



## P R O C E E D I N G S

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2           **CHAIRMAN BROWN:** All right. Moving on to Item  
3 13. Good morning.

4           **MR. ROME:** Good morning, Commissioners. Don  
5 Rome with Commission staff.

6           Item 13 is a joint petition from the four  
7 Florida operating units of Chesapeake Utilities  
8 Corporation for approval of swing service rider tariff.  
9 Last year, in Docket No. 150117-GU, the petitioners  
10 initiated an effort to more fully distribute intrastate  
11 capacity costs across a broader base of customers. The  
12 proposed swing service rider in this docket would  
13 further expand the allocation of intrastate capacity  
14 costs to additional transportation customers who  
15 currently do not pay such costs even though they share  
16 in the benefits of progress -- projects such as  
17 infrastructure upgrades.

18           The joint petitioners represent that the  
19 proposed swing service rider would enable them to  
20 recover their costs while allocating the costs in a more  
21 equitable manner across customer classes. Based on  
22 review of the information provided in the joint  
23 petition, amended petition, and in response to staff's  
24 data request, staff believes the proposed swing service  
25 rider is reasonable and results in a more equitable cost

1 allocation. Staff is not aware of any customer  
2 correspondence or complaints regarding this docket.  
3 Staff recommends approval, and company representatives  
4 also are here today to answer questions.

5 **CHAIRMAN BROWN:** Thank you.

6 Commissioners?

7 Mr. Rome, I have a question. What effect  
8 would the new cost allocations then have on the  
9 residential rates?

10 **MR. ROME:** Residential rates would go down  
11 under the proposal.

12 **CHAIRMAN BROWN:** And do you have the amount?

13 **MR. ROME:** Approximately 7 cents per therm,  
14 which for a typical residential customer would represent  
15 about \$1.40 a month.

16 **CHAIRMAN BROWN:** Okay. That's great. So, and  
17 I understand the whole phased-in approach and over the  
18 five-year period, and I guess to mitigate the cost to  
19 the non-TTS transportation customers. Has the  
20 utility -- and I see that they're here, and please feel  
21 free to come on up -- has the utility been in  
22 communication with those customers along with the  
23 residential customers to ultimately relay the effects of  
24 this action? Hello.

25 **MS. KEATING:** Good morning, Madam Chair. Beth

1 Keating with the Gunster law firm here today on behalf  
2 of FPUC. With me today is Mr. Mike Cassel. He's the  
3 director of regulatory and governmental affairs for the  
4 company. And if I may, I'd like to turn to Mr. Cassel  
5 to address that question.

6 **CHAIRMAN BROWN:** Sure.

7 **MR. CASSEL:** Thank you, Madam Chair and  
8 Commissioners. I appreciate the opportunity to address  
9 that question specifically.

10 We have been over a year, almost a year and a  
11 half's time frame we've tried to communicate with all  
12 the stakeholders, to include Commission staff, OPC  
13 staff, as well as our transport shippers on the system.  
14 We've held one-on-one meetings with each of those  
15 shippers. We've also held a meeting in person with all  
16 the stakeholders. And subsequent to those meetings,  
17 we've come out here and noticed meetings to walk through  
18 the evolution of the transportation business and the  
19 impacts that this will have and trying to find the most  
20 responsible manner with all the stakeholders involved.  
21 So it's not a decision we're making in a tunnel of any  
22 sort.

23 **CHAIRMAN BROWN:** What -- after the five-year  
24 period, then all costs would be shared equitably among  
25 the customers.

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**MR. CASSEL:** That's correct.

**CHAIRMAN BROWN:** That's the intent.

**MR. CASSEL:** Yes.

**CHAIRMAN BROWN:** Okay. Thank you.

Commissioners, any questions?

If not, can I get a motion?

**COMMISSIONER PATRONIS:** So move.

**COMMISSIONER GRAHAM:** Second.

**CHAIRMAN BROWN:** All those in favor, say aye.

(Vote taken.)

Thank you. Item passes, Item 13. Thank you.

(Agenda item concluded.)

1 STATE OF FLORIDA )  
 : CERTIFICATE OF REPORTER  
2 COUNTY OF LEON )

3  
4 I, LINDA BOLES, CRR, RPR, Official Commission  
Reporter, do hereby certify that the foregoing  
5 proceeding was heard at the time and place herein  
stated.

6  
7 IT IS FURTHER CERTIFIED that I  
stenographically reported the said proceedings; that the  
8 same has been transcribed under my direct supervision;  
and that this transcript constitutes a true  
transcription of my notes of said proceedings.

9  
10 I FURTHER CERTIFY that I am not a relative,  
employee, attorney or counsel of any of the parties, nor  
11 am I a relative or employee of any of the parties'  
attorney or counsel connected with the action, nor am I  
12 financially interested in the action.

13 DATED THIS 20th day of September, 2016.

14 *Linda Boles*

15 \_\_\_\_\_  
16 LINDA BOLES, CRR, RPR  
17 FPSC Official Hearings Reporter  
(850) 413-6734