



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

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December 28, 2020

**E-PORTAL FILING**

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

**Re: Docket 20200214 –GU -- Joint petition 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 for approval of consolidation of tariffs, for modifications to retail choice transportation service programs, and to change the MACC for Florida Public Utilities Company.**

Dear Mr. Teitzman:

Attached for filing, please find the Joint Responses of Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, Florida Public Utilities – Indiantown Division, and Florida Division of Chesapeake Utilities Corporation to Staff's First Data Requests in the referenced docket. Included with these responses are the following, further revised tariff sheets, in clean and tracked changes, consistent with the Companies' response to question 7:

Original Sheet No. 6.580  
Original Sheet No. 7.602

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,

*s/Beth Keating* \_\_\_\_\_  
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MEK  
cc:/(Office of Public Counsel)

**Docket 20200214 –GU -- Joint petition 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 for approval of consolidation of tariffs, for modifications to retail choice transportation service programs, and to change the MACC for Florida Public Utilities Company.**

**Petitioners’ Joint Responses to Staff’s First Data Requests**

1. Please refer to Paragraph 11, Subsection VI of the petition regarding the proposed modifications to the Maximum Annual Construction Cost (MACC). The Companies state that the modification of FPUC’s MACC will adequately protect the remaining body of ratepayers from uneconomic system expansion. Please explain.

**Companies’ Response:** The remaining body of ratepayers are currently protected from “uneconomical system expansion” because potential FPUC customers pay the difference between the MACC and the estimated construction costs, regardless of the number of years the Company’s revenue is allowed to be recovered.

2. Please refer to Paragraph 11, Subsection VII of the petition. The Companies propose to adopt FPUC and FPUC – Ft. Meade’s Area Expansion Program (AEP) fixed rate calculation methodology. Are there currently any AEP surcharges for Chesapeake or FPUC – Indiantown customers? If so, will current AEP surcharges be affected by this proposal?

**Companies’ Response:** There are no AEP surcharges applicable to Chesapeake or FPUC – Indiantown customers.

3. Please refer to Paragraph 11, Subsection IX of the petition for the following questions regarding the proposed modifications to the Measurement Section of the consolidated tariff. The joint petitioners propose to include a waiver provision that will allow the Company to waive its gas quality specifications on a not-unduly discriminatory basis.

- a. Please explain what prompted the Companies to propose a provision to waive its gas quality specifications.

**Companies’ Response:** The Company is interested in exploring the potential introduction of incremental gas supplies into its distribution systems delivered by non-traditional and renewable gas suppliers.

- b. Please explain how the Companies will ensure that its own facilities and the facilities of its customers will be protected, given the proposed waiver provision.

**Companies’ Response:** The Companies’ customers are protected by FAC 25-7.037 that states “any change by the utility shall be accompanied by a general inspection and adjustment of all appliances that would be affected thereby to the extent necessary that such appliances may

operate as efficiently and give as good service as was possible before the change. This shall be done promptly, without direct charge, and with a minimum inconvenience to the customer.”

4. Please refer again to Paragraph 11, Subsection IX of the petition. As described in the petition, the Commission recently approved modifications to the Companies’ quality of gas tariffs. Please explain why the Companies propose to further modify the BTU Heat Value and allowable oxygen content.

**Companies’ Response:** The Company is requesting these changes to allow a broader range of potential non-traditional and renewable gas supplies to be introduced into the Companies’ distribution systems. These changes are not inconsistent with the values provided by gas pipelines serving the Company. For example, Southern Natural Gas provides for the Higher Heating value of not less than 950 Btus and Southern Natural Gas, Florida Gas Transmission, Gulfstream Natural Gas all have a broader allowance for oxygen content.

5. Please refer to Paragraph 11m Subsection XIII of the petition for the following questions regarding the proposed Force Majeure language.
  - a. Have there been any specific occurrences which prompted the Companies to propose this Force Majeure language?

**Companies’ Response:** Yes, the specific occurrence that prompted the Companies to propose this Force Majeure language is the current pandemic (COVID 19) that the United States and the world has experienced since early 2020.

- b. Are the Companies aware of any other Investor-Owned Natural Gas Utilities with similar waiver language?

**Companies’ Response:** While the Companies are aware other Investor-Owned Natural Gas Utilities have Force Majeure language in their respective tariffs, the Companies are not aware of any other Investor-Owned Natural Gas Utility that has sought approval of language similar to the Force Majeure language requested by the Companies at this time. Given the ongoing pandemic, it would not be surprising were other Investor-Owned Natural Gas Utilities to follow suit and request similar changes to their respective Force Majeure tariff language.

6. Please refer to Paragraph 12 of the petition, regarding other rate schedule and billing adjustment modifications for the following questions. The Companies propose that Indiantown adopt the GRIP Rider, but not to implement and bill any expenses related to the rider.
  - a. Please explain how this provided additional flexibility for the Companies.

**Companies' Response:** The inclusion of the GRIP Rider will not include additional flexibility to the Company. The statement made on line four, page 11 of the Companies' petition was meant to convey that the adoption of (specifically) the CTS Rider and OSSS-1 rate schedule would provide further flexibility for the Companies to offer alternate rate schedules to those customers served in the FPUC and FPUC - Ft. Meade areas and the CFG area, respectively.

