

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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RECEIVED - FPSC
MAR 16 AM 9:42
COMMISSION CLERK

DATE: March 16, 2012
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: William B. McNulty, Economic Analyst, Division of Economic Regulation
RE: Docket No. 110303-OT - Section 120.745, F.S. (2011), Legislative review of agency rules in effect on or before November 16, 2010

Please find attached Florida City Gas' response to the Compliance Economic Review Survey issued in this docket on February 24, 2011. The response is dated March 14, 2012, and it includes 8 pages. Please place this document in the docket file. Thank you.

DOCUMENT NUMBER-DATE
01588 MAR 16 2012
FPSC-COMMISSION CLERK

Bill McNulty

From: Brian Sulmonetti [bsulmone@aglresources.com]
Sent: Wednesday, March 14, 2012 5:00 PM
To: Bill McNulty; Commission Clerk
Subject: Florida City's Gas (FCG) response to FPSC Staff survey in Docket No. 110303-OT
Attachments: FCG response to FPSC rule survey 3-14B.pdf

Bill McNulty
c/o Ann Cole
Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 110303-OT

Bill:

Attached is an electronic copy of Florida City's Gas response to the FPSC staff survey dated 2/24/12 in Docket No. 110303-OT. A hard copy will be mailed to the Clerk's office.

Please do not hesitate to call me if you have any questions.

Thank you.

Brian Sulmonetti
Manager, State Regulatory and Government Affairs
404-584-3283 office
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bsulmone@aglresources.com



3/15/2012

DOCUMENT NUMBER-DATE
01588 MAR 16 02
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Florida City Gas' (FCG) Response to the PSC Survey Questions re: Compliance Economic Review

Dated: March 14, 2011
Docket No. 110303-OT

Rule 25-7.0131, F.A.C. - Survey Questions

The following survey questions apply to Rule 25-7.0131, F.A.C. – Regulatory Assessment Fees; Gas Utilities, Gas Municipals, and Gas Districts. For purposes of responding to these questions, please refer to Subsection 120.541(2), F.S., and Subparagraph 120.745(1)(b)2, F.S. “Transactional costs” are defined in Subparagraph 120.541(2)(d), F.S., as:

...direct costs that are readily ascertainable based upon standard business practices, including filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring and reporting, and any other costs necessary to comply with the rule.

The Company’s response data to these survey questions should be provided for the entire rule, unless the response data is available by rule section, in which case we request the response data be provided by rule section. Please present data in annualized format, if possible, and all cost or benefit dollar estimates should be stated in nominal terms.

1. What are the Company’s estimated transactional costs resulting from the Company’s compliance with Rule 25-7.0131, F.A.C., for the five year period beginning July 1, 2011? Please identify regulatory assessment fees separately from all other transactional costs required to comply with the rule.

Below are the calculations for the estimated annual transactional cost to prepare and file the regulatory assessment fee twice per year (including labor expenses):

Total Estimated Cost: \$805

Five year period: \$4,025

2. What is the Company’s estimate of the likely impact, stated in terms of costs and/or benefits, on small businesses (as defined by s. 288.703) located in the Company’s service territory, resulting from the implementation of Rule 25-7.0131, F.A.C., for the five year period beginning July 1, 2011?

Minimal impact unless the Regulatory Assessment Fee (RAF) factor is increased.

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3. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small counties and small cities (as defined in s. 120.52) located in the Company's service territory, resulting from the implementation of Rule 25-7.0131, F.A.C., for the five year period beginning July 1, 2011?

Minimal impact unless the Regulatory Assessment Fee (RAF) factor is increased.

4. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on entities located in the Company's service territory other than those specifically identified in Questions 2 and 3, resulting from the implementation of Rule 25-7.0131, F.A.C., for the five year period beginning July 1, 2011?

Minimal impact unless the Regulatory Assessment Fee (RAF) factor is increased.

5. What does the Company believe is the expected impact of Rule 25-7.0131, F.A.C., on economic growth, private sector job creation or employment, and private sector investment in the Company's service territory for the five year period beginning July 1, 2011?

Minimal impact unless the Regulatory Assessment Fee (RAF) factor is increased.

6. What does the Company believe is the expected impact of Rule 25-7.0131, F.A.C., on business competitiveness, including the ability of persons doing business in the Company's service territory to compete with persons doing business in states other than Florida or other domestic markets, productivity, and innovation, for the five year period beginning July 1, 2011?

Minimal impact unless the Regulatory Assessment Fee (RAF) factor is increased.

7. What does the Company believe are the benefits of Rule 25-7.0131, F.A.C.?

The rule provides a framework for the RAF.

Rule 25-22.032, F.A.C. - Survey Questions

The following survey questions apply to **Rule 25-22.032, F.A.C, Consumer Complaints**. For responding to these questions, please refer to Subsection 120.541(2), F.S., and Subparagraph 120.745(1)(b)2, F.S. "Transactional costs" are defined in Subparagraph 120.541(2)(d), F.S., as:

...direct costs that are readily ascertainable based upon standard business practices, including filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring and reporting, and any other costs necessary to comply with the rule.

