

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

August 31, 2018

BY E-PORTAL

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

Re: [New Filing] - **Joint petition for approval of revised swing service rider rates for the period January through December 2019, by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.**

Dear Ms. Stauffer:

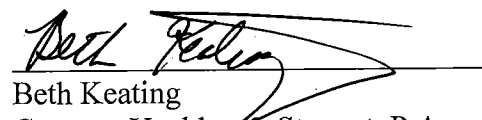
Attached for electronic filing, please find the Joint Petition of Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Corporation, along with the Testimony and Exhibit MC-1 of witness Michael Cassel.

Included with this filing are the following revised tariff sheets:

FPUC: 35.6
FPUC – Fort Meade: 64.1
FPUC – Indiantown Division: 35.2
Chesapeake – 105.4

As always, thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,


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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for approval of revised) Docket No.
swing service rider rates for the period January)
through December 2018, by Florida Public)
Utilities Company, Florida Public Utilities) Filed: August 31, 2018
Company-Indiantown Division, Florida Public)
Utilities Company-Fort Meade, and Florida)
Division of Chesapeake Utilities Corporation)

**JOINT PETITION FOR APPROVAL OF SWING SERVICE RIDER RATES FOR THE
PERIOD JANUARY THROUGH DECEMBER 2019**

On April 11, 2016, Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, and Florida Public Utilities Company-Fort Meade (jointly, “FPUC”), as well as the Florida Division of Chesapeake Utilities Corporation (“CFG”) (herein, all FPUC divisions and CHPK, jointly, “Companies”) jointly filed a petition for approval to allow the Companies to expand the allocation of the intrastate and local distribution company (“LDC”)-to-LDC unreleased capacity-related components of the Purchased Gas Adjustment (“PGA”) mechanism for FPUC and the Operational Balancing Account (“OBA”) mechanism for CHPK to include those customers not currently subject to those cost allocation mechanisms (herein “Initial Petition”). By Order No. PSC-2016-0422-TRF-GU, issued October 23, 2016, the Companies’ request, as amended, was approved. Consistent with the Commission’s approval in that Order, the Companies now seek approval of updated Swing Service Rider rates for the period January through December, 2018, and submit for Commission approval revised tariff pages, attached and incorporated herein as Exhibit A, reflecting the proposed updated Swing Service rates. The Companies are also submitting, in support of the proposed revised Swing Service rates, the Direct Testimony of Michael Cassel, along with Exhibit MC-1, which contain Schedules A-D,

Swing Service Update Petition

showing the Companies' computations of the revised charges. In support of this request, the

Companies hereby state:

1) FPUC is a natural gas utility subject to the Commission's jurisdiction under

Chapter 366, Florida Statutes. Its principal business address is:

Florida Public Utilities Company
1750 S 14th Street, Suite 200
Fernandina Beach FL 32034

Florida Public Utilities Company – Fort Meade is a division of FPUC with its principal business address being the same as FPUC, as is Florida Public Utilities Company-Indiantown Division.

2) CFG is also a natural gas utility subject to the Commission's jurisdiction under

Chapter 366, Florida Statutes. Its principal business address is:

Florida Division of Chesapeake Utilities Corporation
1750 S 14th Street, Suite 200
Fernandina Beach FL 32034

3) The name and mailing address of the persons authorized to receive notices are:

Beth Keating, Esq.
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601
Tallahassee, Florida 32301-1839
(850) 521-1706

Mike Cassel
Director, Regulatory and Governmental Affairs
Florida Public Utilities Company/Chesapeake
1750 S 14th Street, Suite 200
Fernandina Beach FL 32034
mcassel@fpuc.com

4) The Commission is vested with jurisdiction in this matter in accordance with

Sections 366.04, 366.05, and 366.06, Florida Statutes, pursuant to which the Commission is

authorized to establish rates and charges for public utilities, including the relief requested

herein.

I. BACKGROUND

5) The Swing Service Rider was designed to further allocate unreleased intrastate capacity and transportation components of the PGA, as well as transportation and unreleased

Swing Service Update Petition

intrastate capacity costs embedded in the OBA, as was contemplated by the Companies' "Phase I" petition, which was approved by Order No. PSC-2015-0321-PAA-GU, issued August 10, 2015, in Docket No. 20150117-GU. By requesting approval of a new Swing Service Rider, the Companies' sought Commission approval of a further redistribution of costs (Phase II) to include those transportation customers not currently sharing in the costs associated with unreleased intrastate capacity and LDC-to-LDC interconnections, including customers in the Florida Division of Chesapeake Utilities Corporation and Indiantown divisions.

6) On August 2, 2016, the Companies filed an Amended Joint Petition. The Companies still proposed to implement the Swing Service Rider in stages over a period of 5 years for customers in the rate classes identified on Exhibit A of this Petition, with the exception of customers in rates classes FTS-1 through FTS-3 on CFG and TS-1 through TS-3 on Indiantown, which generally represent customers in the TTS Pool. The Companies modified their proposal, however, to suggest that the Swing Service Rider be applied annually at a rate of 20% of the total allocation for each year of the 5-year program, as opposed to the original proposal that the allocation in year 1 be 40% of the total amount, and thereafter be increased by an additional 15% annually so that the total allocation of 100% would be reached at year 5. Using the 20%-per-year implementation schedule, those larger transportation customers in rate classes above FTS-3 on CFG and TS-3¹ on Indiantown would still reach their fully allocated portion at year 5, but would do so in more regular increments that are more easily accounted for in yearly budgeting, while still enabling customers typically subject to longer term contracts to negotiate adjustments as may be

¹The Companies note that the customers in this class, TS-4, are no longer on the system; therefore, the rate is appropriately reflected as \$0.

