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April 2, 2024

E-PORTAL FILING

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

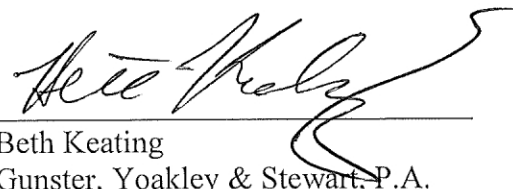
Re: Docket 20240031 – Petition for approval of transportation service agreement with Florida Public Utilities Company by Peninsula Pipeline Company, Inc.

Dear Mr. Teitzman:

Attached for filing in the referenced docket, please find Florida Public Utilities Company's Responses to Staff's First Set of Data Requests.

Thank you for your assistance with this filing.

Kind regards,



Beth Keating
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Enclosure

Docket 20240031 – Petition for approval of transportation service agreement with Florida Public Utilities Company by Peninsula Pipeline Company, Inc.

PPC and FPUC’s Responses to Staff’s First Data Requests

1. Please confirm that the Plant City Expansion Project and the Lake Mattie Expansion Project are fully separate projects, and can be constructed independently of one another. If not, please explain.

Company Response:

Both projects are fully separate and independent projects.

2. Regarding the proposed Plant City pipeline project:
 - a. What is the cost to Peninsula to construct/install 2 miles of new, 4-inch coated steel pipeline (including any necessary appurtenances) from the existing FPUC pipeline to the three proposed delivery points. Please provide a general description of the types of costs that will be incurred (e.g., labor, materials, permitting, securing right-of-way, etc.). Also, please confirm that the pipeline material will not consist of bare steel construction.

Company Response:

Approximately \$6.94MM to design and construct the facilities with general costs including, but not limited to:

- Geotechnical and Environmental Assessments, Land Management, Interconnect fees
- Engineering and Design
- Permitting and Compliance
- Materials to include, steel piping, fittings, valve assemblies, SCADA and telemetry, cathodic protection, prefabricated facility skids, odorization, paint and coating systems
- Construction contractors, management of traffic, non-destructive testing (NDT)
- Stakeout, survey, GPS and “as-builting,” which is the technical term for the process of recording information about newly constructed assets.

Construction will not consist of “bare steel” pipeline, rather a steel pipe coated at a minimum with fusion-bonded epoxy (FBE), and abrasion-resistant overcoat (ARO) for directional-drilling applications.

- b. The petition states that the approximate 1,700 feet of 4-inch coated pipeline acquired from FPUC is “near” the new gate station interconnect with Florida Gas Transmission (FGT). Please define the actual distance, in feet, between the new interconnect with FGT and the existing assets acquired from FPUC, and explain whether any new pipeline will need to be constructed in this distance. Please explain associated costs, including a breakdown of materials and labor.

Company Response:

The approximate distance is between 50'-70' from the new gate station to the FPUC pipeline interconnect, as the existing pipeline is located on the far side (east) of N Wilder Rd and passes by the gate station parcel. Additional pipeline is limited to the lateral pipe from the tie-in to the gate station on the parcel directly adjacent to the pipeline within ROW.

Regarding the estimated \$6.94MM construction cost, approximately 17.3% of expenses are associated with materials, with the remaining costs associated with direct labor and construction, engineering and permitting.

3. Regarding the proposed Lake Mattie pipeline project:
 - a. What is the cost to Peninsula to construct/install 13.8 miles of new, 4-inch coated steel pipeline (including any necessary appurtenances) from the new gate station interconnect with Florida Southeast Connection, to the acquired assets from FPUC? Please provide a general description of the types of costs that will be incurred (e.g., labor, materials, permitting, securing right-of-way, etc.). Also, please confirm that the pipeline material will not consist of bare steel construction.

