



Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

November 15, 2011

BY HAND DELIVERY

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

RECEIVED-FPSC
11 NOV 15 AM 10:42
COMMISSION
CLERK

Re: Docket No. 110277-GU: **Application for approval of tariff revisions to reflect service in Nassau and Okeechobee Counties, by Florida Public Utilities Company**

Dear Ms. Cole:

Enclosed for filing, please find the original and 7 copies of Florida Public Utilities' Responses to Staff's First Data Request, which are being submitted today.

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

Sincerely,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

COM _____
APA _____
ECR 6 _____
GCL 1 _____
MAD _____
SRC _____
ADM _____
OPC _____
CLK _____

DOCUMENT NUMBER-DATE

08394 NOV 15 =

FPSC COMMISSION CLERK

Florida Public Utilities Company
Responses to Staff's First Data Request
Docket No. 110277-GU

1. Please state whether there are any other natural gas distribution companies serving in Nassau County. If yes, state whether the other gas distribution companies are aware of FPUC's intentions to provide service in Nassau County.

Company Response: FPUC is aware of only one other natural gas distribution company providing service in Nassau County. That company is Peoples Gas System (PGS), and it is aware of FPUC's intentions to serve in the County. It is FPUC's understanding that PGS has a city gate station in extreme southwest Nassau County that provides service to only one customer in Nassau County. PGS' distribution facilities then continue into Duval County to provide service to customers therein.

2. Please state the date FPUC expects to provide natural gas service to potential natural gas customers in Nassau County.

Company Response: FPUC expects to provide natural gas service to customers in Nassau County on or before July 1, 2012.

3. Please state the date FPUC expects to provide natural gas service to potential natural gas customers in Okeechobee County.

Company Response: FPUC expects to provide natural gas service to customers in Okeechobee County on or before October 1, 2012.

4. Please describe FPUC's plans to build facilities to provide natural gas service to potential customers in Okeechobee County.

Company Response: FPUC plans to interconnect with the Florida Gas Transmission (FGT) interstate pipeline system which runs about three (3) miles north of the City of Okeechobee. FPUC will construct a city gate station at the interconnection point and construct a 6" distribution main south into the City of Okeechobee. FPUC has identified the location of approximately 90 commercial customers located in or near the city limits and has designed distribution facilities capable of providing service to each of these customers.

5. In FPUC's filing, the Utility indicated that there has recently been sufficient interest by potential natural gas customers in both Nassau and Okeechobee Counties for the extension of natural gas service to be feasible. Please state how this determination was made.

Company Response: FPUC has conducted a detailed commercial and residential market assessment in both Nassau and Okeechobee Counties. FPUC's sales staff has contacted potential customers, at this point almost exclusively in Nassau County, to determine their interest in natural gas service and has obtained many executed Natural Gas Service Agreement forms. Simultaneously, FPUC's distribution engineers prepared design and cost estimates for the distribution system needed to provide service to the identified customers. Feasibility studies were then performed that determined that both projects meet the feasibility requirements.

6. Please state the number of potential natural gas customers FPUC expects to serve in Nassau County.

Company Response: The Company has prepared a market study of the Nassau County area, utilizing several information sources, including City-Data.com and Fishkind and Associates Econocast forecast data. As indicated in the Fishkind and Associates studies, population is expected to increase by approximately 6% in the next five years. Within the next three years, projections indicate that over 1,500 new housing starts will occur and new commercial square footage for retail, hotel, and other similar applications is expected to double from current construction levels. At this rate, the growth of the area is expected to be very significant over the next twenty years.

The Company, over the last year, has mobilized its operations and sales personnel from other areas of the state into Nassau County, signing over 200 commercial customers.

Based upon this information, FPUC has produced customer growth forecasts for initial customer connections over both five (5) and (20) year time periods. The Company projects that approximately 400 residential customers and 240 commercial and industrial customers will be served by the end of year five. Over the initial twenty (20) year horizon, the Company expects to serve a minimum of 2,500 residential customers and 450 commercial and industrial customers.

7. Please state the number of potential natural gas customers the Utility expects to serve in Okeechobee County.

Company Response: The Company has prepared a market study of the Okeechobee County area, utilizing several information sources, including City-Data.com and Fishkind and Associates Econocast forecast data. As indicated in the Fishkind and Associates studies, population is expected to increase by approximately 4% - 6% in the next five years. Within the next ten years, projections indicate that over 1,200 new housing starts will occur. At this rate, the growth of the area is expected to be significant over the next twenty years.

Based upon this information, FPUC has produced customer growth forecasts for initial customer connections over both five (5) and (20) year time periods. The Company projects that approximately 50 residential customers and 100 commercial customers will be served by the end of year five. Over the initial twenty (20) year horizon, the Company expects to serve a minimum of 750 residential customers and 150 commercial and industrial customers.

8. Please state whether there have been any contracts entered into to provide natural gas service in any potential customers in either Nassau or Okeechobee Counties. If so, please provide details.

Company Response: FPUC has received executed Natural Gas Service Agreements from over 200 commercial customers in Nassau County. This is the standard form that FPUC uses for any customer that requests natural gas service from the Company. The next step in Okeechobee County is to directly contact potential customers in an effort to secure Natural Gas Service Agreements.