Swing Service Update Petition

necessary. As for those customers in FTS-1 through FTS-3 and TS-1 through TS-3, which generally include the TTS Pool and PGA customers, they would still see a discount to their allocated portion over the life of the Swing Service Rider, but the amount per year will reflect the changed implementation schedule for the Swing Service Charge. As noted herein, the Commission ultimately approved the Companies' Joint Petition, as amended on August 2, 2016, by Order No. PSC-16-0422-TRF-GU, issued October 23, 2016.

7) By that same Order, the Commission required that the Companies submit, by September 1, 2017, and on an annual basis thereafter, revised tariffs with updated Swing Service rates to be calculated based upon the most recent 12 months of actual data, which in this case, is July 2017 through June 2018. This Joint Petition is submitted in conformance with that requirement.

8) The calculation of the new Swing Service Rider rates is made in compliance with Order No. PSC-16-0422-TRF-GU, and is as set forth below:

- a. The percentage split between transportation and sales service customers to total system usage is first calculated. The current basis for this calculation is the daily peak, plus the average of the non-peak months, based upon historical usage. This step will be completed annually based on the most recent 12-months' usage data.
- b. The percentage, by transportation rate class, determined in step 1 is then applied to the total cost of the unreleased intrastate and LDC-to-LDC capacity to produce the dollars allocated to each rate class. These dollars are divided by therms in the rate class to arrive at the cost recovery factor or rider to be billed, by rate class, directly to the transportation customers.

Swing Service Update Petition

- c. The aggregate of the costs calculated in step 2 will then be credited to the PGA with the remainder of the costs associated with the unreleased intrastate and LDC-to-LDC capacity being allocated to the remaining sales service customers.

9) The Company's actual costs for intrastate capacity, other costs and LDC-LDC interconnects is \$7,396,034 for the period July 2017 through June 2018. The Company expects to recover \$3,620,456 of this amount through special contracts. Therefore, \$3,775,578 remains to be recovered during the period January 1, 2019 through December 31, 2019. Based on the percent of peak and average usage from July 2017 thru June 2018, 29.84% of these costs or \$1,126,704 relate to PGA customers and 70.16% or \$2,648,874 to transportation customers. The transportation cost was allocated to the rate classes based on total throughput during July 2017 thru June 2018. After allocating based on the phase in percent, the updated Swing Service rates for which the Companies seek approval by this petition are those set forth on the tariff pages included in Exhibit A hereto.

10) The Companies attest that these revised Swing Service rates have been calculated correctly and consistent with Commission requirements as set forth in Order No. PSC-2016-0422-TRF-GU. Thus, the Companies ask that the Commission approve the proposed factors as set forth herein.

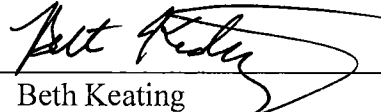
RELIEF REQUESTED

WHEREFORE, Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, and Florida Public Utilities Company-Fort Meade, as well as the Florida Division of Chesapeake Utilities Corporation, respectfully request that the Commission approve

Swing Service Update Petition

the updated Swing Service rates proposed herein to be effective for all meter readings for the period January 2019 through December 2019.

RESPECTFULLY SUBMITTED this 31st day of August, 2018.



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

*Attorneys for Florida Public Utilities Company,
Florida Public Utilities Company – Indiantown
Division, Florida Public Utilities Company-Fort
Meade, and the Florida Division of Chesapeake
Utilities Corporation*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Hand Delivery or Electronic Mail this 31st day of August, 2018.

Jennifer Crawford Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 jcrowfor@psc.state.fl.us	J.R. Kelly Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Kelly.JR@leg.state.fl.us
Mike Cassel Florida Public Utilities Company 1750 S. 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@chpk.com	


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

EXHIBIT A

Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division,
Florida Public Utilities Company-Fort Meade, and
The Florida Division of Chesapeake Utilities Corporation

Revised Tariff Sheets

(Clean and Legislative Versions)

FPUC: 35.6

FPUC – Fort Meade: 64.1

FPUC – Indiantown Division: 35.2

Florida Division of Chesapeake: 105.4

BILLING ADJUSTMENTS

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service Rider factors for the period from the first billing cycle for January 2019 through the last billing cycle for December 2019 are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule GSTS-1	\$0.0197
Rate Schedule GSTS-2	\$0.0191
Rate Schedule LVTS	\$0.0183

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

BILLING ADJUSTMENTS

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service Rider factors for the period from the first billing cycle for January 2018 ~~8~~ 9 through the last billing cycle for December 2018 ~~8~~ 9 are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule GSTS-1	\$0.0465 <u>197</u>
Rate Schedule GSTS-2	\$0.0464 <u>191</u>
Rate Schedule LVTS	\$0.0462 <u>183</u>

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

BILLING ADJUSTMENTS

(Continued)

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2019 through the last billing cycle for December 2019 are as follows:

<u>Rate Class</u>	<u>Classification</u>	<u>Rates Per Therm</u>
Transportation Service 1	TS1	\$0.0321
Transportation Service 2	TS2	\$0.0301
Transportation Service 3	TS3	\$0.0322
Transportation Service 4	TS4	\$0.0000

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

BILLING ADJUSTMENTS

(Continued)

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2018~~9~~ through the last billing cycle for December 2018~~9~~ are as follows:

<u>Rate Class</u>	<u>Classification</u>	<u>Rates Per Therm</u>
Transportation Service 1	TS1	\$0.0428 321
Transportation Service 2	TS2	\$0.0415 301
Transportation Service 3	TS3	\$0.0485 322
Transportation Service 4	TS4	\$0.0000

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2019 through the last billing cycle for December 2019 are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule GSTS-1	\$0.0194

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2018~~9~~ through the last billing cycle for December 2018~~9~~ are as follows:

