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October 8, 2018

E-PORTAL FILING

Ms. Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

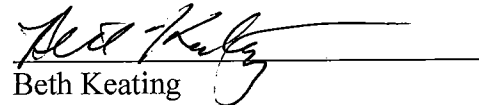
Re: Docket 20180163 -GU -- Joint petition for approval of GRIP cost recovery factors, by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

Dear Ms. Stauffer:

Attached for filing, please find the Joint Responses of Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation to Commission Staff's Second Data Request in the referenced docket. The referenced attachments are being submitted to the parties only by electronic mail.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Kind regards,



Beth Keating
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MEK
cc:/(OPC)

Florida Public Utilities Company (Gas Divisions) and Florida Division of Chesapeake Utilities Corporation's Responses to Commission Staff's Second Data Requests

1. Please provide the total amount of depreciation and/or operations and maintenance (O&M) expense savings, if any, that were included as a reduction in expenses for FPUC, Fort Meade, and Chesapeake. If there were no depreciation or O&M expense savings, please explain why.

Company Response:

No depreciation and/or operations and maintenance expense savings were included as a reduction in expenses. The Company determined that if there were any depreciation savings, they would be offset by the change in asset life caused by the increased cost of removal.

2. Please briefly describe the planned pipe replacement projects for FPUC, Fort Meade, and Chesapeake in 2019.

Company Response:

FPUC:

Project Name	City	Start	Est. End
FPUC			
Pershing-Southern	City of West Palm Beach	Mar-19	Dec-19
N. Inlet Ph.2	Town of Palm Beach	Jan-19	Jul-19
S. Ocean	Town of Palm Beach	May-19	Nov-19
W. Lake Worth Ph.1	City of Lake Worth	Jul-18	Dec-19

CFG:

Project Name	City	Start	Est. End
CFG			
Haines City 2019	Haines City	Mar-19	Jul-19
Winter Haven Area 4	City of Winter Haven	Aug-19	Dec-19
Winter Haven Area 10	City of Winter Haven	Jan-19	Aug-19
Winter Haven Area 2	City of Winter Haven	Sep-18	Jan-19
Bartow Ph.3	City of Bartow	Oct-18	Feb-19

Fort Meade:

Project Name	City	Start	Est. End
Fort Meade			
Scattered Services	City of Fort Meade	Jan-19	Dec-19

3. Referring to Attachment A provided in response to staff's first data request, please explain the delay (through 2019) for Fort Meade's pipe replacement program progress. The response to question one (1) in staff's first data request in Docket No. 20170190-GU showed that all remaining steel services would be replaced in the years 2016-2018.

Company Response:

The delays are due to contractor availability, seasonal construction restrictions, and permitting delays. The remaining services to be replaced will conclude in 2019.

4. The direct testimony of Witness Cassel filed in Docket No. 20180051-GU (FPUC), page 7, lines 3-9, states that \$1,040,141 in 2018 GRIP tax savings will be flowed back to the customers by incorporating it as an over-recovery in the 2019 GRIP projection. The GRIP filing in Docket No. 20180163-GU, however, shows in Attachment B, for demonstrative purposes only, what the GRIP schedules and resulting GRIP factors would be, including the \$1,040,141 in 2018 Tax Savings Refund. The proposed GRIP schedules and GRIP factors do not appear to include the \$1,040,141 in 2018 Tax Savings Refund. Please explain if the \$1,040,141 in 2018 GRIP tax savings is included in FPUC's 2019 GRIP factors. If not, please explain the inconsistency with the testimony filed in Docket No. 20180051-GU.

Company Response:

The GRIP factors do not include the projected Tax Savings Refund of \$1,040,141 because the treatment proposed in Docket No. 20180051-GU has not been approved by the Commission. Once a final decision by the Commission has been rendered in Docket No. 20180051-GU, the Company suggests that the GRIP factors should be adjusted to reflect the Commission's decision at that time.

5. Similar to previous question, the direct testimony of Witness Cassel filed in Docket No. 20180054-GU (Chesapeake), pages 6-7, states that the \$324,362 in 2018 GRIP tax savings will also be flowed back to customers by incorporating it as an over-recovery of the 2019 GRIP projection. The proposed GRIP schedules and GRIP factors also do not appear to include the \$324,362 in 2018 Tax Savings Refund. Please explain if the \$324,362 in 2018 GRIP tax savings is included in Chesapeake's 2019 GRIP factors. If not, please explain the inconsistency with the testimony filed in Docket No. 20180054-GU.

Company Response:

The GRIP factors do not include the projected Tax Savings Refund of \$324,362 because the treatment proposed in Docket No. 20180054-GU has not been approved by the Commission. Once a final decision has been made in Docket No. 20180054-GU, the GRIP factors should be adjusted to reflect the Commission's decision.