”) running north from Wesley Chapel to San Antonio (i.e., approximately through the center of “Service Area B”).

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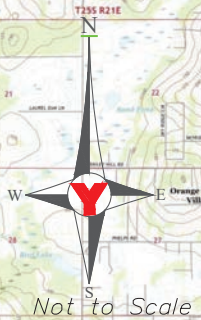
- h. Peoples Gas will need to construct approximately 170 linear feet of main, a district regulator station, and approximately 150 linear feet of service line to serve the commercial development in this area.
- i. The estimated cost for Peoples to construct the facilities to serve the new commercial development is \$105,000.
- j. Please see Bates Stamp Nos. 5 - 7.



5



LEGEND:
 R=Range
 T=Township
 E=East
 S=South
 R/W=Right-of-Way



CREW CHIEF	INITIALS	DATE
DRAWN	RTB	10-05-23
CHECKED	WAS	10-05-23
FIELD BOOK		
FIELD DATE		

	PSM LS
DATE	



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Peoples Gas System ("PGS") Services Area; formerly Chesapeake's Service Area "B"
Legal Description Plot
 SECTION TOWNSHIP S. RANGE E.
 PREPARED FOR: Peoples Gas System, Inc.
 702 N. Franklin Street
 Tampa, Florida 33602

JOB NO.	23001400TS
SHEET NO.	1 OF 2

FILE: I:\PROJECT\SUR\2023\23001400TS\TECO Chesapeake Service Area\Chesapeake Service Ar
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 PLOTTED: 10/10/2023 9:13 AM

FILED: DECEMBER 13, 2023
STAFF'S FIRST DATA REQUEST
DOCKET NO. 20230125-GU
PEOPLES GAS SYSTEM, INC.
FLORIDA PUBLIC UTILITIES COMPANY

Legal Description of Peoples Gas System Service Area "B" (formerly Chesapeake's Service Area)

*A parcel of land located in Pasco County, Florida being more particularly described as follows:
 In Township 25 South, Range 20 East, Pasco County, Florida:
 That Part of Section 21 lying South and East of the right-of-way for Tyndall Road and lying South and East of the right-of-way for McKendree Road;
 That Part of Section 22 lying Southerly of the right-of-way for Tyndall Road;
 Section 23 LESS any part thereof lying Northerly of the right-of-way for Tyndall Road, lying Northerly of Kiefer Road and lying Easterly of the right-of-way for Curley road
 That Part of Section 24 lying Southerly of the right-of-way for Kiefer Road; ALL of Section 25;
 ALL of Section 26; ALL of Section 27;
 That Part of Section 28 lying Southerly of the right-of-way for McKendree Road;
 That Part of Section 29 lying Easterly of the right-of-way for U.S. Interstate Highway 75, LESS any part thereof lying Northerly of the right-of-way for McKendree Road as it runs East and West near the North boundary of Section 29;
 That Part of Section 32 lying Easterly of the right-of-way for U.S. Interstate Highway 75; ALL of Section 33;
 ALL of Section 34; ALL of Section 35; ALL of Section 36;*

In Township 25 South, Range 21 East, Pasco County, Florida:

*That Part of Section 19 lying Southerly of the right-of-way for Kiefer Road, and lying Westerly of the right-of-way for Handcart Road;
 That Part of Section 30 lying Westerly of the right-of-way for Handcart Road; That Part of Section 31 lying Westerly of the right-of-way for Handcart Road;*

In Township 26 South, Range 20 East, Pasco County, Florida:

*ALL of Section 1; ALL of Section 2; ALL of Section 11; ALL of Section 12.
 That Part of Section 13 lying Northerly and Easterly of the right-of-way for State Road 54; That Part of Section 14 lying Northerly and Easterly of the right-of-way for State Road 54;*

In Township 26 South, Range 21 East, Pasco County, Florida:

