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November 28, 2012

Via Hand Delivery

Ms. Ann Cole
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, FL 32399-0850

Re: *In re: Petition of the City of Marianna to Resolve a Territorial Dispute with Chesapeake Utilities Corporation/Florida Public Utilities Company*
Docket No.: 120167-GU

Dear Ms. Cole:

On behalf of the City of Marianna (the "City"), enclosed for filing are the original and seven (7) copies each of the City's Specific Objections to Florida Public Utilities Company's First Set of Interrogatories (Nos. 1-31) and Specific Objections to Florida Public Utilities Company's First Request for Production (Nos. 1-33).

Please acknowledge receipt of these filings by stamping the extra copy of this letter "filed" and returning the copy to me. Thank you for your assistance.

Sincerely,

HOLLAND & KNIGHT LLP


Kevin Cox

KC:kjg
Enclosures

cc: Beth Keating
Martha Brown
Cheryl Martin

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of the City of
Marianna to resolve a territorial
dispute with Chesapeake Utilities
Corporation/Florida Public Utilities
Company.

Docket No. 120167-GU

Date: November 28, 2012

**PETITIONER CITY OF MARIANNA'S
SPECIFIC OBJECTIONS TO FLORIDA PUBLIC UTILITIES COMPANY'S
FIRST SET OF INTERROGATORIES (NOS. 1-31)**

Petitioner, the City of Marianna (the "City"), by and through its undersigned counsel, pursuant to the Order Establishing Procedure, Order No. PSC-12-0555-PCO-GU, Rule 28-106.206, Florida Administrative Code, and Rule 1.340, Florida Rules of Civil Procedure, hereby serves its specific Objections to the First Set of Interrogatories (Nos. 1-31), propounded by Florida Public Utilities Company ("FPUC") on November 13, 2012.

GENERAL OBJECTIONS

1. With respect to the "Definitions" and "Instructions" in FPUC's Interrogatories, the City objects to any definitions or instructions that are inconsistent with the City's discovery obligations under applicable rules. If some question arises as to the City's discovery obligations, the City will comply with applicable rules and not with any of FPUC's definitions or instructions that are inconsistent with those rules.

2. The City objects to any definition or interrogatory that seeks to encompass persons or entities who are not parties to this action or that are not subject to discovery under applicable

_____ rules.

3. The City also objects to any interrogatory that purports to require the City or its

_____ experts to prepare studies, analyses, or to do work for FPUC that has not been done for the City.

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4. The City generally objects to FPUC's Interrogatories to the extent that they call for data or information protected by the attorney-client privilege, the work product doctrine, the trade secret privilege, or any other applicable privilege or protection afforded by law.

5. The City reserves the right to supplement any of its answers or objections to FPUC's Interrogatories if the City cannot locate the answers immediately due to their magnitude and the work required to aggregate them, or if the City later discovers additional responsive information in the course of this proceeding.

6. The City further objects to each interrogatory on the grounds and to the extent that the instructions impose or attempt to impose obligations greater than those imposed by the Rules of Civil Procedure or other applicable rules which govern this proceeding.

7. The City further objects to each interrogatory on the grounds that it may call for the production of materials or information that constitute trade secrets or other confidential research, development, or commercial information.

8. The City objects to these Interrogatories, individually and generally, to the extent the requested documents and/or information is in the public domain or equally accessible to FPUC.

9. By making these responses herein, the City does not concede that any interrogatory is relevant to this action or is reasonably calculated to lead to the discovery of admissible evidence. The City expressly reserves the right to object to further discovery into the subject matter of any of these Interrogatories, to the introduction of evidence of any response or portion thereof, and to supplement its responses should further investigation disclose responsive information.

10. In responding to FPUC's Interrogatories, the City has made a reasonable inquiry of those persons likely to possess information responsive to FPUC's Interrogatories and has conducted a reasonable search of those records in the City's possession, custody, or control where the requested information would likely be maintained in the ordinary course of business. To the extent that any of FPUC's interrogatories ask the City to go to greater lengths, the City objects thereto because such interrogatories are overly broad, unduly burdensome, and unreasonable.

11. By making these general objections at this time to FPUC's Interrogatories (Nos. 1-31), the City does not waive or relinquish its right to assert additional general and specific objections to FPUC's discovery at the time the City's response is due under the Florida Rules of Civil Procedure and the Order Establishing Procedure No. PSC-12-0555-PCO-GU. The City provides these objections at this time to comply with the intent of the Order to reduce the delay in identifying and resolving any potential discovery disputes. In addition, the City provides the following specific objections.