<u>Rate Class</u>	<u>Rates Per Therm</u>
Rate Schedule GSTS-1	\$0.01490194

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

RATE SCHEDULES
MONTHLY RATE ADJUSTMENTS

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2019 through the last billing cycle for December 201 are as follows:

<u>Rate Class</u>	<u>Classification</u>	<u>Rates Per Therm</u>
Firm Transportation Service A	FTS-A	\$0.0348
Firm Transportation Service B	FTS-B	\$0.0382
Firm Transportation Service 1	FTS-1	\$0.0404
Firm Transportation Service 2	FTS-2	\$0.0410
Firm Transportation Service 2.1	FTS-2.1	\$0.0392
Firm Transportation Service 3	FTS-3	\$0.0311
Firm Transportation Service 3.1	FTS-3.1	\$0.0308
Firm Transportation Service 4	FTS-4	\$0.0190
Firm Transportation Service 5	FTS-5	\$0.0196
Firm Transportation Service 6	FTS-6	\$0.0186
Firm Transportation Service 7	FTS-7	\$0.0203
Firm Transportation Service 8	FTS-8	\$0.0190
Firm Transportation Service 9	FTS-9	\$0.0185
Firm Transportation Service 10	FTS-10	\$0.0175
Firm Transportation Service 11	FTS-11	\$0.0176
Firm Transportation Service 12	FTS-12	\$0.0176

<u>Experimental Rate Class</u>	<u>Classification</u>	<u>Rates Per Bill</u>
Firm Transportation Service A	FTS-A	\$0.2989
Firm Transportation Service B	FTS-B	\$0.5807
Firm Transportation Service 1	FTS-1	\$0.8731
Firm Transportation Service 2	FTS-2	\$1.7976
Firm Transportation Service 2.1	FTS-2.1	\$5.9778
Firm Transportation Service 3	FTS-3	\$6.9692
Firm Transportation Service 3.1	FTS-3.1	\$19.4660

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

Issued by: Michael P. McMasters, President
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES
MONTHLY RATE ADJUSTMENTS

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2018-9 through the last billing cycle for December 2018-9 are as follows:

Rate Class	Classification	Rates Per Therm
Firm Transportation Service A	FTS-A	\$0.0444 <u>348</u>
Firm Transportation Service B	FTS-B	\$0.0429 <u>382</u>
Firm Transportation Service 1	FTS-1	\$0.0459 <u>404</u>
Firm Transportation Service 2	FTS-2	\$0.0478 <u>410</u>
Firm Transportation Service 2.1	FTS-2.1	\$0.0443 <u>392</u>
Firm Transportation Service 3	FTS-3	\$0.0396 <u>311</u>
Firm Transportation Service 3.1	FTS-3.1	\$0.0400 <u>308</u>
Firm Transportation Service 4	FTS-4	\$0.0168 <u>190</u>
Firm Transportation Service 5	FTS-5	\$0.0162 <u>196</u>
Firm Transportation Service 6	FTS-6	\$0.0159 <u>186</u>
Firm Transportation Service 7	FTS-7	\$0.0169 <u>203</u>
Firm Transportation Service 8	FTS-8	\$0.0168 <u>190</u>
Firm Transportation Service 9	FTS-9	\$0.0152 <u>185</u>
Firm Transportation Service 10	FTS-10	\$0.0183 <u>175</u>
Firm Transportation Service 11	FTS-11	\$0.0184 <u>176</u>
Firm Transportation Service 12	FTS-12	\$0.0148 <u>176</u>

<u>Experimental Rate Class</u>	<u>Classification</u>	<u>Rates Per Bill</u>
Firm Transportation Service A	FTS-A	\$0.3819 <u>.2989</u>
Firm Transportation Service B	FTS-B	\$0.6527 <u>.5807</u>
Firm Transportation Service 1	FTS-1	\$0.9917 <u>.8731</u>
Firm Transportation Service 2	FTS-2	\$2.0927 <u>1.7976</u>
Firm Transportation Service 2.1	FTS-2.1	\$6.7514 <u>5.9778</u>
Firm Transportation Service 3	FTS-3	\$8.8700 <u>6.9692</u>
Firm Transportation Service 3.1	FTS-3.1	\$25.2933 <u>19.4660</u>

Definitions

This surcharge allocates a fair portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF MICHAEL CASSEL

On behalf of Florida Public Utilities Company

1 **Q. Please state your name and business address.**

2 A. My name is Michael Cassel. My business address is 1750 South 14th
3 Street, Suite 200, Fernandina Beach, FL 32034.

4 **Q. By whom are you employed and what is your position?**

5 A. I am employed by Florida Public Utilities Company (“FPUC”) as the
6 Director of Regulatory and Governmental Affairs.

7 **Q. Please describe your educational background and professional
8 experience.**

9 A. I received a Bachelor of Science Degree in Accounting from Delaware
10 State University in Dover, Delaware in 1996. I was hired by Chesapeake
11 Utilities Corporation (“CUC”) as a Senior Regulatory Analyst in March
12 2008. As a Senior Regulatory Analyst, I was primarily involved in the
13 areas of gas cost recovery, rate of return analysis, and budgeting for
14 CUC’s Delaware and Maryland natural gas distribution companies. In
15 2010, I moved to Florida in the role of Senior Tax Accountant for CUC’s
16 Florida business units. Since that time, I have held various management
17 roles including Manager of the Back Office in 2011, Director of Business
18 Management in 2012. I am currently the Director of Regulatory and
19 Governmental Affairs for CUC’s Florida business units. In this role, my

