

COMMISSIONERS:
JULIE I. BROWN, CHAIRMAN
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS
DONALD J. POLMANN

STATE OF FLORIDA



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

Public Service Commission

March 14, 2017

Mike Cassel
Director, Regulatory and Governmental Affairs
Florida Public Utilities Company/Chesapeake Utilities Corporation
1750 South 14th Street, Suite 200
Fernandina Beach, FL 32034
mcassel@chpk.com

STAFF'S SECOND DATA REQUEST

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

Re: Re: Docket No. 170010-GU: Joint petition requesting approval of territorial agreement for Escambia County, by City of Pensacola d/b/a Pensacola Energy and Florida Division of Chesapeake Utilities Corporation.

Dear Mr. Cassel & Ms. Keating:

By this letter and pursuant to subsection 366.04(2), Florida Statutes, Commission staff respectfully request the following information from the Florida Division of Chesapeake Utilities Corporation and Pensacola Energy.

1. Referring to the response to staff's first data request question No. 1, please state whether Gulf South Pipeline is aware of Chesapeake's proposed pipeline construction and/or whether Gulf South Pipeline has been contacted prior to filing of the instant petition to determine whether Pensacola could increase its interstate pipeline capacity on Gulf South Pipeline .
2. Please confirm that the interconnect of Chesapeake's pipeline with the FGT pipeline (FGT-CFG gate) are located within Florida exclusively (FGT maps appear to show that the FGT pipelines crosses the Alabama-Florida border near the FGT-CFG gate).
3. Section (5) of the definition of "New Industrial Customers" provides that new industrial customers cannot be located within the service territory of a natural gas utility, natural gas district, or municipal natural gas service provider. Please state whether Gulf South

Pipeline is included in that list of entities (i.e., natural gas utility, natural gas district, or municipal natural gas service provider). Gulf South Pipeline according to their website is defined as an interstate natural gas pipeline and therefore does not appear to be part of the list of entities.

4. The responses to questions Nos. 2 and 5 states at present certain “other large customers” are receiving gas service from Gulf South Pipeline. With respect to those responses, please state:
 - a) Please reconcile the response with the statement made in the petition on page 2, paragraph 4, that the proposal would allow certain customers to receive natural gas service that, to date, have been unable to obtain service.
 - b) How many industrial customers in Pensacola and Escambia County currently receive gas service from Gulf South Pipeline?
 - c) Please clarify the statement “this project will not displace existing direct connections to the Gulf South Pipeline.”
 - d) If the proposed territorial agreement is approved by the Commission, could a “new industrial customer” that currently receives gas from Gulf South Pipeline switch gas providers by discontinuing service from Gulf South Pipeline and receive gas service from Chesapeake instead?
 - e) If the answer to the above question is yes, please state whether Chesapeake will actively seek to serve industrial customers currently being provided service by Gulf South Pipeline.
5. Referring to the response to question 5 (“ . . . more economical transportation service and natural gas supply via FGT . . .”), please discuss whether the response states that capacity on FGT is more economical/less costly than capacity on Gulf South Pipeline.
6. Assuming Chesapeake serves a new industrial customer, please clarify whether Chesapeake or the customer would need to require capacity on the FGT line and buy the natural gas on the open market.
7. Response to question 6 states that “Pensacola pursued a sole source option working with Chesapeake”. Is this normal business practice for the City of Pensacola/Pensacola Energy and are there any regulations that would require Pensacola to contact other entities for the purpose of constructing the proposed pipeline interconnect?
8. Referring to the responses to question 13 b, please elaborate on the response as to how inspectors and gas utility workers will identify any Chesapeake facilities behind the Chesapeake Delivery Point and distinguish them from facilities owned by Pensacola.
9. The response to question 15 states that no distinction was intended in referring to the same entity as Chesapeake Utilities Corporation (CUC) and as Central Florida Gas (CFG) in the Gas Transportation Agreement and in the proposed Escambia County Territorial

Mike Cassel
Page 3
March 14, 2017

Agreement. Please reconcile the name differences in the two agreements with the utilities registered name in Florida to avoid confusion and misrepresentation

10. The response to question 18 states that the rates shown in Exhibit A to the Gas Transportation Service Agreement are designed to recover the costs associated with Pensacola's portion of the pipeline. What is Pensacola's portion of the pipeline stated as a percentage of the total pipeline?
11. The response to question 20 states that Chesapeake will recover the costs of the facility through the contract price with Pensacola Energy and any new contracts with customers who will connect to Chesapeake's facilities. Has Chesapeake identified any new customers that may contract with Chesapeake to connect to the pipeline? Please discuss any potential new customers.
12. Please expand on the response provided to question No. 19 and state clearly how Chesapeake will treat the revenues (below the line or above the line) received from Pensacola pursuant to the Gas Transportation Service Agreement.
13. Please state whether Chesapeake has received all the necessary permitting to construct the Escambia pipeline

Please file all responses electronically no later than Tuesday, March 28, 2017, via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please contact me at sguffey@psc.state.fl.us or at 850.413.6204 if you have any questions.

Thank you,

/s/Sevini Guffey

Sevini Guffey
Public Utility Analyst I

Cc: Office of the Commission Clerk