The Company's response data to these survey questions should be provided for the entire rule, unless the response data is available by rule section, in which case we request the response data be provided by rule section. Please present data in annualized format, if possible, and all cost or benefit dollar estimates should be stated in nominal terms.

1. What are the Company's estimated transactional costs resulting from the Company's compliance with Rule 25-22.032, F.A.C., for the five year period beginning July 1, 2011?
 - a. For the five year period beginning July 1, 2011, which requirements of Rule 25-22.032, F.A.C., if any, would be performed by the Company assuming the rule were not in effect? Please explain.

The Company would anticipate handling customer complaints in the same manner as we do today.

- b. For each of the requirements identified in 1a., what are the estimated transactional costs associated with such requirements for the five year period beginning July 1, 2011?

The Company expects the cost to remain flat

- c. What are your actual transactional costs resulting from your Company's compliance with Rule 25-22.032, F.A.C., for the period July 1, 2011 to December 31, 2011?

Approximately \$9300.00

2. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small businesses (as defined by Section 288.703, F.S.) located in the Company's service territory, resulting from the implementation of 25-22.032, F.A.C., for the five year period beginning July 1, 2011? –

Little to no impact on cost.

3. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small counties and small cities (as defined in Section 120.52, F.S.) located in the Company's service territory, resulting from the implementation of 25-22.032, F.A.C., for the five year period beginning July 1, 2011?

Little to no impact on cost.

4. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on entities located in the Company's service territory other than those specifically identified in Questions 2 and 3, resulting from the implementation of 25-22.032, F.A.C., for the five year period beginning July 1, 2011?

Little to no impact on cost.

5. What does the Company believe is the expected impact of Rule 25-22.032, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five year period beginning July 1, 2011 in the Company's service territory?

Little to no impact on economic growth and job creation.

6. What does the Company believe is the expected impact of Rule 25-22.032, F.A.C., on business competitiveness, including the ability of persons doing business in the Company's service territory to compete with persons doing business in states other than Florida or other domestic markets, productivity, and innovation, for the five year period beginning July 1, 2011?

Little to no impact on business competitiveness.

7. What does the Company believe are the benefits of Rule 25-22.032, F.A.C.?

This program has built a better working relationship between the company and the commission. It has also built better relationships with our customers.

8. Assuming Rule 25-22.032, F.A.C., is unchanged over the next five years, do you expect your Company's costs to comply with the rule going forward, to increase, decrease, or remain the same. Please explain your response.

The company anticipates the costs will remain the same because we don't expect to have an increase in warm transfers or commission complaints.

9. Does your Company currently have procedures/personnel in place to address complaints received directly from your consumers?

Yes

10. If Rule 25-22.032, F.A.C., were repealed would your Company continue to accept and address consumer complaints? Please explain your response.

Yes we would still handle customer complaints with the same urgency and respect as we do today.

11. Do you believe the costs, if any, incurred by your Company to comply with the records retention, reporting, and auditing requirements of Rule 25-22.032(10), F.A.C., for the five year period beginning July 1, 2011, if any, have an adverse impact on your Company? If so, please provide any and all data which supports your response.

No this is part of our normal business practice and we would continue to follow our business practices as we do today.

12. Of the transactional costs estimated to be associated with compliance with 25-22.032, F.A.C., what percentage is spent on the following items:
- Staffing

99%

- Document storage and retention

The company should not incur any additional cost

- Postage and shipping

Less than 1%

- Communications (dedicated phone lines, emails or faxes) –

Less than 1%

- Other

No response.

13. How many staff members at your Company are currently responsible for handling consumer complaints associated with 25-22.032, F.A.C.?

The company employs 4 staff members at this time.

- Are they full time employees?

Yes

- Do these employees have responsibilities apart from handling complaints?

Yes

14. Section 3 of Rule 25-22.032, F.A.C., states that a customer's service shall not be discontinued during the complaint resolution process. Have there been instances within 2010 through 2011, when your Company was uncompensated for service provided as a result of a billing dispute?

No

- a. In the majority of these cases, is the Company able to recoup these costs after the complaint is resolved?

Yes

15. Does your Company subscribe to the Florida Public Service Commission's telephone "transfer-connect" or email transfer system?

Yes

- a. What are the annual costs associated with subscription to these systems, including costs due to additional requirements for staffing, operating hours and document retention?

The company will not incur any additional cost.

16. Approximately what percentage of complaints are resolved prior to reaching the Informal Conference stage described in section 8 of Rule 25-22.032, F.A.C.?

100%

- a. How many times has your Company had a consumer complaint that has escalated all the way to the informal conference stage in the previous two years?

None

- b. How many times within 2010 through 2011, has your Company had a complaint process that was escalated beyond the informal conference stage?

None

17. Approximately what percentage of complaints from your customers filed with the Florida Public Service Commission are successfully resolved within 30 days?

100%

18. How has Rule 25-22.032, F.A.C., affected the way your Company processes complaints?

This rule has given us the opportunity to have a quicker response time with the commission and the customer and to build a better relationship with both the commission and the customer.

a. Has the rule had a positive, negative, or neutral impact on your Company?

The rule has had a positive impact with both the commission and customer for a more timely response.

b. How has the rule affected the Company's cost of handling complaints?

Very minimal cost increase to get started but after that the cost has remained flat.