SPECIFIC OBJECTIONS TO INTERROGATORIES

1. Please identify and describe the unincorporated areas of Jackson County in which the City provides service, including the date upon which service to each such unincorporated area was initiated.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory to the extent that any detailed description is being requested, since descriptions of these areas is burdensome and not reasonably calculated to lead to the discovery of admissible evidence regarding the provision of service in the Disputed Area. Subject to the stated objections, the City intends to respond.

2. Identify all documents that support the City's assertion at Paragraph 7 of the Petition that the City began a project in March 2009 "designed to service industrial and commercial customers" south of Marianna and "around the interchange of Interstate 10 and State Road 71."

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory's request for identification of "all" documents, as it cannot assure that all such communications have been identified, in spite of diligent, good faith efforts. The City furthermore objects to the request for documents which "support" the cited assertion, as the term "support" is overbroad and not reasonably particular. Subject to the stated objections, the City intends to respond.

3. Please describe in detail "full scale construction work," as alleged in Paragraph 8 of the Petition, in the area around the interchange of Interstate 10 and State Road 71, including the date upon which such "full scale construction work" was initiated.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory as mischaracterizing the Petition's allegations regarding the Expansion Project as a whole and the Expansion Project's construction within the Disputed Area. The City also objects to the request for a description "in detail" of construction work, which is overbroad and not reasonably calculated to lead to the discovery of admissible evidence. Subject to the stated objections, the City intends to respond.

4. For any work described in response to Interrogatory 3 above, specifically identify any such work within a 12 mile radius of the interchange of Interstate 10 and State Road 71 and the date upon which such construction was initiated.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory as not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks granular detail regarding construction well outside the limits of the Disputed Area. Subject to the stated objections, the City intends to respond.

5. Please describe in detail any and all federal grants, as referenced in Paragraph 8 of the Petition, obtained by the City for the purpose of constructing natural gas facilities in unincorporated areas of Jackson County, including, but not limited to, the scope and stated purpose of the grant(s)

awarded, the amount awarded, the agency or entity awarding the grant to the City, whether the City was the sole recipient of the award or shares the award with another entity, and the date upon which the award was made to the City.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory as burdensome, not reasonably particular and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks a "detailed" description of the requested information, including the terms of grants which may be available from the face of the documentation. The City furthermore objects to the request to the extent that it requires the City to opine on the intent, knowledge or records of any entity from which a grant was awarded. Subject to the stated objections, the City intends to respond.

6. Please identify any and all customers located, as described at Paragraph 8 of the City's Petition, along the "Project's path" with whom the City has entered into an exclusive agreement to provide natural gas.

OBJECTION: The General Objections stated above are incorporated herein by reference. Subject to the stated objections, the City intends to respond.

7. For any customers identified in response to Interrogatory 6 above and whose service location is within a 3 mile radius of the interchange of Interstate 10 and State Road 71, identify the customer and the date upon which the contract was executed, ratified, or otherwise finalized.

OBJECTION: The General Objections stated above are incorporated herein by reference. Subject to the stated objections, the City intends to respond.

8. Please identify and explain any and all means explored by the City for financing the City's "Project," as alleged at Paragraph 8 of the Petition.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory as overbroad and burdensome to the extent it asks the City to "explain any and all" means "explored" by the City, to the extent that such request expects a summary or review in detail or otherwise of thought processes, discussions, and considerations of City officials, employees and their agents over a multi-year period. The City furthermore objects because this request is not relevant or reasonably calculated to lead to the discovery of admissible evidence to the extent that other financing mechanisms, which may have been considered but not used by the

City, do not appear to be at issue in this proceeding. Subject to the stated objections, the City intends to respond.

9. Describe in detail the process by which the City determined "the most cost-effective means of financing the Project" as referenced in Paragraph 8 of the City's Petition. Include in your description the identity of the person or persons who made such determination.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory as mischaracterizing the Petition in using the term "determined" and "determination" which is not alleged by Paragraph 8 the Petition. The City furthermore objects to the request that it "[d]escribe in detail" to the extent that such request expects a summary or review in detail or otherwise of thought processes, discussions, and considerations of City officials, employees and their agents over a multi-year period. The City furthermore objects because this request is not relevant or reasonably calculated to lead to the discovery of admissible evidence to the extent that other financing mechanisms, which may have been considered but not used by the City, do not appear to be at issue in this proceeding. Subject to the stated objection, the City intends to respond.

