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STATE OF FLORIDA



DIVISION OF ECONOMICS
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Public Service Commission

September 22, 2017

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

Re: Docket No. 20170193-GU-Petition for Approval of Transportation Service Agreement with Florida Public Utilities Company by Peninsula Pipeline Company, Inc.

Dear Ms. Keating:

By this letter, Commission staff requests that Peninsula Pipeline Company (Peninsula) and Florida Public Utilities Company (FPUC) provide responses to the following data requests.

Staff respectfully requests the following information from Peninsula:

1. Will Peninsula need to obtain approval from any other state or local agencies to complete the project? If the answer is affirmative, please provide a brief description of the approvals that will be required.
2. Please describe the manner in which Peninsula will recover its costs associated with the project.
3. Please identify and explain the types of costs that the monthly reservation charge as shown on Exhibit A to the agreement is designed to recover.
4. Please provide the basis for the derivation of the Unauthorized Use Rate shown in Exhibit A to the agreement.
5. On page 5 of the petition, paragraph 9, Peninsula states that the rates in the agreement are consistent with a "market rate" in that they are within the range of rates set forth in similar agreements between Peninsula and other customers. Please provide an analysis to support this statement and identify the similar agreements.
6. Referring to page 1 of the petition, paragraph 1, FPUC states; that Peninsula will construct 58,700' of 8" steel pipe in New Smyrna Beach, Florida. However, in Attachment C, the map, it shows that phase 1 – 18,800' and phase 2 – 58,800' 6" steel @

575 MAOP, equaling 77,600' of pipeline. Please clarify the length of the pipeline, as well as, the thickness of the steel being used.

Staff respectfully requests the following information from Florida Public Utilities Company:

7. Did FPUC issue Requests for Proposals (RFPs) to obtain cost estimates for any phases of the project from other entities? If the answer is affirmative, please identify all respondents to each RFP and provide an explanation regarding why their proposals were rejected. If the answer is negative, please state why FPUC did not solicit competitive bids.
8. Did FPUC consider building the facilities itself in lieu of contracting with Peninsula? If the answer is affirmative, please provide an estimate of what the costs to FPUC would be if it were to undertake the entire project itself.
9. How does FPUC plan to recover its payments to Peninsula pursuant to the agreement?
10. Will FPUC seek to recover the payments to Peninsula through the PGA? If the answer is affirmative, what is the projected \$/therm impact to the PGA factor in 2016?

Please file all responses electronically no later than Friday, October 6, 2017, via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please contact me at rdoherty@psc.state.fl.us or at 850.413.6858 if you have any questions.

Thank you,

/s/Riley Doherty

Riley Doherty

Public Utility Analyst I

Cc: Office of the Commission Clerk