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October 6, 2022

VIA ELECTRONIC SUBMISSION

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

Re: Joint petition by Peoples Gas System and Florida Public Utilities Company for approval of special contract  
FPSC Docket 20220159-GU

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is Peoples Gas System's Answers to Staff's First Data Request (Nos. 1-4), served by electronic mail on September 22, 2022.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'V. Ponder'.

Virginia Ponder

VLP/ne  
Attachment  
cc: All parties of record (w/att.)

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Answers, filed on behalf of People Gas System, has been furnished by electronic mail on this 6th day of October 2022 to the following:

Shaw Stiller  
Office of General Counsel  
Florida Public Service Commission  
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ATTORNEY

**PEOPLES GAS SYSTEM  
DOCKET NO. 20220159-GU  
STAFF'S FIRST DATA REQUEST  
REQUEST NO. 1  
BATES PAGE(S): 1  
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1. Please explain why PGS is now planning to supply uninterruptible gas service to Florida Public Utilities Company (FPUC) as set forth in the proposed 2022 Gas Transportation Agreement (Special Contract), as opposed to the interruptible gas service PGS supplied under the September 2021 Gas Transportation Agreement.
  - A. FPUC approached PGS in June 2022, regarding the ability to obtain uninterruptible service due to volatile natural gas pricing in the Transco Zone 5 market, caused largely by natural gas shortages in Europe. Priority of service was a prime concern for FPUC. PGS agreed to the provision of pipeline-to-pipeline uninterruptible gas service which would be subject to a fixed monthly reservation fee.

**PEOPLES GAS SYSTEM  
DOCKET NO. 20220159-GU  
STAFF'S FIRST DATA REQUEST  
REQUEST NO. 2  
BATES PAGE(S): 2  
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- 2.** Please explain why the term of the Special Contract is 19 months.
  - A.** The Special Contract is for the provision of uninterruptible gas service. Thus, PGS is required to reserve the contracted capacity on its distribution system to allow for this variability in flow. The term reflects the ability of PGS to meet this commitment without the need to build new infrastructure in consideration of expected future growth on the PGS system.

**PEOPLES GAS SYSTEM  
DOCKET NO. 20220159-GU  
STAFF'S FIRST DATA REQUEST  
REQUEST NO. 3  
BATES PAGE(S): 3  
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- 3.** Please discuss the benefits to PGS's general body of ratepayers flowing directly from the Special Contract.
  - A.** The Special Contract is in the best interest of and will provide benefits to PGS' general body of ratepayers. The monthly service charge will generate revenues for PGS which results in savings for PGS' general body of ratepayers.

**PEOPLES GAS SYSTEM  
DOCKET NO. 20220159-GU  
STAFF'S FIRST DATA REQUEST  
REQUEST NO. 4  
BATES PAGE(S): 4  
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- 4.** Please discuss all relevant facts considered by PGS and FPUC when negotiating the amount of the monthly charge to FPUC for reservation of firm capacity and transportation service on the PGS distribution system as set forth in Section 5.1 of the Special Contract, and then explain how FPUC and PGS used those facts to calculate the monthly charge
  
- A:** In negotiating the monthly charge for the reservation of firm capacity, PGS considered FPUC's desire for priority of service, the natural gas market conditions, the ability to reduce gas supply costs for the customer, the benefit of fully utilizing the existing transportation path, and the timing of future load growth coming onto PGS's system. Essential to FPUC's stated need for priority of service was consideration of both (i) the usage rate (a fixed versus variable rate for the daily volume to meet FPUC's needs); and (ii) the appropriate term of the Special Contract. PGS considered these facts and circumstances in conjunction with the following in calculating the monthly charge: (i) PGS' current tariff rate schedules; (ii) market prices; and (iii) the availability and opportunity to provide firm capacity and transportation service to FPUC.