

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 120313-GU

PETITION FOR APPROVAL OF  
TRANSPORTATION SERVICE  
AGREEMENT WITH FLORIDA  
PUBLIC UTILITIES COMPANY,  
BY PENINSULA PIPELINE  
COMPANY, INC.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 8

COMMISSIONERS

PARTICIPATING: CHAIRMAN RONALD A. BRISÉ  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER ART GRAHAM  
COMMISSIONER EDUARDO E. BALBIS  
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, July 30, 2013

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: LINDA BOLES, CRR, RPR  
Official FPSC Reporter  
(850) 413-673

## P R O C E E D I N G S

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2           **CHAIRMAN BRISÉ:** Moving on to Item Number  
3 8, which is our last item for our agenda this  
4 morning. Docket Number 120313-GU.

5           **MS. KING:** Hello, Commissioners. Again,  
6 it's Laura King.

7           Item 8 is a petition filed by Peninsula  
8 Pipeline Company for the approval of a firm  
9 transportation service agreement with Florida Public  
10 Utilities Company. The companies are corporate  
11 affiliates; therefore, Commission approval of the  
12 proposed agreement is required.

13           FPUC determined that it needed to enhance  
14 its ability to transport more natural gas to provide  
15 reliable service to meet current and future expected  
16 demand in the Riviera Beach area. The company  
17 evaluated several options to renew the issue. They  
18 looked at cost and technical feasibility of each of  
19 the options. FPUC determined that the best option  
20 available was to have Peninsula purchase the Riviera  
21 lateral from Florida Gas Transmission Company and  
22 contract with Peninsula for the additional capacity  
23 it needed.

24           After reviewing the options available to  
25 FPUC, including the cost analysis, staff recommends

1 approval of the agreement contingent upon FERC  
2 approval of FGT's request to transfer gas to the  
3 Peninsula system.

4 Staff is willing to answer -- is here to  
5 answer any questions. And Ms. Keating and  
6 Ms. Martin are here to answer questions on behalf of  
7 the company.

8 **CHAIRMAN BRISÉ:** Thank you very much.

9 Commissioners, any questions on this item?

10 Commissioner Brown.

11 **COMMISSIONER BROWN:** Thank you.

12 I was just curious from the, from the  
13 company's perspective, I know you both are  
14 affiliates of Chesapeake and that this agreement was  
15 negotiated at an arm's-length transaction. And I  
16 just wanted to hear from you about how that, that  
17 occurred and how those negotiations are bona fide  
18 arm's length.

19 **MS. KEATING:** Thank you, Commissioner.

20 Beth Keating with the Gunster firm here on behalf of  
21 FPUC.

22 There are actually two separate arms of  
23 the company and there are separate employees that  
24 work on these contracts that look at the contracts  
25 from the perspectives of both Peninsula and of FPUC.

1 And to that extent, FPUC and the employees that work  
2 on behalf of that half of the entity do look at all  
3 the options available and did look at whether this  
4 was really going to be the best option for FPUC's  
5 ratepayers.

6 **CHAIRMAN BRISÉ:** All right. Any -- I'm  
7 sorry. Any further questions or comments? I think  
8 we're ready to entertain a motion.

9 **COMMISSIONER BROWN:** Mr. Chairman, I'd  
10 move staff recommendation on Item 8.

11 **CHAIRMAN BRISÉ:** All right. It's been  
12 moved and seconded. Any further comments? Seeing  
13 none, all in favor, say aye.

14 (Vote taken.)

15 All right. Thank you very much. This  
16 concludes our Agenda Conference for today, so we are  
17 officially adjourned.

18 (Agenda Conference concluded at 10:07 a.m.)  
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1 STATE OF FLORIDA )  
2 COUNTY OF LEON ) CERTIFICATE OF REPORTER

3  
4 I, LINDA BOLES, CRR, RPR, Official Commission  
5 Reporter, do hereby certify that the foregoing  
6 proceeding was heard at the time and place herein  
7 stated.

8 IT IS FURTHER CERTIFIED that I  
9 stenographically reported the said proceedings; that  
10 the same has been transcribed under my direct  
11 supervision; and that this transcript constitutes a  
12 true transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,  
14 employee, attorney or counsel of any of the parties,  
15 nor am I a relative or employee of any of the parties'  
16 attorney or counsel connected with the action, nor am I  
17 financially interested in the action.

18 DATED THIS 15<sup>th</sup> day of August,  
19 2013.

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21   
22 LINDA BOLES, CRR, RPR  
23 FPSC Official Commission Reporters  
24 (850) 413-6734  
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