- b. If this proposal is approved by the Commission, do the Companies believe that they would need Commission approval to implement and bill Indiantown customers for a GRIP rider? Please explain.

**Companies' Response:** The Company believes it must seek express Commission approval to implement and bill Indiantown customers for a GRIP Rider.

7. Please refer to Paragraph 17 of the petition. The Companies state that a meeting was held in June 2019 to discuss the proposed changes with the affected Pool Managers. Have the Companies received any input from affected Pool Managers? Please discuss.

**Companies' Response:** The Companies have solicited and received input from affected Pool Managers. The Pool Managers have voiced sensitivity to the Performance Penalty on proposed tariff sheet no. 6.580 paragraph 13 and proposed tariff sheet no. 7.602 where the Company has proposed the performance penalty be calculated based on the difference between the Pool Manager's scheduled quantities and the Pool Manager's Daily Delivery Requirement ("DDR"). After meeting with the Pool Managers, the Companies are now proposing to change the performance penalty calculation to be based on the difference between the Pool Manager's scheduled quantities and the Pool Manager's aggregated Daily Capacity (release) Quantity ("DCQ"). The proposed updated tariff sheets are attached to these interrogatory responses. Further, in general the Pool Managers have expressed appreciation for the proposed consolidation of the Companies' transportation service programs due to the alleviation of the administrative burdens inherent to operating under four different Company tariffs.

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***RULES AND REGULATIONS - CONTINUED***

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Pool Manager's Delivery Obligation Continued

have no obligation to deliver Gas to Company on behalf of Customers whose service is terminated, either upon request of the Customer or for cause. Company shall promptly notify the Pool Manager of any known change in Customer account status that will affect Gas quantity deliveries.

- b. If any act or omission of Pool Manager causes Company, as the DPO, to incur any Transportation Service Provider penalties, other expenses or liabilities of any kind, Pool Manager will indemnify and reimburse Company for all said penalties, other expenses, or liabilities. Nothing herein shall be deemed to foreclose Company from employing other remedies, including cessation of deliveries for the unauthorized usage of Gas.

13. Non-Performance Penalty:

The Company shall assess the Pool Manager a per MMBtu charge equal to the higher of \$15.00 or 200% of the highest weekly Alert Day Price as posted by Florida Gas Transmission Company for each day when delivery to Company by Pool Manager differs from Pool Manager's Pool(s) aggregated DCQ. This charge will serve as the final resolution between Company and Customer for such variances. The Company may waive this charge from time-to-time on a non-discriminatory basis.

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***RULES AND REGULATIONS - CONTINUED***

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Pool Manager's Delivery Obligation Continued

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**All Companies**  
**POOL MANAGER SERVICE – (PMS) - CONTINUED**

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Force Majeure Continued

to be a matter within the control of the party claiming suspension.

Neither party will be entitled to the benefit of the force majeure provision hereof under either or both of the following circumstances: i) to the extent that the failure was caused by the party claiming suspension having failed to remedy the condition by taking all reasonable acts, short of litigation, if such remedy requires litigation, and having failed to resume performance of such commitments or obligations with reasonable dispatch; or ii) if the failure was caused by lack of funds, or with respect to the payment of any amount or amounts then due hereunder.

Aggregated Daily Demand Requirement:

Company will calculate the Pool Manager's aggregated Daily Demand Requirement by summing Pool Manager's Daily Demand Requirements, plus applicable Shrinkage, for each Customer being served by Pool Manager and rounding the total to the next greatest dekatherm. The Company will inform Pool Manager via e-mail of Pool Manager's aggregated Daily Demand Requirement by City Gate for the upcoming Month upon expiration of Company's enrollment deadline.

The Company shall assess the Pool Manager a per MMBtu charge equal to the maximum of \$15.00 or 200% of the highest weekly Alert Day Price as posted by Florida Gas Transmission Company for each day when delivery to Company by Pool Manager differs from Pool Manager's Pool(s) aggregated DCQ. This charge will serve as the final resolution between Company and Customer for such variances. The Company may waive this charge from time-to-time on a non-discriminatory basis.

Pool Manager Nominations

Each Pool Manager shall submit to Company first of the month scheduling and nomination information simultaneously with its submission to Transportation Service Provider(s). In addition, no later than the fifteenth (15<sup>th</sup>) of each month, Pool Manager may submit a mid-month nomination change for each Customer Pool. Pool Manager shall submit to Company, this scheduling and nomination information simultaneously with its submission to Transportation Service Provider(s).

Such Nomination shall include the following information:

1. The Customer, Shipper's Designee or Pool Manager's account number under which service is being nominated;
2. The Company Receipt Point locations including applicable POI and upstream pipeline
3. name, upstream package ID, including Customer's or Pool Manager's account number,
4. and quantity in Therms of Gas to be tendered at each Company Receipt Point.

**All Companies**  
**POOL MANAGER SERVICE – (PMS) - CONTINUED**

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Force Majeure Continued

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