1 responsibilities include directing the regulatory and governmental affairs
2 for the Company in Florida including regulatory analysis, and reporting
3 and filings before the Florida Public Service Commission (“FPSC”) for
4 FPUC, FPUC-Indiantown, FPUC-Fort Meade, the Florida Division of
5 Chesapeake Utilities Corporation d/b/a Central Florida Gas (“CFG”), and
6 Peninsula Pipeline Company. Prior to joining Chesapeake, I was
7 employed by J.P. Morgan Chase & Company, Inc. from 2006 to 2008 as
8 a Financial Manager in their card finance group. My primary
9 responsibility in this position was the development of client specific
10 financial models and profit loss statements. I was also employed by
11 Computer Sciences Corporation as a Senior Finance Manager from 1999
12 to 2006. In this position, I was responsible for the financial operation of
13 the company’s chemical, oil and natural resources business. This
14 included forecasting, financial close and reporting responsibility, as well
15 as representing Computer Sciences Corporation’s financial interests in
16 contract/service negotiations with existing and potential clients. From
17 1996 to 1999, I was employed by J.P. Morgan, Inc., where I had various
18 accounting/finance responsibilities for the firm’s private banking
19 clientele.

20 **Q. Have you provided testimony in other proceedings?**

21 A. Yes. I’ve provided written, pre-filed testimony in a variety of the
22 Company’s annual proceedings, including the Fuel and Purchased Power

1 Cost Recovery Clause for our electric division, Docket No. 20160001-EI,
2 and the Gas Reliability Infrastructure Program (“GRIP”) Cost Recovery
3 Factors proceeding, Docket No. 20160199-GU for FPUC and our sister
4 company, CFG. I have also provided written, pre-filed testimony in
5 FPUC’s electric Limited Proceeding, Docket No. 20170150-EI, and most
6 recently in the Company’s tax Dockets 20180048-EI, 20180051,
7 20180052, 20180053, and 20180054-GU.

8 **Q. What is the purpose of your testimony at this time?**

9 A. My testimony will provide the actual swing service rider costs based on
10 twelve months data for the period July 2017 through June 2018. My
11 testimony will describe and summarize the computations that are
12 contained in composite Exhibit MC-1 supporting the January through
13 December 2019 swing service rider rates for Florida Public Utilities
14 Company, Florida Public Utilities Company-Fort Meade, Florida Public
15 Utilities Company-Indiantown Division, and the Florida Division of
16 Chesapeake Utilities Corporation (“Companies”).

17 **Q. Were the schedules filed by the Companies completed by you or**
18 **under your direct supervision?**

19 A. Yes, they were completed under my direct supervision and review.

20 **Q. Which set of schedules have your Companies completed and filed?**

21 A. The Company has prepared and filed in composite Exhibit MC-1,
22 Schedules A-D, which support the calculation of the annual swing

1 service rider rates for January through December 2019 for the
2 Companies.

3 **Q. What is the projection period for this filing?**

4 A. The projection period is January through December 2019.

5 **Q. What are the actual transportation costs for the period July
6 2017 through June 2018?**

7 A. The actual costs for intrastate capacity costs, other costs and local
8 distribution company (LDC) to LDC interconnects for the period July
9 2017 through June 2018 is \$7,396,034 (see Schedule D of Exhibit MC-
10 1). Some of these costs have been directly billed as a swing charge to
11 certain special contract customers, which has reduced the amount to be
12 used in the Swing Service computations by \$3,620,456 (see Schedule D
13 of Exhibit MC-1). The total transportation costs to be recovered through
14 PGA and Swing Service, excluding the swing charge directly billed to
15 some special contract customers, is \$3,775,578. (See Schedule D of
16 Exhibit MC-1)

17 **Q. Describe how the Companies computed the Swing Service Rider
18 rates.**

19 A. As reflected in Schedules of Exhibit MC-1, the Companies compiled the
20 actual throughput volumes, based on the most recent 12-months usage
21 data (July 2017 – June 2018) on Schedule A and B for each affected
22 transportation and sales rate schedule to determine the percentage split

1 between transportation and sales service customers relative to the total
2 throughput for the affected rate schedules. The split for allocating the
3 annual total intrastate and LDC-to-LDC capacity costs of \$3,775,578 is
4 70.16 percent or \$2,648,874 to transportation customers and 29.84
5 percent or \$1,126,704 to sales customers as demonstrated on Schedule C
6 page 1 of Exhibit MC-1. Also, on Schedule C page 1, the transportation
7 customers' share of the \$2,648,874 was allocated to the affected
8 transportation rate schedules based on the percent of peak and average
9 usage. Since the Companies recognized that implementation of the
10 swing service rider could have a significant financial impact on large
11 volume customers, the Companies requested and received approval of a
12 five-year, stepped implementation process, whereby the Companies
13 annually apply rate increase of 20 percent of the total allocation. Using
14 this approved process, the Companies applied a rate of 60 percent for the
15 period January 2019 through December 2019. Transportation customers
16 in the Transitional Transportation Service (TTS) pool, were allocated at
17 100 percent since they were already allocated these costs as approved by
18 the Commission by Order No. PSC-15-0321-PAA-GU. The allocated
19 costs to each rate schedule (based on the peak and average percent) were
20 multiplied by the phase-in percentage for this year. These costs were then
21 divided by the rate schedule's actual billed volumes in order to calculate
22 the cost recovery factor to be billed directly to the transportation

1 customers. Experimental Rates were calculated on Schedule C, page 2.

2 **Q. What are the total costs to be collected and reflected in the PGA**
3 **filing for the swing service rider?**

4 A. The Companies with customers subject to the PGA will reflect an
5 allocated reduction in PGA costs of \$5,322,631, which is directly
6 attributable to the Swing Service Rider.

