

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

October 8, 2019

BY E-PORTAL

Mr. Adam Teitzman, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20190173-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 Mr. Teitzman:

Attached for electronic filing, please find the Joint Responses of Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Corporation to Staff's First Data Requests in the referenced docket.

As always, thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,



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

BK

Docket No. 20190173-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.

The responses of the FPUC Companies to Staff’s first data requests are below:

1. Please update the pipe replacement program progress tables for FPUC, FPUC-Fort Meade, and Chesapeake contained in Attachment A, copied here on Page 3, in the response to Staff’s First Data Request in Docket No. 20180163-GU.

Company Response:

Please see Attachment 1-Replacement Tables. The tables include all known bare steel, cast iron, and steel mains that will be replaced, including newly discovered bare steel, cast iron, and steel mains.

2. Please provide all the schedules filed in Witness Craig’s testimony in Excel format with formulas unlocked.

Company Response:

Please see Attachment 2.

3. Please describe the planned and completed pipe replacement projects for FPUC in 2019.

Company Response:

The planned and completed projects for FPUC in 2019 are below:

Project Name	City	Estimated Start	Estimated End	
FPUC				
W. Lake Worth Ph.1	City of Lake Worth	Jan-19	Nov-19	
New Smyrna Beach Services	City of New Smyrna Beach	Jan-19	Dec-19	
Clematis Alley	City of West Palm Beach	Apr-19	Jun-19	
Tamarind Ph. 2	City of West Palm Beach	Mar-18	Dec-19	carry-over from 2018
Tamarind Ph. 3	City of West Palm Beach	Nov-19	Apr-20	carry-over to 2020
N. Inlet Ph.2	Town of Palm Beach	Jun-19	Oct-19	
S. Ocean Ph.1	Town of Palm Beach	May-19	Nov-19	
Worth Ave 2019	Town of Palm Beach	Sep-19	Oct-19	
Palmo Way	Town of Palm Beach	May-19	Jul-19	
Pershing-Southern	City of West Palm Beach	Dec-19	Jul-20	carry-over to 2020

4. Please describe the planned and completed pipe replacement projects for FPUC-Fort Meade in 2019.

Company Response:

The planned and completed projects for FPUC-Fort Meade in 2019 are below:

Project Name	City	Estimated Start	Estimated End
Fort Meade			
Fort Meade Services	Fort Meade	Jan-19	Sep-19

5. Please describe the planned and completed pipe replacement projects for Chesapeake in 2019.

Company Response:

The planned and completed projects for Chesapeake in 2019 are below:

Project Name	City	Estimated Start	Estimated End	
CFG				
Bartow Ph.3	City of Bartow	Oct-18	Jun-19	carry-over from 2018
Lake Wales Area 3	City of Lake Wales	Aug-18	Aug-19	carry-over from 2018
Lake Wales Area 5	City of Lake Wales	Oct-18	May-19	carry-over from 2018
Winter Haven Area 2	City of Winter Haven	Sep-18	Jan-19	carry-over from 2018
Winter Haven Area 7	City of Winter Haven	Feb-18	Aug-19	carry-over from 2018
Winter Haven Area 8	City of Winter Haven	Aug-19	Feb-20	carry-over to 2020
Winter Haven Area 10	City of Winter Haven	Jan-19	Aug-19	

6. Please describe the planned pipe replacement projects for FPUC in 2020.

Company Response:

The planned pipe replacement projects for FPUC in 2020 are below:

Project Name	City	Estimated Start	Estimated End	
FPUC				
W. Lake Worth Ph.2	City of Lake Worth	Jan-20	Oct-20	
New Smyrna Beach Services	City of New Smyrna Beach	Jan-20	Dec-20	
Broadway Ph.5	City of West Palm Beach	Sep-20	Dec-20	
Tamarind Ph. 3	City of West Palm Beach	Nov-19	Feb-20	carry-over from 2019
N. Inlet Ph.3	Town of Palm Beach	May-20	Nov-20	
S. Ocean Ph.2	Town of Palm Beach	May-20	Nov-20	
Ph.3 South	Town of Palm Beach	May-20	Nov-20	
Pershing-Southern	City of West Palm Beach	Dec-19	Jun-20	carry-over from 2019
Gun Club Estates	City of West Palm Beach	Oct-20	Dec-20	
Gateway	City of Boynton Beach	Jul-20	Oct-20	

7. Please describe the planned pipe replacement projects for FPUC-Fort Meade in 2020.

Company Response:

At this time, all known replacement projects for FPUC-Fort Meade are scheduled to be completed in 2019. This does not preclude any services that may be discovered at a

later date.

8. Please describe the planned pipe replacement projects for Chesapeake in 2020.

Company Response:

The planned pipe replacement projects for Chesapeake in 2020 are below:

Project Name	City	Estimated Start	Estimated End	
CFG				
Haines City	City of Haines City	Jun-20	Sep-20	
Lake Wales SR-60	City of Lake Wales	Mar-20	Aug-20	
Winter Haven Area 8	City of Winter Haven	Mar-19	Jul-19	carry-over from 2019
Winter Haven Area 5	City of Winter Haven	Mar-20	Oct-20	
Tower Lakes	City of Lake Wales	Jan-20	Feb-20	
Lake Alfred	City of Lake Alfred	Oct-20	Dec-20	

9. Please explain why FPUC-Fort Meade projects no investments for 2020 on page 5, line 13 of Witness Craig’s testimony.

Company Response:

All relevant GRIP projects for FPUC-Fort Meade are scheduled to be completed in 2019. Therefore, no investments were projected for 2020.

