

STATE OF FLORIDA

COMMISSIONERS:
ANDREW GILES FAY, CHAIRMAN
ART GRAHAM
GARY F. CLARK
MIKE LA ROSA
GABRIELLA PASSIDOMO



OFFICE OF THE GENERAL COUNSEL
KEITH C. HETRICK
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

March 31, 2023

J. Jeff Wahlen, Esq.
Malcolm Means, Esq.
Ausley Law Firm
123 S. Calhoun Street
Tallahassee, FL 32301
jwahlen@ausley.com
mmeans@ausley.com

STAFF'S FOURTH DATA REQUEST
via e-mail

RE: Docket No. 20220212-GU - Petition for approval of depreciation rate and subaccount for renewable natural gas facilities leased to others by Peoples Gas System.

Dear Mr. Wahlen and Mr. Means:

By this letter, the Commission staff requests that Peoples Gas Systems (PGS) provide responses to the following data requests:

1. Please refer to Peoples Gas System's (PGS or Utility) response to Staff's First Data Request, No. 4(b), and the Utility's Renewable Natural Gas (RNG) Service Tariff, Sheet No. 7.404. Please explain how the inclusion of anaerobic digesters in the proposed Account 336.01 comports with the RNG Service Tariff (Applicability section), which limits PGS to "(1) upgrading/conditioning biogas to RNG to be utilized onsite by the Customer; (2) interconnecting to an interstate or intrastate pipeline; or, (3) RNG delivering into Company's distribution system."
 - a. Please indicate whether or not PGS would be producing biogas for the Brightmark Project with the anaerobic digesters. If yes, identify all facilities associated with the production of biogas (such as feedstock handling or digestate processing), and explain how the production of biogas is addressed within the RNG Service Tariff.
 - b. If PGS will not be producing biogas for the Brightmark Project, please explain who is producing biogas and with what facilities, as well as how these facilities are being accounted for by PGS in its instant Petition in terms of the RNG plant investment.

2. Please provide a flow chart depicting the anticipated process of biogas production, RNG conditioning, and transportation for the Project and the associated facilities. As part of this response, please identify each facility associated with each process step and the associated accounts.
3. For each of the major components discussed in PGS's response to Staff's First Data Request, No. 6(b), please clarify to which of the facilities (listed in footnote 8 of PGS's Petition) the component belongs.
4. For each of the "asset to be owned by PGS and provided to Brightmark" listed in footnote 8 of PGS's Petition and the "major components of the Brightmark Project" identified in PGS's response to Staff's First Data Request, No. 6(b), please clarify its function by the classifications of (i) biogas production, (ii) biogas to RNG upgrading and/or conditioning, and (iii) RNG transportation and/or delivery.
5. PGS's response to Staff's First Data Request, No. 12(a), indicates that in the petitioned Account 336.01, the estimated entire investment (installed project cost) pertaining to RNG Plant Leased is approximately \$35.7 million. Referring to footnote 8 of PGS's Petition, please provide responses to the following:
 - a. What portion of this investment is associated with the facilities for feedstock reception?
 - b. What portion of this investment is associated with the facilities for preprocessing?
 - c. What portion of this investment is associated with the storage facilities?
 - d. What portion of this investment is associated with the facilities for anaerobic digestion and control?
 - e. What portion of this investment is associated with the facilities for biogas conditioning?
 - f. What portion of this investment is associated with the facilities for flare control equipment?
 - g. What portion of this investment is associated with the facilities for digestate dewatering and drying?
 - h. What portion of this investment is associated with the facilities for electrical and mechanical interconnection?
 - i. What portion of this investment is associated with the facilities for buildings and building improvements?

- j. What portion of this investment is associated with the facilities for general mechanical and electrical control?
6. In its responses to Staff's First Data Request, Nos. 5(a) and 8(b), PGS indicated that the "pipeline extension" will be booked in Account 376.00 – Main Steel. This account has an average service life of 65 years, an average remaining life of 53 years, and an annual depreciation rate of 2.1 percent (FPSC Order PSC-2020-0485-FOF-GU). In its response to Staff's First Data Request, No. 10(b), PGS indicated that the Utility plans to recover its investment in the "pipeline extension" "over a 15-year period through the Monthly Service Charge."
 - a. Please explain in detail how the "pipeline extension" can be recovered in 15 years using an annual depreciation rate of 2.1 percent.
 - b. Please identify the ratepayer(s) with respect to the "pipeline extension"-related Monthly Service Charge.
 - c. Please explain who will be responsible for the recovery of the remaining unrecovered amount of plant investment, if, for any reason, the "series of agreements with Brightmark Sobek RNG LLC" that PGS entered into, are contested or dissolved before the agreed-upon term of 15-years.
 - d. Please explain who will be responsible for the recovery of the remaining unrecovered amount of plant investment, if, for any reason, the ratepayers responsible for the "pipeline extension" portion of the Monthly Service Charge stop their service subscription after year 15 but before year 53 (the remaining life associated with Account 376.00).

Please file all responses electronically no later than April 21, 2023 from the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6846 if you have any questions.

Sincerely,

/s/ Daniel Dose

Daniel Dose

Office of the General Counsel

DD/ds

cc: Office of Commission Clerk