10. Describe in detail the current status of construction of the City's natural gas facilities in the area of the interchange at Interstate 10 and State Road 71, including, but not limited to, a specific description of the facilities installed, the location where the facilities were installed, and the date upon which such facilities were installed.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory as burdensome, overbroad and not reasonably calculated to lead to the discovery of admissible evidence to the extent it requests the City to "describe in detail" construction matters. Subject to the stated objection, the City intends to respond.

11. Please identify the total amount of firm transportation capacity on the Florida Gas Transmission system held by the City of Marianna pursuant to contract and the portion of that amount allocated to serve the Disputed Area.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to use of the term "allocated" which has not been defined. Subject to the stated objections, the City intends to respond.

12. Please explain how the customer and revenue estimates referenced in Paragraph 13 of the Petition were developed and identify the person or persons who developed the estimates.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory as burdensome and overbroad in its requests to "explain" how the estimates were "developed" to the extent that it seeks a detailed review or summary of the thought processes, discussions and considerations of the person or persons to be identified. Subject to the stated objections, the City intends to respond.

13. Referring to Paragraph 14 of the Petition, please describe in detail the "option to extend the pipeline" referenced therein, including, but not limited to, how the "option" will be financed, whether all applicable permits for the referenced option have been obtained, and whether the City has entered into a contract to interconnect with the Florida Gas Transmission system at the lateral referenced in Paragraph 1.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory as burdensome, overbroad and not reasonably particular in its request to "describe in detail" planning, discussions, communications and other considerations by the City's officials, employees and/or agents over a multi-year period. The City furthermore objects to the extent the request requests information about issues that the City has not yet determined itself. Subject to the stated objections, the City intends to respond.

14. Identify any and all oral communications that the City has had with the County that relate to this proceeding, the City's desire to provide natural gas service to the Disputed Area, and any intent or desire of the City to prevent FPUC from serving the Disputed Area, including, but not limited to, any communications regarding FPUC applications for a franchise agreement with the County and right-of-way permits from the County.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory's request for identification of "all" oral communications, as it cannot assure that all such communications have been identified, in spite of diligent, good faith efforts. The City furthermore objects that the information regarding the City's "intent" or "desire" to prevent FPUC from serving the Disputed Area is not relevant or reasonably calculated to lead to the discovery of admissible evidence. Subject to the stated objections, the City intends to respond.

15. Identify all oral communications that the City has had with the FPSC that relate to this proceeding, the City's desire to serve the Disputed Area, and any intent or desire of the City to prevent FPUC from serving the Disputed Area.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory's request for identification of "all" oral communications, as it cannot assure that all such communications have been identified, in spite of diligent, good faith efforts. The City furthermore objects that the information regarding the City's "intent" or "desire" to prevent FPUC from serving the Disputed Area is not relevant or reasonably calculated to lead to the discovery of admissible evidence. The City also specifically objects to this request as overbroad and not reasonably calculated to lead to the discovery of admissible evidence to the extent that, as written, it is not limited to natural gas service. Subject to the stated objection, the City intends to respond.

16. Identify any and all oral communications that the City has had with the FDEP that relate to this proceeding, the City's desire to serve the Disputed Area, and any intent or desire of the City to prevent FPUC from serving the Disputed Area.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory's request for identification of "all" oral communications, as it cannot assure that all such communications have been identified, in spite of diligent, good faith efforts. The City furthermore objects that the information regarding the City's "intent" or "desire" to prevent FPUC from serving the Disputed Area is not relevant or reasonably calculated to lead to the discovery of admissible evidence. The City also specifically objects to this request as overbroad and not reasonably calculated to lead to the discovery of admissible evidence to the extent that, as written, it is not limited to natural gas service. Subject to the stated objection, the City intends to respond.

17. Identify any and all oral communications that the City has had with the FDOT that relate to this proceeding, the City's desire to serve the Disputed Area, and any intent or desire of the City to prevent FPUC from serving the Disputed Area.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory's request for identification of "all" oral communications, as it cannot assure that all such communications have been identified, in spite of diligent, good faith efforts. The City furthermore objects that the information regarding the City's "intent" or "desire" to prevent FPUC from serving the Disputed Area is not relevant or reasonably calculated to lead to the

discovery of admissible evidence. The City also specifically objects to this request as overbroad and not reasonably calculated to lead to the discovery of admissible evidence to the extent that, as written, it is not limited to natural gas service. Subject to the stated objection, the City intends to respond.

18. Please identify any studies, analyses, or reports that serve as the basis for the City's assertion at Paragraph 20 of the Petition that the extension of facilities by FPUC into the Disputed Area would "not be prudent or cost-effective"

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City will respond.

