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January 29, 2013

BY HAND DELIVERY

Ms. Ann Cole, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket 120313 -- Petition for approval of transportation service agreement with Florida Public Utilities Company, by Peninsula Pipeline Company, Inc.

Dear Ms. Cole:

Enclosed for filing, please find the original and 7 copies of Peninsula Pipeline's Responses to Staff's First Data Request (redacted). By separate filing also made today, Peninsula is submitting a Request for Confidential Classification of certain information set forth in these Data Responses.

Thank you for your assistance with this filing. As always, please don't hesitate to contact me if you have any questions whatsoever.

Sincerely,



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

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DOCUMENT NUMBER - DATE
00580 JAN 29 2013

PENINSULA'S RESPONSES TO STAFF'S FIRST SET OF DATA REQUEST

RE: Docket No. 120313-GU - Petition for approval of transportation service agreement with Florida Public Utilities Company, by Peninsula Pipeline Company, Inc.

1. Please provide a map showing the Riviera Lateral and its interconnection points with Florida Gas Transmission (FGT) and Florida Public Utilities Company (FPUC).

Company Response: See Attachment 1.

2. Please state if there are any other customers, other than FPUC, currently served off the Riviera Lateral?

Company Response: At this time, no other customers are served off of the Riviera Lateral.

3. Please state if Peninsula is aware of any potential customers that could also take service off the Riviera Lateral in the future? Is the Riviera Lateral large enough to serve additional customers?

Company Response: Yes, the Company is aware of future, potential customers that could receive service, from the Company, FPUC or other entities, off of the Riviera Lateral. The Riviera Lateral is large enough and the Company has sufficient capacity on the Riviera Lateral to provide such service.

4. Please state whether Peninsula will have to construct any additional facilities to provide transportation service to FPUC or is the existing Riviera Lateral sufficient to transport gas from FGT to FPUC. If yes, please discuss those facilities.

Company Response: Yes, the Company will need to construct a new interconnect facility near the Florida Turnpike between the Company and FGT and one or more new interconnect points between the Company and FPUC or other customers served off of the Riviera Lateral. FPUC already has one existing interconnect point (the existing FGT/FPUC city gate station) that Peninsula will continue to utilize to provide service to FPUC.

5. Was the purchase of the Riviera Lateral from FGT the result of a bilateral negotiation between the companies or did FGT solicit bids or in anyway offer this asset to other buyers?

Company Response: FGT has, for many years, been attempting to sell off its small diameter laterals. Typically, this has been accomplished through direct negotiations between FGT and potential new owners (primarily industrial customers, local LDC and/or intrastate pipelines). In this instance, FGT and the Company entered into direct, bilateral negotiations for the purchase of the Riviera Lateral.

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PENINSULA'S RESPONSES TO STAFF'S FIRST SET OF DATA REQUEST

6. What was the price Peninsula paid to FGT to purchase the Riviera Lateral?

Company Response: The Company has agreed to pay ████████ to FGT for the purchase of the existing Riviera Lateral. This amount does not include any cost to add the additional facilities necessary to provide service described in the Company's Response to Question 4.

7. Please identify and explain the type of costs the monthly reservation charge as shown on Exhibit A to the agreement is designed to recover.

Company Response: The monthly reservation charge is designed to recover the total cost of service that the Company expects to incur over the life of the contract for the amount of Riviera Lateral capacity that FPUC has contracted. The total cost of service includes, but is not limited to, return on investment, return of investment, other taxes, including property taxes, operating and maintenance costs, interest expense and income taxes.