*That Part of Section 6 lying Westerly of the right-of-way for Handcart Road, and lying Westerly of the right-of-way for Eiland Boulevard;
 That part of Section 7 lying Westerly of the right-of-way for Eiland Boulevard;
 That part of Section 18 lying Northerly of the right-of-way for State Road 54, and Westerly of the right-of-way for Eiland Boulevard;*

	INITIALS	DATE
CREW CHIEF		
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FIELD BOOK		
FIELD DATE		

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DATE	



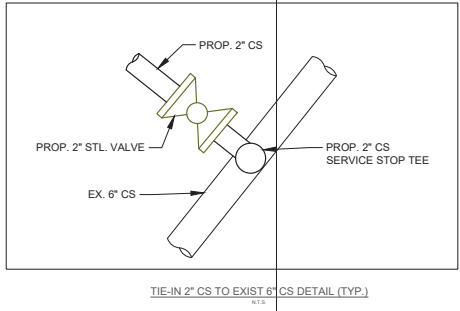
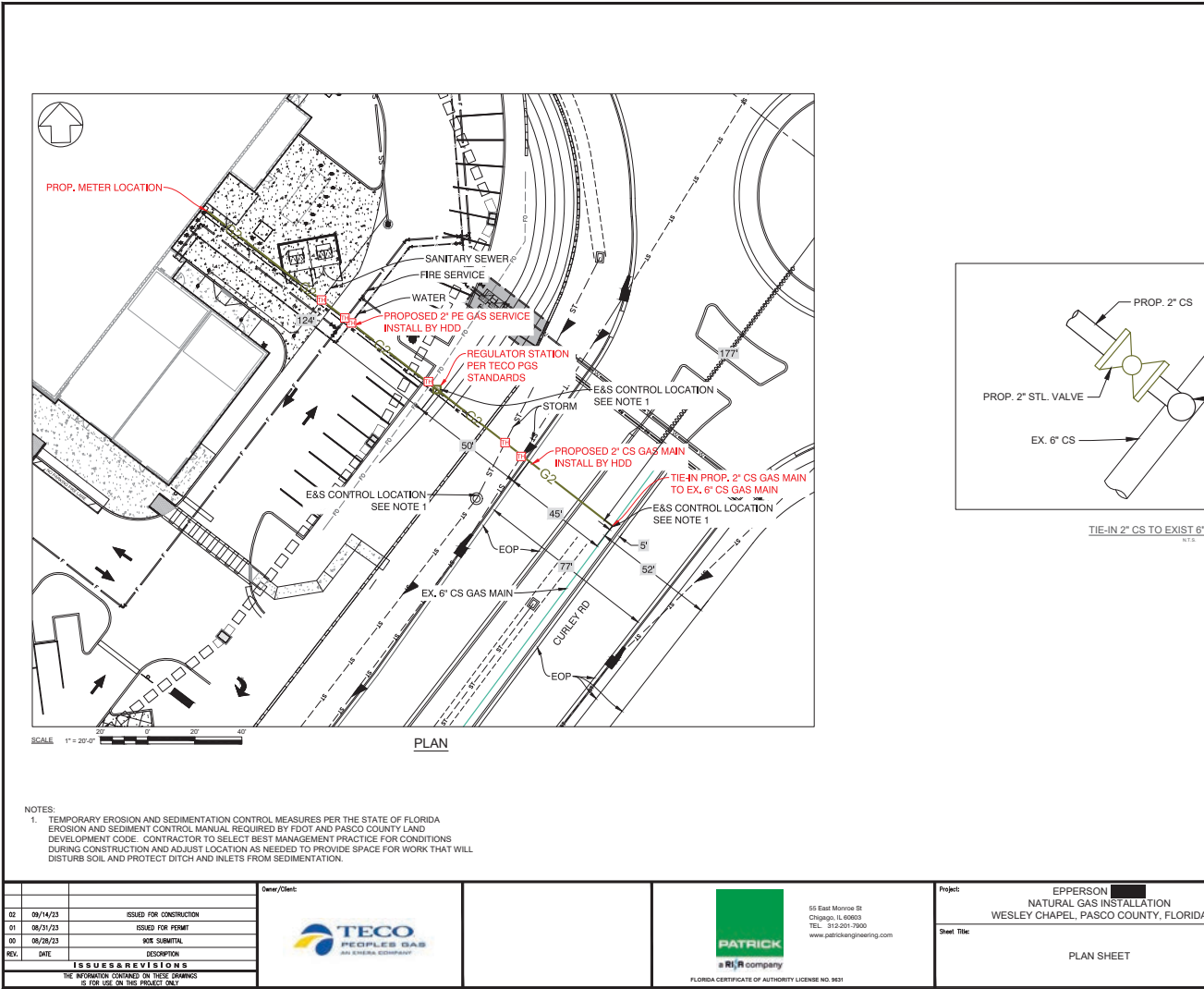
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Peoples Gas System ("PGS") Services Area; formerly Chesapeake's Service Area "B"			
Legal Description Plot			
SECTION	TOWNSHIP	S. RANGE	E.
PREPARED FOR: Peoples Gas System, Inc. 702 N. Franklin Street Tampa, Florida 33602			