7 **Q. Have the tariffs for the Companies been updated?**

8 A. Yes, the Companies are submitting the revised tariffs with the
9 Companies' Petition as Exhibit A.

10 **Q. Were the tariffs filed by the Companies completed by you or under**
11 **your direct supervision?**

12 A. Yes, they were completed under my direct supervision and review.

13 **Q. Does this conclude your testimony?**

14 A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
COMPUTATION OF SWING SERVICE RATES
PGA THERMS

Schedule A
Page 1 of 1

		2017-2018 Monthly Volumes - Therms												Annual Total- peak	Annual Total
LDC	Customer Class	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE		
FPU	FPU - RS	690,790	618,629	1,080,416	757,102	1,020,022	1,432,923	2,192,437	1,547,691	1,412,359	1,375,151	990,998	869,540	11,795,620	13,988,058
FPU	FPU - RS-GS	1,605	1,630	39,261	8,440	4,694	5,736	8,333	4,741	5,800	5,327	3,587	3,076	83,897	92,229
FTM	FT-RS	4,132	4,152	5,056	5,078	5,638	8,816	12,575	8,348	5,859	6,412	4,745	5,331	63,561	76,136
FPU	FPU - GS - 1	67,572	67,610	87,137	84,751	87,335	104,742	128,899	111,217	93,277	93,502	77,461	72,622	947,225	1,076,124
FPU	FPU - GS - 2	486,929	434,936	455,218	450,891	543,053	640,412	760,638	755,632	632,286	640,585	529,113	512,476	6,081,531	6,842,169
FPU	FPU - CS - GS	2,136	2,620	24,494	9,327	3,600	3,556	4,699	3,164	2,985	2,679	2,102	2,859	59,523	64,222
FPU	FPU - LV5	689,135	638,760	615,759	628,131	814,118	918,560	1,037,718	885,888	856,827	854,521	750,281	708,958	8,360,939	9,398,657
FPU	FPU - IS	-	-	-	-	-	-	-	-	-	-	-	-	0	-
FPU	FPU - GLS	14,573	14,573	13,517	13,133	13,133	13,133	12,941	12,236	12,236	12,225	12,202	12,202	143,165	156,107
FTM	FT-Comm PA	6	18	187	5	24	98	86	116	39	41	10	8	552	638
FTM	FT-Comm Small	1,857	1,288	1,251	1,174	3,055	2,941	6,116	5,469	4,098	4,518	3,016	2,259	30,927	37,043
	Total PGA Volumes	1,958,734	1,784,217	2,322,297	1,958,033	2,494,667	3,130,917	4,164,441	3,334,502	3,025,767	2,994,962	2,373,515	2,189,331	27,566,941	31,731,382
	Total Transport Volumes	6,488,414	6,178,432	5,546,142	6,840,754	7,026,003	7,729,420	8,655,091	7,651,507	7,835,542	7,686,005	7,049,966	7,011,391	77,043,577	85,698,668
	Total Billed Volumes To Be Allocated FRS	8,447,149	7,962,649	7,868,439	8,798,787	9,520,670	10,860,336	12,819,532	10,986,009	10,861,309	10,680,966	9,423,481	9,200,723	104,610,518	117,430,050

		31	31	30	31	30	31	31	28	31	30	31	30	334
LDC	Customer Class	2017 - 2018 Daily Volumes - Therms												
FPU	FPU - RS	22,284	19,956	36,014	24,423	34,001	46,223	70,724	55,275	45,560	45,838	31,968	28,985	35,316
FPU	FPU - RS-GS	52	53	1,309	272	156	185	269	169	187	178	116	103	251
FTM	FT-RS	133	134	169	164	188	284	406	298	189	214	153	178	190
FPU	FPU - GS - 1	2,180	2,181	2,905	2,734	2,911	3,379	4,158	3,972	3,009	3,117	2,499	2,421	2,836
FPU	FPU - GS - 2	15,707	14,030	15,174	14,545	18,102	20,658	24,537	26,987	20,396	21,353	17,068	17,083	18,208
FPU	FPU - CS - GS	69	85	816	301	120	115	152	113	96	89	68	95	178
FPU	FPU - LV5	22,230	20,605	20,525	20,262	27,137	29,631	33,475	31,639	27,640	28,484	24,203	23,632	25,033
FPU	FPU - IS	0	0	0	0	0	0	0	0	0	0	0	0	0
FPU	FPU - GLS	470	470	451	424	438	424	417	437	395	408	394	407	429
FTM	FT-Comm PA	0	1	6	0	1	3	3	4	1	1	0	0	2
FTM	FT-Comm Small	60	42	42	38	102	95	197	195	132	151	97	75	93
	Total PGA Volumes	63,185	57,555	77,410	63,162	83,156	100,997	134,337	119,089	97,605	99,832	76,565	72,978	82,536
	Total Transport Volumes	209,304	199,304	184,871	220,669	234,200	249,336	279,196	273,268	252,759	256,200	227,418	233,713	230,669
	Total Billed Volumes To Be Allocated FRS	272,489	256,860	262,281	283,832	317,356	350,333	413,533	392,357	350,365	356,032	303,983	306,691	313,205

	TOTAL	PGA	Transport
Average of non peak months	313,205	82,536	230,669
Peak	413,533	134,337	279,196
Total	726,738	216,873	509,866
Allocation		0.2984	0.7016