19. Please identify any report, analysis, or audit supporting the City's assertion at Paragraph 21 that the "Grant" referenced by the City will "fund all of the costs of extending service to the Disputed Area."

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City will respond.

20. Please identify the amount and type of costs referenced in Paragraph 21 that the City believes the Grant will cover.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City will respond.

21. Identify any and all bids, contracts, and agreements awarded by the City for construction of natural gas facilities for the "next phase" of the City's "Expansion Project," as described in Paragraph 11 of the Petition, from the Anderson Columbia Asphalt Plant south to the interchange of Interstate 10 and State Road 71.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City will respond.

22. Excluding the feasibility study referenced at Paragraph 8 of the Petition, identify any study, comparative analysis, scenario, report, recommendation, or proposal prepared by or for the City addressing and pertaining to the provision of natural gas service by the City in unincorporated areas of Jackson County.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory as overbroad, not relevant, and not reasonably particular because it is not limited in time with respect to a natural gas system that has served unincorporated areas of Jackson County for more than 50 years. The City furthermore objects because the provision of natural gas services to unincorporated areas of Jackson County not at issue in this proceeding is not relevant nor reasonably calculated to lead to the discovery of admissible evidence. With respect to the request for identification of "any" of the materials for identification, the City cannot assure that all such documents have been identified, in spite of diligent, good faith efforts. The City also objects to the extent that identification of such documents would violate its work product privilege with respect to this proceeding. Subject to the stated objections, the City intends to respond.

23. Is a "transportation service only" option available to the City's natural gas customers, whereby customers may purchase transportation service from the City, but obtain natural gas directly from suppliers in the natural gas commodity market?

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City will respond.

24. Identify any study, analysis, or recommendation performed by the City or on the City's behalf pertaining to the allocation of construction and operations costs associated with its "Expansion Project" across the City's base of natural gas service customers?

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City will respond.

25. Identify any and all analyses, engineering reports, or other documentation that demonstrates that the City will have sufficient capacity and facilities to serve all customers in the Disputed Area.

OBJECTION: The General Objections stated above are incorporated herein by reference. The City furthermore objects to the extent that the interrogatory seeks identification of

information protected by the work product doctrine. Subject to the stated objections, the City will respond.

26. Identify any analyses, reports, reviews, studies, cost/benefit analysis, audited financials, or recommendations performed by the City or prepared for the City regarding the economic and financial impact of the City's "Expansion Project" upon the City, including, but not limited to, analysis of the impact on the City's budget and potential revenue impacts.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City will respond.

27. In the event of breach or failure of the City's natural gas line south of the City's existing interconnection with the Florida Gas Transmission Company system and north of the Disputed Area at the interchange of Interstate 10 and State Road 71, please explain any plans, alternative routes, or contingencies that the City contemplates implementing to maintain or restore service to the Disputed Area.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory as incorrectly assuming the City owns the line "south of its existing interconnection with the Florida Gas Transmission Company," which is not factually accurate. Subject to the stated objections, the City intends to respond.

28. Describe and explain the means by which the City would accommodate natural gas service to any new customer, not contemplated by Exhibit E to the Petition, located in the Disputed Area and requiring firm natural gas service in excess of 10,000 therms per month.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City will respond.

29. Upon connection of all of the customers identified on Exhibit E to the Petition to the City's natural gas system, what would be the maximum pressure and volume available for additional industrial or large commercial customers in the Disputed Area from the City's natural gas system?

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City also specifically objects to this interrogatory as an improper hypothetical which cannot be fully answered without more detailed information about the hypothetical customer. Subject to the stated objections, the City intends to respond.

30. Describe and explain the extent of the City's experience in providing compressed natural gas (CNG) service.

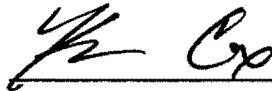
OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City will respond.

31. Describe in detail all plans that the City has to provide CNG service in Jackson County, Florida.

OBJECTION: The General Objections stated above are incorporated herein by reference. Without waiving any such objections, the City will respond.

Dated this 28th day of November, 2012.

HOLLAND & KNIGHT LLP



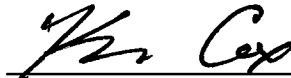
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Counsel for City of Marianna

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was furnished by hand-delivery to Beth Keating, Gunster, Yoakley & Stewart, P.A., 215 S. Monroe St., Suite 601, Tallahassee, FL 32301-1804 and Martha Brown, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850; and by overnight delivery to Cheryl Martin, Director, Regulatory Affairs, 1641 Worthington Road, Suite 220, West Palm Beach, FL 33409 all on this 28th day of November, 2012.



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