10. Please refer to the 2019 Schedules A-1 attached to the direct testimony of Witness Craig.

- a. Please explain the calculations used to determine the Revenue Expansion Factor of 1.3488 on page 6 of 15.

Company Response

The expansion factor is a calculated revenue multiplier that adjusts revenue requirements to collect for both taxes as well as bad debts for Chesapeake. This is the same methodology/calculation used in computing revenue requirements in Rate Proceedings. Please see Attachment 10A.

- b. Please explain the calculations used to determine the Revenue Expansion Factor of 1.3559 on page 11 of 15.

Company Response

The expansion factor is a calculated revenue multiplier that adjusts revenue requirements to collect for both taxes as well as bad debts for FPUC-Fort Meade. This is the same methodology/calculation used in computing revenue requirements in Rate Proceedings. Please see Attachment 10B.

11. Please refer to the 2019 Schedules C-1 attached to the direct testimony of Witness

Craig.

- a. Please provide the calculations used to determine the Equity Cost of Capital, inclusive of Income Tax Gross-up of 5.85 percent on page 3 of 15.

Company Response

Please see Attachment 11A.

- b. Please provide the calculations used to determine the Equity Cost of Capital, inclusive of Income Tax Gross-up of 5.935 percent on page 8 of 15.

Company Response

Please see Attachment 11B.

- c. Please provide the calculations used to determine the Equity Cost of Capital, inclusive of Income Tax Gross-up of 4.66 percent on page 13 of 15.

Company Response

Please see Attachment 11C.

Table 1

FPUC Pipe Replacement Program Progress

Year	Mains (Miles)					Number of Services					
	Replaced	Replaced	Remaining	Remaining	Total	Replaced	Replaced	Remaining	Remaining	Total	
	Cast Iron	Bare Steel	Cast Iron at Year-End	Bare Steel at Year-End		Cast Iron	Bare Steel	Cast Iron at Year-End	Bare Steel at Year-End		
Jul-12			0.9	197.10	198.00			0		7980	7980
2012		6.00	0.9	191.10	192.00		91	0		7889	7889
2013	0.6	26.40	0.3	164.70	165.00		2071	0		5818	5818
2014		38.00	0.3	126.70	127.00		1275	0		4543	4543
2015		30.00	0.3	96.70	97.00		605	0		3938	3938
2016		22.50	0.3	74.20	74.50		555	0		3383	3383
2017		10.30	0.3	63.90	64.20		335	0		3048	3048
2018		9.00	0.3	54.90	55.20		200	0		2848	2848
2019	0.3	14.00	0	40.90	40.90		730	0		2118	2118
2020		14.00	0	26.90	26.90		730	0		1388	1388
2021		14.00	0	12.90	12.90		730	0		658	658
2022		12.90	0	0.00	0.00		658	0		0	0

Table 2

Chesapeake Pipe Replacement Program Progress

Year	Mains (Miles)					Number of Services					
	Replaced	Replaced	Remaining	Remaining	Total	Replaced	Replaced	Remaining	Remaining	Total	
	Cast Iron	Bare Steel	Cast Iron at Year-End	Bare Steel at Year-End		Cast Iron	Bare Steel	Cast Iron at Year-End	Bare Steel at Year-End		
Jul-12			0	152.00	152.00			0		762	762
2012		5.00	0	147.00	147.00		34	0		728	728
2013		3.00	0	144.00	144.00		139	0		589	589
2014		19.00	0	125.00	125.00		47	0		542	542
2015		34.00	0	91.00	91.00		284	0		258	258
2016		25.10	0	65.90	65.90		-81	0		339	339
2017		22.80	0	43.10	43.10		18	0		321	321
2018		26.00	0	17.10	17.10		100	0		221	221
2019		6.00	0	11.10	11.10		75	0		146	146
2020		6.00	0	5.10	5.10		75	0		71	71
2021		5.10	0	0.00	0.00		71	0		0	0
2022		0.00	0	0.00	0.00		0	0		0	0

** A total of 111 YTD bare steel services were replaced in 2016. Plus a correction to increase total services remaining by 192 (4th Qtr of 2016). The net equals -81.

Table 3

Fort Meade Pipe Replacement Program Progress

Year	Mains (Miles)					Number of Services					
	Replaced	Replaced	Remaining	Remaining	Total	Replaced	Replaced	Remaining	Remaining	Total	
	Cast Iron	Steel	Cast Iron at Year-End	Steel at Year-End		Cast Iron	Steel	Cast Iron at Year-End	Steel at Year-End		
Jan-16			0	0	0			0		250	250
2016		0	0	0	0		29	0		221	221
2017		0	0	0	0		111	0		110	110
2018		0	0	0	0		40	0		70	70
2019		0	0	0	0		70	0		0	0