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Public Service Commission

May 29, 2012

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe Street, Suite 601  
Tallahassee, FL 32301-1839

STAFF'S THIRD DATA REQUEST

**Re: Docket No. 120036-GU - Joint petition for approval of Gas Reliability Infrastructure Program (GRIP) by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation.**

Dear Ms. Keating:

By this letter, the Commission staff requests that Florida Public Utilities Company and Florida Division of Chesapeake Utilities Corporation (FPUC/Chesapeake or company) provide responses to the following data requests.

1. Referring to Paragraph 1 of the Joint Petition, please explain the meaning of the following statement, "the structures of the proposed programs, inclusive of the methodology used to calculated (sic) the surcharges, are identical and are based upon the same data previously used in FPUC last rate proceeding." Please provide supporting documentation.
2. Referring to paragraph 1 of the Joint Petition, please specify by type the total costs that the Companies were approved to recover for the replacement through surcharges in their last rate proceeding, if applicable.
3. Referring to paragraph 9 of the Petition, which states that the Companies will prioritize replacements in areas that are more susceptible to corrosion or in more densely populated areas; and Appendix D, Section 3, Table 8-3: Corrosion Action Plans; does either of the Companies Plans show the order or prioritization for the replacements? If so, please provide a copy of the Plans, identify the estimated completion date for each location, and provide a breakdown of the estimated costs that the Companies seek to recover through the Gas Reliability Infrastructure Programs (GRIP) and associated recovery mechanism.

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4. Referring to paragraph 11 of the Joint Petition, what are the Companies' estimated revenue requirements for the GRIP? Please provide information that shows the annual investment, total annual expenses, i.e., customer and general public notification costs, and estimated ad valorem taxes and grossed up for federal and state income taxes, etc., that the companies seek to recover through the GRIP recovery mechanisms.
5. Referring to paragraph 13 of the Joint Petition, please identify the number of sub-contractors the Companies expect to hire to do the bare steel replacement and provide the total estimated annual costs, if any, the Companies expect to incur.

**For FPUC**

6. Referring to paragraph 14 and 15 of the Joint Petition and Attachment D, Schedule A (FPUC), please confirm the following statement, "This amount of estimated total cost remains the Company's estimate (less actual replacement costs from the prior rate case to the implementation of the Program, if approved), for replacement of FPUC's qualified distribution mains and services". In your response please confirm that based upon FPUC's updated review of the remaining eligible infrastructure and its updated replacement plan that has been developed with an accelerated period of 10 years, instead of the 50 years approved in FPUC's 2008 rate proceeding, that FPUC's total estimate of \$37,386,365 (\$31,732,602 as of June 30, 2012) is the same for the 10-year period as it was for the 50 year period. If our understanding is incorrect, please explain why.

**For Chesapeake**

7. Referring to paragraph 19 and 20 of the Joint Petition, please confirm that Chesapeake presently does not have any formalized replacement plan, or any recovery amount embedded in its base rates, and that Chesapeake has utilized the same per unit costs for its eligible replacement mains and services as FPUC. If our understanding is incorrect, please explain why.
8. Referring to Attachment E, Schedule A (CHPK), please confirm that Chesapeake's total estimated remaining qualified replacement investment as of June 30, 2012 is \$19,994,036, and the estimated annual qualified replacement investment beginning July 1, 2012 for 10 years is \$1,999,404 annually.

Beth Keating  
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Please file the original and five copies of the requested information by Tuesday, June 12, 2012, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6187 if you have any questions.

Sincerely,



Martha C. Brown  
Senior Attorney  
Office of the General Counsel

MCB/sh

cc: Office of Commission Clerk  
Division of Economic Regulation (McNulty)