Docket No.
Exhibit MC-1
Page 1 of 5

FLORIDA PUBLIC UTILITIES COMPANY
COMPUTATION OF SWING SERVICE RATES
TRANSPORT THERMS

Schedule B
Page 1 of 1

		2017-2018 Monthly Volumes - Therms											Annual Total Minus Peak	Annual Total	
LDC	Customer Class	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE		
CFG	FTS-A	6,020	5,889	7,698	6,055	8,018	8,544	11,608	9,056	8,629	8,005	6,338	6,877	81,129	92,737.17
CFG	FTS-B	19,426	18,350	22,247	19,501	24,867	28,940	44,603	28,457	26,367	25,533	21,431	22,235	257,354	301,956.93
CFG	FTS-1	120,666	110,723	147,465	119,057	176,971	213,037	353,337	217,482	225,365	199,112	149,703	145,063	1,824,645	2,177,981.96
CFG	FTS-2	12,416	19,715	23,019	26,082	54,736	57,669	98,988	69,922	80,939	80,953	40,893	29,979	496,323	595,311.64
CFG	FTS-2.1	40,598	36,102	45,385	55,682	104,843	103,963	160,575	121,302	134,251	116,264	68,501	51,691	880,583	1,041,158.65
CFG	FTS-3	74,413	70,950	75,495	77,368	95,065	93,701	108,394	98,496	100,728	88,905	108,394	87,224	961,547	1,069,940.69
CFG	FTS-3.1	185,028	170,601	178,143	183,393	210,006	206,602	244,028	235,815	227,651	226,884	196,047	201,242	2,221,411	2,465,439.45
IND	IGC - TS1	8,307	8,652	8,558	9,167	9,865	10,678	8,558	9,830	10,092	9,696	10,059	8,917	102,821	116,373.37
CFG	FTS-4	210,617	205,457	227,350	177,708	265,705	263,958	312,702	273,963	263,470	304,230	224,441	250,455	2,667,354	2,980,056.77
CFG	FTS-5	82,784	86,923	78,039	85,913	121,261	107,440	137,706	132,751	140,231	103,326	77,040	79,442	1,095,145	1,232,850.85
CFG	FTS-6	114,800	125,247	125,930	128,163	121,088	125,341	153,530	127,415	137,130	128,055	125,795	113,767	1,372,230	1,525,760.46
CFG	FTS-7	255,915	264,268	204,266	277,951	281,587	249,487	404,984	282,087	337,995	264,145	314,799	267,893	3,000,390	3,405,374.44
CFG	FTS-8	401,760	395,613	347,659	398,370	421,068	425,546	520,517	437,822	478,054	393,858	397,951	356,560	4,454,261	4,974,777.88
CFG	FTS-9	332,593	340,706	300,999	381,202	398,457	408,894	435,274	396,190	388,307	331,189	332,203	317,426	3,928,166	4,363,440.26
CFG	FTS-10	106,867	96,041	106,302	149,429	115,558	112,478	148,026	120,898	126,649	199,602	202,909	185,414	1,522,147	1,670,172.83
CFG	FTS-11	39	118,085	167,137	38,591	(15,366)	85,525	134,513	63,140	66,738	261,928	266,379	310,907	1,363,104	1,497,616.57
CFG	FTS-12	1,722,006	1,401,842	941,299	1,827,099	1,691,501	1,911,582	1,728,431	1,659,083	1,793,048	1,573,238	1,432,832	1,513,442	17,466,943	19,195,374.20
FPU	FPU - GSTS - 1	45,916	41,658	46,245	44,243	54,127	59,171	74,955	71,025	60,851	61,899	53,712	54,337	593,883	668,137.45
FPU	FPU - GSTS - 2	302,900	295,367	295,756	307,434	364,967	422,421	484,985	445,421	417,362	437,618	382,149	400,185	4,071,581	4,556,565.17
FPU	FPU - LVTS <50k	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FPU	FPU - LVTS >50k	2,437,741	2,355,438	2,188,156	2,519,380	2,512,405	2,825,646	3,074,701	2,841,852	2,802,097	2,852,370	2,649,343	2,599,671	28,584,101	31,658,802.11
FPU	FPU - GLTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTM	FT-TRANSPORTATION	1,530	1,660	1,601	1,509	2,268	1,342	2,310	2,340	2,172	1,592	703	2,092	18,809	21,119.25
IND	IGC - TS2	5,916	6,917	7,196	7,298	6,941	7,078	8,029	6,887	7,121	6,953	7,539	6,695	76,540	84,569.76
IND	IGC - TS3	156	227	202	158	65	404	342	274	295	352	295	379	2,808	3,150.32
IND	IGC - TS4 (Note A)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ALLOCATED THERMS		6,488,414	6,178,432	5,546,142	6,840,754	7,026,003	7,729,420	8,655,091	7,651,507	7,835,542	7,686,005	7,049,966	7,011,391	77,043,577	85,698,668
DAYS		31	31	30	31	30	31	31	28	31	30	31	30	334	
		2017-2018 Daily Volumes - Therms													
CFG	FTS-A	194	190	257	195	267	276	374	323	278	267	204	229	243	
CFG	FTS-B	627	592	742	629	829	934	1,439	1,016	851	851	691	741	771	
CFG	FTS-1	3,892	3,572	4,916	3,841	5,899	6,872	11,398	7,767	7,270	6,637	4,829	4,835	5,463	
CFG	FTS-2	401	636	767	841	1,825	1,860	3,193	2,497	2,611	2,698	1,319	999	1,486	
CFG	FTS-2.1	1,310	1,229	1,513	1,796	3,495	3,354	5,180	4,332	4,331	3,875	2,210	1,723	2,636	
CFG	FTS-3	2,400	2,289	2,517	2,496	3,169	3,023	3,497	3,518	3,249	3,307	2,868	2,907	2,879	
CFG	FTS-3.1	5,969	5,503	5,938	5,916	7,000	6,665	7,872	8,422	7,344	7,563	6,324	6,708	6,651	
IND	IGC - TS1	268	279	285	296	329	344	405	351	326	323	324	297	311	
CFG	FTS-4	6,794	6,628	7,578	5,733	8,857	8,515	10,087	9,784	8,499	10,141	7,240	8,349	7,986	
CFG	FTS-5	2,670	2,804	2,601	2,771	4,042	3,466	4,442	4,741	4,524	3,444	2,485	2,648	3,279	
CFG	FTS-6	3,703	4,040	4,198	4,134	4,036	4,043	4,953	4,551	4,424	4,269	4,058	3,776	4,108	
CFG	FTS-7	8,255	8,525	6,809	8,966	9,386	8,048	13,064	10,075	10,903	8,805	10,155	8,930	8,983	
CFG	FTS-8	12,960	12,762	11,589	12,851	14,036	13,727	16,791	15,636	15,421	13,129	12,837	11,885	13,336	
CFG	FTS-9	10,729	10,991	10,033	12,297	13,190	12,297	14,041	12,526	14,150	10,716	11,040	11,761	11,761	
CFG	FTS-10	3,447	3,098	3,543	4,820	3,852	3,628	4,775	4,318	4,085	6,653	6,545	6,180	4,557	
CFG	FTS-11	1	3,809	5,571	1,245	(512)	2,759	4,339	2,255	2,153	8,731	8,593	10,364	4,081	
CFG	FTS-12	55,549	45,221	31,377	58,939	56,383	61,663	55,756	59,253	57,840	52,441	46,220	50,448	52,296	
FPU	FPU - GSTS - 1	1,481	1,344	1,541	1,427	1,804	1,909	2,418	2,537	1,963	2,063	1,733	1,811	1,776	
FPU	FPU - GSTS - 2	9,771	9,528	9,859	9,917	12,166	13,626	15,645	15,908	13,463	14,587	12,327	13,339	12,190	
FPU	FPU - LVTS <50k	0	0	0	0	0	0	0	0	0	0	0	0	0	
FPU	FPU - LVTS >50k	78,637	75,982	72,939	81,270	83,747	91,150	99,184	101,495	90,390	95,079	85,463	86,656	85,581	
FPU	FPU - GLTS	0	0	0	0	0	0	0	0	0	0	0	0	0	
FTM	FT-TRANSPORTATION	49	54	53	49	76	43	75	84	70	53	23	70	56	
IND	IGC - TS2	191	223	240	235	231	228	259	246	230	232	243	223	229	
IND	IGC - TS3	5	7	7	5	2	13	11	10	10	12	10	13	8	
IND	IGC - TS4	-	-	-	-	-	-	-	-	-	-	-	-	-	
ALL TOTAL ALLOCATED THERMS		209,304	199,304	184,871	220,669	234,200	249,336	279,196	273,268	252,759	256,200	227,418	233,713	230,669	

