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December 21, 2023

BY E-PORTAL

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

Docket No. 20230110-GU- Petition for approval of tariff modifications to implement transportation balancing charge rider, by Florida City Gas.

Dear Mr. Teitzman:

Attached for electronic filing, please find the Florida City Gas's Responses to Staff's Second Data Requests in the above-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

QUESTION

1. Please refer to the petition, Appendix 5, entitled "Proposed Transportation Balancing Charge Rates".
 - a. Appendix 5 shows a breakdown of various measurements allocated by customer rate class. Please state whether FCG records a similar breakdown of imbalance allocated by customer class. If so, please include figures for the amount of imbalance that each customer class is responsible for in the years of 2021 and 2022. If not, please state what measures FCG would need to take in order to record imbalance for each customer class.
 - b. Contract Demand Service (KDS) show a projected increase of 11.44 percent to KDS customers' billing following the implementation of the proposed TBC, which is a significantly higher increase than any other customer class. In FCG's response to staff's first data request, Request No. 16(d), FCG states that KDS customers have different gas delivery service requirements. Please state whether KDS's percentage of increase is impacted by any other factors other than the proposed transportation balancing charge, including those pertinent to confidential KDS negotiated rates.
 - c. Per Appendix 5, FCG's calculated TBC charge of \$0.00780 has been applied uniformly to all rate classes. Please explain FCG's reason for using the same rate for all rate classes

FCG RESPONSE

- a. No, Florida City gas does not allocate the imbalances by customer class. FCG would most likely have to make another Tariff change to address the pool management process, as well as make changes in Gastar to address this process change. The current pooling process works well, adding this level of additional details could complicate the nomination/confirmation process. Additionally, the marketers have to change their nomination process to a customer-based system, which would apply to both the Florida Gas Transmission Electronic Bulletin Board (EBB) and Gastar (FCG EBB)
- a. The percentage of increase for Contract Demand Service (KDS) is not impacted by any other factors other than the proposed balancing charge.
- b. As mentioned in FCG response to Staff's First Set of Data Request question fourteen, FCG does not track the specific source used to correct hourly, daily, or monthly imbalances. As a reasonable proxy, FCG proposes to allocate a portion of the total capacity and storage costs recovered through the PGA Factor based on the monthly average system-wide total TPS imbalance as a percentage of FCG's total capacity and storage. The TBC total charge will be a product of the rate times the customer consumption.

QUESTION

2. Please refer to FCG's response to staff's first data request, Request No. 17 to address the following questions. Therein, FCG states, in part, "FCG will not forecast or estimate the revenues/credits from the Transportation Balancing Charge in its annual PGA filings, instead FCG proposes to only reflect the actual revenues received as a credit in its final actual PGA true-up filed annual with the Commission."
 - a. Discuss FCG's reason(s) for proposing to reflect the actual total TBC revenues received only on Schedule A-7 in FCG's PGA true-up filing as a credit, rather than proposing to reflect the forecasted TBC revenue as a credit on FCG's Schedule E-1 in its PGA projection filing, and thereby allow the TBC entry on Schedule A-7 to function as a true-up of the TBC charge in that true-up schedule.
 - b. Please explain the advantages and disadvantages of projecting TBC credits in Schedule E-1 of FCG's PGA projection filings, to then be true-up in Schedule A-7 of FCG's PGA true up filings.
 - c. Please explain whether FCG believes that including in its PGA factor in Period Y an estimate of the TBC credit projected to be earned during Period Y allows a more accurate estimate of costs to be incurred during that period, rather than including an actual TBC credit from preceding period X.
 - d. In part, FCG's response indicated that the TBC would most likely be found as a subpart to Line 1 on Schedule A-7 of the company's final PGA true-up filing, similar to the line entry for Off System Sales (OSS). Please clarify if a line entry for the TBC would also be included on Schedule A-2, consistent with the line entry for OSS? Please explain your response.

FCG RESPONSE

- a. If it is the Commission preference FCG could estimate the revenue/credits from the Transportation Balancing Charge in the annual PGA filing with the understanding that a forecast is a forward-looking projection based on the best information available at the time of the forecast, and the actual number may be higher or lower than the original forecast due to many different factors that are largely beyond FCG's control.
- b. A TBC projection reflected in the Schedule E-1 could cause an under/over-estimate of the PGA CAP for the projected period.
- c. FCG believes that the TBC credit addition to the forecast does not necessarily render a more accurate estimate of costs due to the different factors, outside FCG control, that could affect the estimate compared to the actual revenues/credits reflected in the actual PGA true-up.
- d. Yes, FCG will include the TBC on the monthly A-2 Schedules.