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July 1, 2019

ELECTRONIC PORTAL

Mr. Adam Teitzman, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20190127-GU - Petition for approval of transportation service agreement with Florida Public Utilities Company by Peninsula Pipeline Company, Inc.

Dear Mr. Teitzman:

Attached for electronic filing, please find the Joint Responses of FPUC and Peninsula Pipeline to Staff's First Data Requests in the referenced docket.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Beth Keating', written over a horizontal line.

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
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MEK

Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20170127-GU

FILED: July 1, 2019

**JOINT RESPONSES OF PENINSULA AND FPUC
TO STAFF'S FIRST DATA REQUESTS**

1. Please provide the cost estimates for the expansion as shown below:

Description	Cost	Location
4,000 ft. 6 in. steel		SR 710 to Florida Research Park
30,000 ft. 8 in. steel		Seminole Pratt Whitney Rd. to Avenir and Ancient Tree
300 ft. 4 in. steel		
1,000 ft. 2 in. steel		
18,000 ft. 12 in. steel		US Highway 98 to Arden
32,000 ft. 8 in. steel		US Highway 98 to Westlake
6,000 ft. 6 in. polyethylene		

Company Response:

Description	Cost	Location
4,000 ft. 6 in. steel	\$2,508,667	SR 710 to Florida Research Park
30,000 ft. 8 in. steel	\$7,335,840	SR 710 to Avenir and Ancient Tree
300 ft. 4 in. steel	\$35,000	
1,000 ft. 2 in. steel	\$50,000	
18,000 ft. 12 in. steel	\$8,544,606	US Highway 98 to Arden
32,000 ft. 8 in. steel	\$5,500,000	US Highway 98 to Westlake
6,000 ft. 6 in. polyethylene	\$250,000	

2. Please provide a brief description of the approvals required by Peninsula from any other state or local agencies to complete the projects.

Company Response:

Peninsula is required to obtain permits from the Florida Department of Transportation, Florida Department of Environmental Protection, United States

Army Corps of Engineers, Palm Beach County, South Florida Water Management and CSX Railroad.

3. When does Peninsula anticipate pipeline construction will begin and end for each of the projects?

Company Response:

The engineering and permitting is currently underway with construction anticipated to begin in July 2019 and completed by January 2020.

4. Please describe the manner in which Peninsula will recover its associated costs for installing the pipeline.

Company Response:

Peninsula's project costs are recovered through monthly reservation charges to customers.

5. 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.

Company Response:

The costs associated with the monthly reservation charge include, but are not limited to, design engineering, permitting, material and installation costs associated with constructing the pipeline and related facilities, on-going maintenance costs to meet PHMSA compliance and safety requirements, property taxes, gas control and Peninsula's return on investment.

6. Per Article II of the Agreement, should Exhibit A include an Unauthorized Use Rate? Please Explain.

Company Response:

FPUC stopped including an unauthorized use rate in 2018 because it is administratively burdensome. This contract is consistent with the contract approved in Docket No. 20180015-GU.

7. Did FPUC issue a Request for Proposals (RFP) to obtain construction cost estimates for *the pipeline from other entities? If so, please identify all respondents* to the RFP and provide an explanation regarding why their proposals were rejected. If not, please state why FPUC did not solicit competitive bids.

Company Response:

No, FPUC did not obtain formal RFP responses from other entities. Peninsula Pipeline, did, however, engage in a conversation with the Florida Southeast

Connector (“FSC”) regarding the possibility of FSC building the pipeline in south Florida. FSC declined to bid the pipeline construction portion of the project citing laterals of this size and operational specs are not something they are interested in pursuing.

8. Please explain how FPUC plans to recover its payments to Peninsula pursuant to the Agreement. If FPUC plans to recover its payments to Peninsula through the PGA, what is the projected \$/therm impact to the PGA factor in 2020?

Company Response:

FPUC will seek, in the initial year, to recover its payments to Peninsula through the PGA mechanism and in subsequent years, partially through the PGA, as well as the Swing Service mechanisms. Calculations of the 2020 PGA rate have not yet been completed. However, the impact on the 2019 PGA factor before any allocation to the swing factor would be \$.01823.

9. Please discuss how many residential, commercial, and industrial customers are expected to take service from this expansion project.

Company Response:

The Company currently estimates the following projections:

Avenir: 3,250 Residential Units and associated Commercial Customers

Ancient Tree: 97 Residential Units

Industrial Park: 50 Industrial Customers

Westlake: 4,500 Residential Units and associated Commercial Customers

Arden: 2,000 Residential Units and associated Commercial Customers