JOB NO.	23001400TS
SHEET NO.	2 of 2

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**FLORIDA PUBLIC UTILITIES COMPANY
 PEOPLES GAS SYSTEM, INC.
 DOCKET NO. 20230125-GU
 STAFF'S FIRST DATA REQUEST
 FILED: DECEMBER 13, 2023**



FLORIDA PUBLIC UTILITIES COMPANY
PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230125-GU
STAFF'S FIRST DATA REQUEST
FILED: DECEMBER 13, 2023

**PEOPLES GAS SYSTEM, INC.
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- 2.** Are there natural gas facilities in “Service Area B” that are being transferred between the joint petitioners? If applicable, please state the purchase price for the transfer of such facilities.
 - A.** There are no natural gas facilities in “Service Area B” being transferred between the joint petitioners as a result of this amendment to the territorial agreement.

**PEOPLES GAS SYSTEM, INC.
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- 3.** Please state if FPUC will receive, or has received, compensation from Peoples Gas in exchange for the right to serve customers in "Service Area B." Please discuss your response.
 - A.** FPUC determined that it is unable to economically extend service to serve the commercial development economically; however, Peoples has facilities nearby. FPUC agreed to transfer the pertinent area to Peoples without compensation.

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4. In the petition, page 3, paragraph 5 states, in part, that FPUC was unable to extend service into "Service Area B" in an economical manner. Please provide a discussion to the following questions.
 - a. Identify what economic considerations were evaluated by FPUC to reach this conclusion. Explain in your response how the territorial agreement with Peoples Gas overcomes this conclusion (i.e., how or why Peoples Gas is able to extend service into "Service Area B" in an economical manner, whereas FPUC is not able to).
 - b. Absent the territorial agreement with Peoples Gas, would extending service into "Service Area B" impair FPUC's ability to offer reliable natural gas service to current or future customers? Is the territorial agreement with Peoples Gas a remedy for that? Please explain.
 - c. Absent the territorial agreement with Peoples Gas, would extending service into "Service Area B" result in FPUC having or potentially having an uneconomic duplication of services? Is the territorial agreement with Peoples Gas a remedy for that? Please explain.
 - d. Please identify any other relevant factors that are unique to the instant Petition, to "Service Area B," or to these joint petitioners that Staff should consider in evaluating this case.
- A.**
- a. FPUC did not perform a formal economic analysis because PGS, with existing gas service within "Service Area B", is positioned to both practically and economically serve customers within the area. Considering typical gate station and approach main costs, as discussed in response to DR 1(d) and (e) above, the cost for FPUC to serve would be orders of magnitude greater than the capital cost supported by the expected gas consumption of new customers.
 - b. Expansion of the FPUC distribution system near Plant City is not hydraulically feasible. Construction of a new gate station connected to Florida Gas Transmission could be accomplished without impacting the reliability of natural gas service to current or future customers but could not be accomplished economically. Yes, the territorial agreement with PGS is a remedy for that.

