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Commissioners: Art Graham, Chairman Lisa Polak Edgar Ronald A. Brisé Julie I. Brown Jimmy Patronis

STATE OF FLORIDA

DIVISION OF ECONOMICS GREG SHAFER DIRECTOR (850) 413-6410

Public Service Commission

August 24, 2015

Beth Keating, Esq. Gunster, Yoakley & Stewart, P.A. 215 South Monroe Street, Suite 601 Tallahassee, Florida 32301-1839 BKeating@gunster.com STAFF'S FIRST DATA REQUEST via email

Mike Cassel Director, Regulatory and Governmental Affairs Florida Public Utilities Company 1750 S 14th Street, Suite 200 Fernandina Beach, FL 32304 mcassel@fpuc.com

Re: Docket No. 150175-GU - Petition for approval of amendment to special contract with Orange Cogeneration Limited Partnership, by Florida Division of Chesapeake Utilities Corporation

Dear Ms. Keating and Mr. Cassel:

By this letter, Commission staff requests the following information from the Florida Division of Chesapeake Utilities Corporation.

- 1. Referring to the Petition at paragraph 7, please elaborate on the last sentence and the phrase (". . . which better reflects the current use of capacity for Orange . . .").
- 2. Please explain the basis for the Bypass Avoidance Rate of \$115,000 per year displayed on the CFTS Affidavit and explain why it increases by 3% per year.
- 3. Are any monies recovered in the Competitive Rate Adjustment (CRA) from this contract? If yes:
 - a. Is this the first time for this contract or has this occurred in the past?
 - b. What is the 2016 CRA factor (the cents per therm impact of this contract)?
 - c. Pursuant to which tariff provision would any CRA amounts associated with this contract be recoverable from the general body of ratepayers?

Docket No. 150175-EI Staff's First Data Request Page 2

Please refer to the Incremental Cost of Service Study, and its components, for the following questions.

- 4. Are the incremental costs shown annual or monthly amounts?
- 5. Referring to estimated O&M expenses, please explain the basis for the Overheads & Services (corp/bu) amount of \$13,297.

Please file all responses electronically no later than Tuesday, September 8, 2015 from the Commission's website at <u>www.floridapsc.com</u>, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6540 if you have any questions.

Thank you,

/s/ Sue Ollila

Sue Ollila Economic Analyst sollila@psc.state.fl.us

SMO cc: Office of Commission Clerk