Company Response:

Approximately \$18.36MM to design and construct the facilities with general costs including, but not limited to:

- Geotechnical and Environmental Assessments, Land Management, Interconnect fees
- Engineering and Design
- Permitting and Compliance
- Materials to include, steel piping, fittings, valve assemblies, SCADA and telemetry, cathodic protection, prefabricated facility skids, odorization, paint and coating systems
- Construction contractors, management of traffic, non-destructive testing (NDT)
- Stakeout, survey, GPS and as-building

Construction will not consist of “bare steel” pipeline, rather a steel pipe coated at a minimum with fusion-bonded epoxy (FBE), and abrasion-resistant overcoat (ARO) for directional-drilling applications.

- b. Please detail the cost to Peninsula incurred from the interconnection with the Lake Mattie, the approximate 5.1 miles of 4-inch coated steel pipeline, and the new district regulator system. Please provide a general breakdown of the types of costs that will be incurred.

Company Response:

Of the \$18.36MM total cost, approximately \$5.45MM will be associated with the 5.1 mile infrastructure, roughly distributed as follows:

Task	Estimated Cost
Detailed Engineering, Design and Permitting	\$340,506.41
Internal Department Charges	\$60,089.37
Materials	\$764,663.97
Contractor Labor	\$2,051,507.92
Interconnect Costs	\$0.00
Inspections	\$463,269.64
Right-of-Way	\$182,206.47
Legal	\$10,082.04
Overhead Allocations	\$77,326.18
Contingency	\$1,314,013.25
AFUDC	\$189,940.90
Subtotal Estimated Segment Cost	\$5,453,606.14

- c. Please detail the cost to Peninsula incurred from building an interconnection with Florida Southeast Connection, and the approximate 4.5 miles of 4-inch coated steel to the existing district regulator that interconnects with the FPUC Lake Mattie system. Please provide a general breakdown of the types of costs that will be incurred.

Company Response:

Of the \$18.36MM total cost, approximately \$6.87MM will be associated with the 4.5 mile infrastructure, roughly distributed as follows:

Task	Estimated Cost
Detailed Engineering, Design and Permitting	\$340,506.41
Internal Department Charges	\$60,089.37
Materials	\$1,004,663.97
Contractor Labor	\$2,031,507.92
Interconnect Costs	\$1,200,000.00
Inspections	\$463,269.64
Right-of-Way	\$182,206.47
Legal	\$10,082.04
Overhead Allocations	\$77,326.18
Contingency	\$1,314,013.25
AFUDC	\$189,940.90
Subtotal Estimated Segment Cost	\$6,873,606.14

4. Please provide color copies of the maps in Attachment C.

Company Response:

The maps in color are provided as exhibit A and native files of same will be forwarded directly to Commission staff.

5. Please state whether Peninsula or FPUC have made a request for formal proposals to obtain construction cost estimates for the proposed pipeline. If so, please identify all respondents and provide an explanation regarding why their proposals were rejected. If not, please justify why FPUC did not solicit competitive bids from other parties.

Company Response:

Peninsula and FPUC did not issue a request for proposal (RFP). Expansions of this size are not the focus of expansion activities of interstate pipeline operators such as Florida Gas Transmission (FGT).

Additionally, for any interstate pipeline Company regulated by the Federal Energy Regulatory Commission (FERC) to build this pipeline, it would first have to go through the process of obtaining a certificate from the FERC. This process can increase both the costs of the project and the in-service timeline due to the FERC review requirements. A project timeline may be increased by a significant length due to the amount of time a project may be deliberated at the FERC.

6. In the petition, section III, “Transportation Service Agreements,” Peninsula notes that “additional regulatory and other external approvals must be obtained prior to actual construction.” Please briefly describe the approval required from other state or local agencies in order to proceed with construction.

Company Response:

For the Plant City Project –
Peninsula would have to acquire approvals from the Florida Department of Environmental Protection, Florida Department of Transportation, and Hillsborough County.

For the Lake Mattie Project -
Peninsula would have to acquire approvals from the Florida Department of Environmental Protection, Florida Department of Transportation, and Polk County.

7. Please explain how the transfer of assets from FPUC to Peninsula will affect the rate base.

Company Response:

The acquisition of assets from FPUC by Peninsula for the projects will be completed at book value, and FPUC’s plant accounts will be adjusted at the time of the transfer of assets.