Note A: IGC-TS4 customers will no longer be on the system. Therefore, the therms have been removed from this schedule and rate is reflected as \$0.

Docket No.
Exhibit MC-1
Page 2 of 5

FLORIDA PUBLIC UTILITIES COMPANY
 COMPUTATION OF SWING SERVICE RATES
 ALLOCATION OF DOLLARS

Schedule C
 Page 1 of 2

	DOLLARS		AVERAGE COST/THERM	
Total Costs to Allocate	\$	3,775,578		
% PGA	29.84%	\$ 1,126,704	\$	0.0355
% TRANSPORT	70.16%	\$ 2,648,874	\$	0.0309

	Average of All Months Excluding Peak Month	Peak Month	Peak and Average	Peak and Average Percent	Peak and Average Total Transport Cost	Phase in Percent	Phase In Amount	Therms	Phase in Rate Dollars per Therm	Tax Factor	Swing Service Rates
FT TRANSPORTAT	56	75	131	0.02566%	\$ 680	60%	\$ 408	21,119	\$ 0.0193	1.00503	\$ 0.0194
IGC-TS1	311	405	716	0.14038%	\$ 3,718	100%	\$ 3,718	116,373	\$ 0.0320	1.00503	\$ 0.0321
IGC-TS2	229	259	488	0.09575%	\$ 2,536	100%	\$ 2,536	84,570	\$ 0.0300	1.00503	\$ 0.0301
IGC-TS3	8	11	19	0.00381%	\$ 101	100%	\$ 101	3,150	\$ 0.0321	1.00503	\$ 0.0322
IGC-TS4 (Note A)	0	0	0	0.00000%	\$ -	100%	\$ -	-	\$ -	1.00503	\$ -
FPU-GSTS-1	1,776	2,418	4,194	0.82255%	\$ 21,788	60%	\$ 13,073	668,137	\$ 0.0196	1.00503	\$ 0.0197
FPU-GSTS-2	12,190	15,645	27,835	5.45928%	\$ 144,610	60%	\$ 86,766	4,556,565	\$ 0.0190	1.00503	\$ 0.0191
FPU-LVTS	85,581	99,184	184,765	36.23797%	\$ 959,898	60%	\$ 575,939	31,658,802	\$ 0.0182	1.00503	\$ 0.0183
FTS-A	243	374	617	0.12108%	\$ 3,207	100%	\$ 3,207	92,737	\$ 0.0346	1.00503	\$ 0.0348
FTS-B	771	1,439	2,209	0.43331%	\$ 11,478	100%	\$ 11,478	301,957	\$ 0.0380	1.00503	\$ 0.0382
FTS-1	5,463	11,398	16,861	3.30694%	\$ 87,597	100%	\$ 87,597	2,177,982	\$ 0.0402	1.00503	\$ 0.0404
FTS-2	1,486	3,193	4,679	0.91773%	\$ 24,309	100%	\$ 24,309	595,312	\$ 0.0408	1.00503	\$ 0.0410
FTS-2.1	2,636	5,180	7,816	1.53302%	\$ 40,608	100%	\$ 40,608	1,041,159	\$ 0.0390	1.00503	\$ 0.0392
FTS-3	2,879	3,497	6,375	1.25042%	\$ 33,122	100%	\$ 33,122	1,069,941	\$ 0.0310	1.00503	\$ 0.0311
FTS-3.1	6,651	7,872	14,523	2.84836%	\$ 75,449	100%	\$ 75,449	2,465,439	\$ 0.0306	1.00503	\$ 0.0308
FTS-4	7,986	10,087	18,073	3.54471%	\$ 93,895	60%	\$ 56,337	2,980,057	\$ 0.0189	1.00503	\$ 0.0190
FTS-5	3,279	4,442	7,721	1.51432%	\$ 40,112	60%	\$ 24,067	1,232,851	\$ 0.0195	1.00503	\$ 0.0196
FTS-6	4,108	4,953	9,061	1.77715%	\$ 47,074	60%	\$ 28,245	1,525,760	\$ 0.0185	1.00503	\$ 0.0186
FTS-7	8,983	13,064	22,047	4.32412%	\$ 114,540	60%	\$ 68,724	3,405,374	\$ 0.0202	1.00503	\$ 0.0203
FTS-8	13,336	16,791	30,127	5.90881%	\$ 156,517	60%	\$ 93,910	4,974,778	\$ 0.0189	1.00503	\$ 0.0190
FTS-9	11,761	14,041	25,802	5.06056%	\$ 134,048	60%	\$ 80,429	4,363,440	\$ 0.0184	1.00503	\$ 0.0185
FTS-10	4,557	4,775	9,332	1.83035%	\$ 48,484	60%	\$ 29,090	1,670,173	\$ 0.0174	1.00503	\$ 0.0175
FTS-11	4,081	4,339	8,420	1.65147%	\$ 43,745	60%	\$ 26,247	1,497,617	\$ 0.0175	1.00503	\$ 0.0176
FTS-12	52,296	55,756	108,052	21.19225%	\$ 561,356	60%	\$ 336,814	19,195,374	\$ 0.0175	1.00503	\$ 0.0176
	230,669	279,196	509,866	100.00000%	\$ 2,648,874		\$ 1,702,175	85,698,668			
Special Contracts							\$ 3,620,456				
Swing Service Revenue to Collect							\$ 5,322,631				

