

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

April 2, 2024

E-PORTAL FILING

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

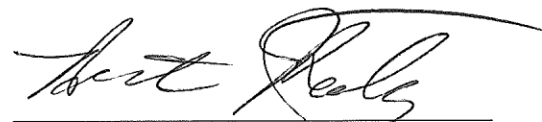
Re: Docket 20240038-GU – Petition for approval of Amendment No. 1 to transportation service agreement between Peninsula Pipeline Company, Inc. and Florida Public Utilities Company.

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

Enclosure

Docket 20240038-GU – Petition for approval of Amendment No. 1 to transportation service agreement between Peninsula Pipeline Company, Inc. and Florida Public Utilities Company.

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

1. What is the cost to construct/install 6-inch coated steel pipeline (including any necessary appurtenances) from the new interconnect with Florida Gas Transmission (FGT) to the Green Island Ranch development?

Company Response:

Approximately \$15.2MM, including the St Cloud South Expansion Segment 1A (w/ FGT Interconnect and tie-ins south of interconnect) and St Cloud South Expansion Segment 1C.

2. What is the cost to construct/install the 6-inch coated steel pipeline (including any necessary appurtenances) from the new interconnect with FGT to the Center Lake Ranch development?

Company Response:

Approximately \$4.5MM, including St. Cloud North Expansion Segment 1B (lateral piping east from FGT interconnect to Center Lake Ranch).

Segment 1A's interconnect with FGT and its facilities are necessary to serve both the North and South portions of the project.

3. Please include a general description of the types of costs that will be incurred (e.g., materials, labor, permitting, secure right-of-way, etc.).

Company Response:

General costs include, but are 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 skirts, 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.

4. Please confirm that the pipeline material will not consist of "bare steel" construction.

Company Response:

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.

5. Please provide the percent breakdown between materials and labor for the total cost of the project.

Company Response:

Materials account for approximately 18% of the total cost of construction, with the remaining costs being associated with land management, interconnect fees, civil and mechanical engineering, contractor labor, inspections and testing.

6. How many miles of pipeline will be constructed for the Northern and Southern section of the project?

Company Response:

The Northern expansion consists of:
North Segment 1B – 16,350’ (3.09 mi)

The Southern expansion consists of:
South Segment 1A – 3,537’ (0.67 mi)
South Segment 1C – 48,470’ (9.18 mi)

7. Please explain how FPUC plans to recover the costs of constructing the proposed St. Cloud projects?

Company Response:

FPUC will recover the costs paid to Peninsula through the PGA and Swing Service Mechanism.

8. Please provide a brief description of the approval required by PPC or FPUC from any other state or local agencies to complete the proposed project.

Company Response:

FPUC is required to obtain permits from Florida Department of Environmental Protection, Osceola County, and Florida Department of Transportation.

9. Did FPUC issue a formal request for proposals or initiate discussions with other parties 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:

FPUC did not issue a request for proposal (RFP) for the project. The extensions are being built off an existing Peninsula Pipeline project that supplies gas to the area. Due to such, Peninsula was requested to build this new expansion. By utilizing Peninsula there is avoidance of possible issues that could arise by introducing another pipeline operator in the delivery of natural gas to customers.

10. Please discuss approximately how many commercial and industrial customers are expected to take service from this expansion project.

Company Response:

The Company expects commercial and industrial growth consisting of at least of 44 commercial and 1 industrial customer.

11. Approximately when would FPUC expect to request Peninsula to begin any construction of Phase II of the project, as described in paragraph 14 of the petition? Please explain.

Company Response:

FPUC expects the second phase of construction to begin after Phase 1A is in-service and land is found for the project. The second phase will consist of additional pipeline buildout to serve expected additional customer growth. It will also consist of another interconnect with FGT for additional gas supply for these customers.

12. Please confirm that the proposed amendment is subject to the initial term of 20 years from the original execution date of the agreement approved by the Commission in Order No. PSC-2022-0351-PAA-GU.

Company Response:

No, FPUC is proposing that the original agreement's term align with the new 20-year term created by the amendment as the new expansion is connected to and reliant on service from the original St. Cloud project.

13. In Order No. PSC-2022-0351-PAA-GU, the Commission approved the Maximum Daily Transportation Quantity per Dekatherm for unauthorized usage at 2.0 times the rate. Please explain why the parties have agreed to the new rate for unauthorized usage identified in Exhibit B to the agreement.

Company Response:

The purpose of the unauthorized usage rate is to discourage customers from using more Maximum Daily Transportation Quantity (MDTQ) than they have contracted. On systems that have multiple

shippers, a customer over running their contracted amount of MDTQ can impact other customers on the system.

In the instances of these projects, FPUC is the sole customer of both pipeline projects, and as such the projects have been sized to meet FPUC's needs. Under these circumstances Peninsula agreed to lower the unauthorized usage rate as any overrun will not impact other customers on the project.