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September 28, 2018

E-PORTAL FILING

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

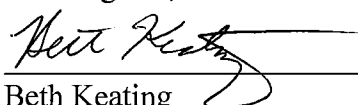
Re: Docket 20180163 -GU -- Joint petition for approval of GRIP cost recovery factors, by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

Dear Ms. Stauffer:

Attached for filing, please find the Joint Responses of Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation to Commission Staff's First Data Request in the referenced docket. The referenced attachments are being submitted to the parties only by electronic mail.

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

Kind regards,



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MEK
cc:/(OPC)

Docket 20180163 -GU -- Joint petition for approval of GRIP cost recovery factors, by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

Responses of Joint Petitioners to Staff's First Data Requests

1. Please update the pipe replacement program progress tables for FPUC, Chesapeake, and FPUC-Fort Meade contained in Attachment A, copied here on Page 3, in the response to Staff's First Data Request in Docket No. 20170190-GU. Additionally, please clarify if this includes the newly discovered bare steel, cast iron, and steel mains as mentioned on page 4 of Witness Wight's testimony.

Company Response:

Please see attached Attachment A-Replacement Tables. The tables include all known bare steel, cast iron, and steel mains that will be replaced, including newly discovered bare steel, cast iron, and steel mains.

2. Please provide all the GRIP schedules in Excel format with the formulas unlocked.

Company Response:

Please see attached 2019 GRIP Projection – FILED.

3. Referring to page 4 of the petition, please explain why the GRIP Factor for Rate Class FTS-10 decreased from last year while all other classes increased.

Company Response:

The total revenue requirement, including estimated true-up, increased from \$3.5M to \$4.2M. Therefore increasing the GRIP factor per therm for all rate classes except FTS-10. This is attributed to two factors, allocations and projected therms per rate class. The allocations are based on a cost of service study from the last rate case. As can be seen on schedule D-1 of the file provided in question two above, the allocation factors for FTS-10 are relatively lower than other large volume rate classes. Due to the revenue requirement increase, the allocated amount to be recovered in FTS-10 did increase from \$221K (2018) to \$262K (2019), however, the corresponding increase in projected therms ultimately caused the decrease in the GRIP factor. The increase in projected therms in FTS-10 is due to an additional customer previously in FTS-9.

4. Please briefly describe the planned and completed pipe replacement projects for Chesapeake in 2018.

Company Response:

Project Name	City	Start	Est. End
CFG			
Country Club	City of Winter Haven	May-18	Jul-18
Eagle Lake 2018	City of Eagle Lake	Jun-18	Aug-18
Lake Wales Ph. 2	City of Lake Wales	Oct-17	Jul-18
Lake Wales Ph.5	City of Lake Wales	Feb-18	Sep-18
Lake Wales Ph.3	City of Lake Wales	Aug-18	Dec-18
Winter Haven Area 7	City of Winter Haven	Feb-18	Dec-18
Winter Haven Area 2	City of Winter Haven	Sep-18	Jan-19
Bartow Ph.3	City of Bartow	Oct-18	Feb-19

5. Please briefly describe the planned and completed pipe replacement projects for FPUC in 2018.

Company Response:

Project Name	City	Start	Est. End
FPUC			
Broadway Ph.4	City of West Palm Beach	Sep-17	Oct-18
N. Inlet Ph.1	Town of Palm Beach	Feb-18	Aug-18
Tamarind Ph.2	City of WPB	Mar-18	Jan-19
Lake and Lucerne	City of Lake Worth	Jul-18	Oct-18

6. Please briefly describe the planned and completed pipe replacement projects for FPUC- Fort Meade in 2018.

Company Response:

Project Name	City	Start	Est. End
Fort Meade			
Scattered Services	City of Fort Meade	Jan-18	Dec-18

7. Please refer to the 2018 Schedules A-1 attached to the direct testimony of Witness Wight.

- a. Please provide the calculations used to determine the Revenue Expansion Factor of 1.350 on page 1 of 15.

Company Response:

Please see attached Exhibit 7A.

- b. Please provide the calculations used to determine the Revenue Expansion Factor of 1.3415 on page 6 of 15.

Company Response:

Please see attached Exhibit 7B.

- c. Please provide the calculations used to determine the Revenue Expansion Factor of 1.3645 on page 11 of 15.

Company Response:

Please see attached Exhibit 7B.

- 8. Please refer to the 2018 Schedules C-1 attached to the direct testimony of Witness Wight.

- a. Please provide the calculations used to determine the Equity Cost of Capital, inclusive of Income Tax Gross-up of 7.7600% on page 3 of 15.

Company Response:

Please see attached Exhibit 8A.

- b. Please provide the calculations used to determine the Equity Cost of Capital, inclusive of Income Tax Gross-up of 7.6740% on page 8 of 15.

Company Response:

Please see attached Exhibit 8B.

- c. Please provide the calculations used to determine the Equity Cost of Capital, inclusive of Income Tax Gross-up of 7.2000% on page 13 of 15.

Company Response:

Please see attached Exhibit 8C.