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- c. Yes, extending FPUC service into “Service Area B” could be considered an uneconomic duplication of services to the extent that PGS has facilities that are better positioned to serve efficiently and economically. As such, the territorial agreement with PGS is an appropriate remedy.

- d. There are no other relevant factors, other than those stated above on feasibility since PGS already has gas service within “Service Area B”.

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- 5.** Please state the estimated number of new customers and the associated volumes of gas the new customers could be requesting in the new commercial development, or surrounding areas within "Service Area B" in the next 5 to 10 years.
 - A.** While it is difficult to predict customer growth in this area with any certainty, Peoples estimates that there are potentially 1,000 new residential and commercial customers within "Service Area B" that could be provided service in the next 5 to 10 years. The total demand for these customers is estimated to be 200,000 therms annually.

**PEOPLES GAS SYSTEM, INC.
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6. Please refer to the Petition's Attachment A for the following questions:
- a. On the Amendment Exhibit A, the legal description of the "Service Area B" appears in a very small font as a document that was inserted onto the map of the area. Please provide a stand-alone document of the legal description in an easily-readable font size (such as 12-point font size).
 - b. On Amendment No. 1 to the Territorial Agreement, the "...entered into this day" is not populated. Please explain if this was an oversight, and specify the date when Amendment No. 1 was entered into. If the intended date should match the date shown by signatories, please submit to the Commission an updated exhibit with the date populated.

A.

- a. Legal Description of Peoples Gas System Service Area "B" (formerly Chesapeake's Service Area)

A parcel of land located in Pasco County, Florida being more particularly described as follows:

In Township 25 South, Range 20 East, Pasco County, Florida: That Part of Section 21 lying South and East of the right-of-way for Tyndall Road and lying South and East of the right-of-way for McKendree Road; That Part of Section 22 lying Southerly of the right-of-way for Tyndall Road; Section 23 LESS any part thereof lying Northerly of the right-of-way for Tyndall Road, lying Northerly of Kiefer Road and lying Easterly of the right-of-way for Curley road That Part of Section 24 lying Southerly of the right-of-way for Kiefer Road; ALL of Section 25; ALL of Section 26; ALL of Section 27; That Part of Section 28 lying Southerly of the right-of-way for McKendree Road; That Part of Section 29 lying Easterly of the right-of-way for U.S. Interstate Highway 75, LESS any part thereof lying Northerly of the right-of-way for McKendree Road as it runs East and West near the North boundary of Section 29; That Part of Section 32 lying Easterly of the right-of-way for U.S. Interstate Highway 75; ALL of Section 33; ALL of Section 34; ALL of Section 35; ALL of Section 36;

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- b. The 'entered into date' was inadvertently not populated and should be the same date as the signatories, October 31, 2023. An updated version will be provided when available.

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7. Please refer to the Master Territorial Agreement, dated July 6, 2007, which was filed in Docket No. 070399-GU (Document No. 05681-2007). An illustration within that document is titled "Service Territory in Pasco County." This illustration shows Pasco County boundaries, Peoples Gas facilities, and gas areas for Clearwater, Peoples Gas, and Chesapeake (now FPUC). Please clarify whether the Peoples Gas Service area encompasses the whole Pasco County except the areas shown for Clearwater and Chesapeake (the legend for Peoples Gas area does not appear on the map itself) or just the sections within the map that state "PGS Service Area."

- A. The map included previously with Docket No. 070399-GU, Peoples' service area in Pasco County was understood to be the area other than noted on the map as Clearwater Gas or Chesapeake Gas service area. With a service agreement amendment in 2005, the area on this map south of State Road 52, west of US Highway 41, and east of Florida 589 (i.e., shown as double line running north and south on map) was transferred from Peoples to Clearwater Gas.