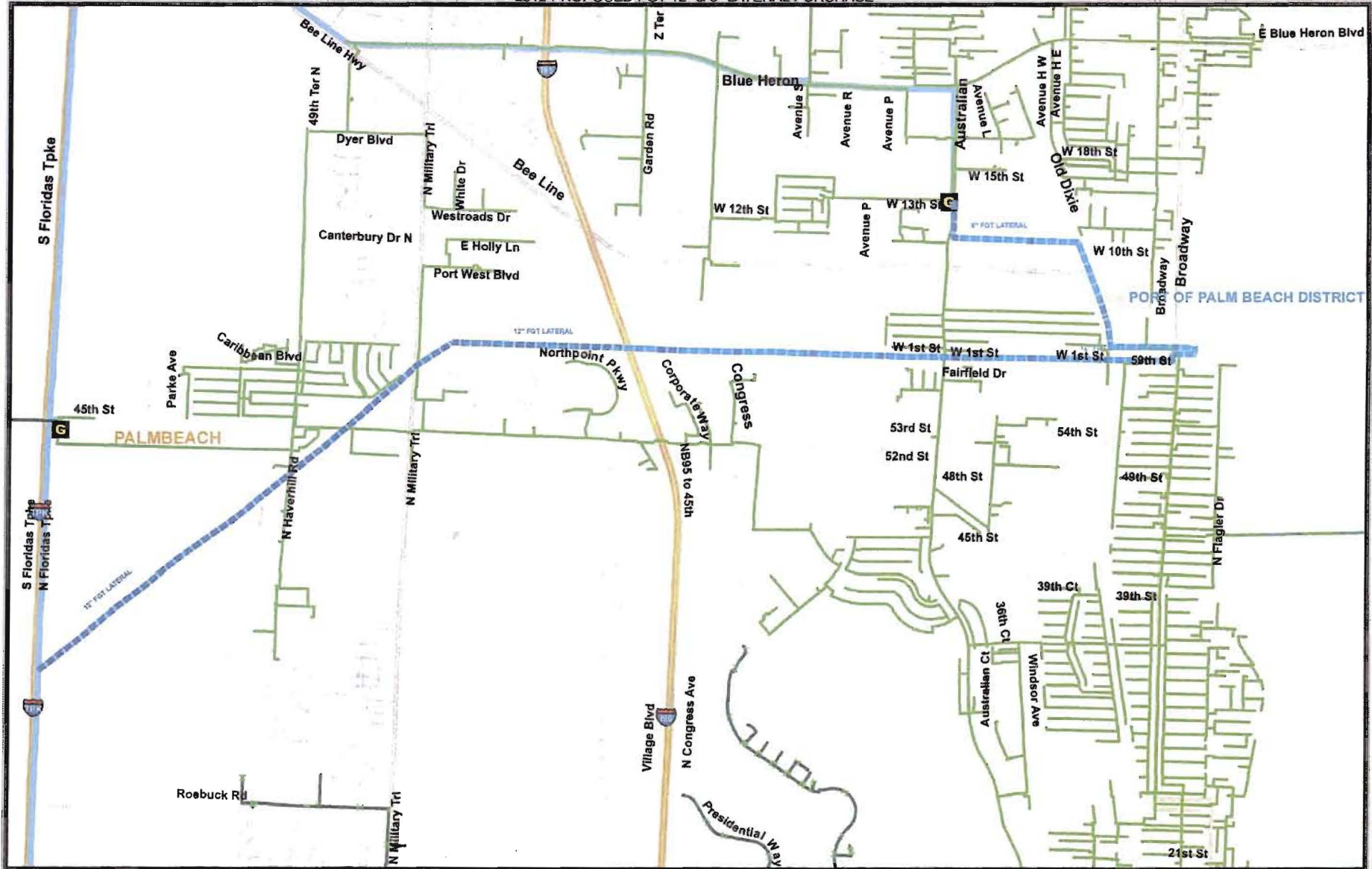
8. On pages 4-5 of the petition Peninsula stated that the rates in the proposed contract are consistent with a "market rate" in that they are within the range of the rates set forth in similar agreements between Peninsula other customers. Please provide an analysis to support this statement, and identify the similar agreements.

Company Response: See Attachment 2.

9. Please explain the basis for the fuel retention percentage (confidential number) shown in the agreement.

Company Response: The fuel retention percentage is consistent with standard industry parameters for this factor. Please see the fuel retention percentages shown on Attachment 2.

2012 PROPOSED FGT 12" & 8" LATERAL PURCHASE



PROPOSED FGT LATERAL PURCHASE	EXISTING PRIVATE STATION
EXISTING FGT TRANSMISSION LINES	EXISTING FGT GAS DISTRIBUTION LINES
	HIGH PRESSURE
	MEDIUM PRESSURE

1. DATE: 08/01/12
 2. DRAWN BY: [Name]
 3. CHECKED BY: [Name]
 4. APPROVED BY: [Name]
 5. PROJECT NO.: [Number]
 6. SHEET NO.: [Number] OF [Total]
 7. REVISIONS: [List]



Attachment 2
Peninsula's Response to Staff's First Data Request
Docket No. 120313-GU
Response to Questions 8 and 9

Similar Customers - LDC	Contracted Capacity (Dt/Day)	Annual Reservation Charge	Rate per Dt of Capacity	Fuel Retention Percentage
FPUC - Nassau County *				
Florida City Gas - Sebastian				
FPUC - Riviera Lateral				

* The Annual Reservation Charge shown is net of required payment from Peninsula to PGS for Transportation Service through PGS' distribution system.