Note A: IGC-TS4 customers will no longer be on the system. Therefore, the therms have been removed from this schedule and rate is reflected as \$0.

Docket No.
 Exhibit MC-1
 Page 3 of 5

FLORIDA PUBLIC UTILITIES COMPANY
 COMPUTATION OF SWING SERVICE RATES
 CALCULATION OF EXPERIMENTAL RATES

Schedule C
 Page 2 of 2

RATE SCHEDULE	EXPERIMENTAL RATE	BASE NON-EXPERIMENTAL	PORTION OF EXPERIMENTAL FOR USAGE	NON-EXPERIMENTAL USAGE CHARGE	THERMS IN EXPERIMENTAL CALCULATION	RATES PER THERM	DOLLARS PER BILL	TAX FACTOR	EXPERIMENTAL SWING SERVICE RATES
FTS-A	\$ 17.00	\$ 13.00	\$ 4.00	\$ 0.4636	8.6	\$ 0.0346	\$ 0.2974	1.00503	\$ 0.2989
FTS-B	\$ 23.00	\$ 15.50	\$ 7.50	\$ 0.4929	15.2	\$ 0.0380	\$ 0.5778	1.00503	\$ 0.5807
FTS-1	\$ 29.00	\$ 19.00	\$ 10.00	\$ 0.4631	21.6	\$ 0.0402	\$ 0.8687	1.00503	\$ 0.8731
FTS-2	\$ 48.00	\$ 34.00	\$ 14.00	\$ 0.3196	43.8	\$ 0.0408	\$ 1.7886	1.00503	\$ 1.7976
FTS-2.1	\$ 87.00	\$ 40.00	\$ 47.00	\$ 0.3083	152.5	\$ 0.0390	\$ 5.9479	1.00503	\$ 5.9778
FTS-3	\$ 162.00	\$ 108.00	\$ 54.00	\$ 0.2410	224.0	\$ 0.0310	\$ 6.9343	1.00503	\$ 6.9692
FTS-3.1	\$ 263.00	\$ 134.00	\$ 129.00	\$ 0.2038	632.9	\$ 0.0306	\$ 19.3685	1.00503	\$ 19.4660

Docket No.
 Exhibit MC-1
 Page 4 of 5

**FLORIDA PUBLIC UTILITIES COMPANY
 COMPUTATION OF SWING SERVICE RATES
 ACTUAL COSTS
 7/1/2017 to 6/30/2018**

Nassau County William Burgess	\$ 443,026
Nassau County	\$ 1,877,033
AGL SR80(2) Benoist Farms	\$ 764,669
Port of Palm Beach	\$ 163,860
Riveria Lateral	\$ 187,000
Herando County CFG TECO	\$ 3,528
Haines City CFG	\$ 1,627,418
Cardinal Technology LLC	\$ 57,500
Pierpont & McLelland	\$ 388,650
Temporary Assistance	\$ 73,066
New Smyrna	\$ 939,064
Pensacola NW	\$ 871,220
Total Natural Gas	\$ 7,396,034

**Less Special Contract Swing Service Charge to be
 Recovered 1/19 to 12/19:**

Mosaic	\$ 36,000
City of Pensacola	\$ 1,362,728
Ascend	\$ 1,912,600
Rayonier Recovery Boiler	\$ 126,624
8 Flags	\$ 182,504
	<u>\$ 3,620,456</u>
Net to Reduce PGA through Swing Service Rate	<u>\$ 3,775,578</u>