

May 24, 2024

E-Portal

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

Re: Docket No. 20240071-GU: Petition for Approval of Safety, Access, and Facility Enhancement Program (SAFE) Modifications.

Dear Mr. Teitzman:

Attached for filing in the above-referenced docket, please find the responses of Florida City Gas's responses to Staff's First Data Requests to the Company.

Thank you for your assistance with this filing.

Kind regards,



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

Enclosure

Re: Docket No. 20240071-GU: Petition for Approval of Safety, Access, and Facility Enhancement Program (SAFE) Modifications.

Florida City Gas's Responses to Staff's First Set of Data Requests

- 1. Please provide a construction timeline detailing anticipated activities throughout the term of the proposed expansion to the SAFE program.**

Company Response:

FCG intends to begin project activities related to the expansion to the SAFE program in 2024. The exact project list and schedule can be provided to staff when the consultant report is complete in June 2024 when the detailed project scopes are finalized.

- 2. Please refer to paragraph six of FCG's petition. Please provide a copy of FCG's most recent Distribution Integrity Management Program risk assessment model identifying the additional safety risks on FCG's system.**

Company Response:

The latest Distribution Integrity Management Program risk assessment model identifying the additional safety risks on FCG's system is currently being produced and developed by FCG's outside contractor. As such, it is currently not available. FCG will provide an executive summary to staff of the results of the said risk assessment as soon as it is available. We expect the summary to be completed in June 2024.

- 3. Please provide maps of where the facility replacements will take place.**

Company Response:

A map showing the projected locations where facility replacements will take place is provided as Attachment A.

4. Please refer to paragraph seven of FCG’s petition for the following questions.

- a. Please identify the outside contractor utilized and detail how this contractor was selected. As part of this response, please identify the contractor cost and all alternative contractors considered, if any, along with the associated cost and reason they were not selected for each.**

Company Response:

FCG utilized the services of independent outside contractor “R.J. Ruiz and Associates, Inc.” dba “RUIZ” to facilitate the DIMP review of the Company’s natural gas facilities of record. The cost of services for RUIZ are below the Company’s internal procurement policy requirement to issue a bid. This contractor was selected because of their prior relationship with the Company, professional engineering expertise, unique experience, and immense knowledge in natural gas distribution and transmission systems, and in assessing gas distribution system DIMP risk. Key staff members for the contractor have been intimately involved in similar assessments and similar programs for other natural gas utilities in Florida (i.e., Florida Public Utilities GUARD program), which was similarly focused on rear easement access projects. The estimated contractor costs are based on time and expense fee structure but will not exceed \$35,000.

- b. Please detail the current status of the outside contractor’s assessment.**

Company Response:

Please refer to response to question 2 of this data request.

- c. Please identify when FCG anticipates that the outside contractor’s assessment will be complete.**

Company Response:

The Company anticipates the Executive report to be complete in June 2024.

d. Please explain why FCG is requesting to modify its SAFE program prior to completion of the outside contractor's assessment.

Company Response:

FCG believes the assessment is complete enough that the estimated cost of the anticipated projects will not change. The outside contractor assessment is expected to be completed within the upcoming weeks, FCG proactively seeks the commission's review and approval to modify the SAFE program in parallel, in order to commence preliminary project activities and address these additional infrastructure issues on an expedited basis, to reduce or eliminate unnecessary risk to the public as soon as possible and beginning in 2024. We anticipate sequencing and timing of the completed contractor assessment to be available for staff review and approval within the time span of this petition and data request procedure, in order to accelerate the expanded SAFE program.

5. Please refer to paragraph nine of the petition for the following questions.

a. Please explain why FCG is requesting to modify its SAFE program prior to having a cost estimate of the proposed modifications.

Company Response:

The Company has a cost estimate for the projects by category from the contractor. The cost estimate by category is provided as Attachment B. These costs may be subject to inflationary pressures during the lifespan of the program.

b. Please explain how FCG determined that the overall surcharge increase should be no more than 10 percent if the cost estimate has not yet been finalized.

Company Response:

The Company calculated the surcharge impacts for 2025 based on the estimate provided by the Contractor in Attachment B. The initial increase for 2025 will be less than 10% for the program's charge. The estimated impact over the period is provided in Attachment C.

- c. Please provide a preliminary estimate of the amount of previously unidentified bare steel mains, steel tubing, span pipe, shallow and exposed pipe, and other obsolete pipe and facilities FCG intends to replace under its proposed modifications to its SAFE program. If unknown, please explain why.**

Company Response:

The estimate of the amount of previously unidentified bare steel mains, steel tubing, span pipe, shallow and exposed pipe is provided in Attachment B.

- d. Please explain the process the utility intends to use to select construction contractors for the proposed modifications to its SAFE program.**

Company Response:

The Company will strictly adhere to its supply chain and procurement procedures for vendor selection. FCG will prepare a solicitation package outlining the specific requirements and expectations of the program and will release invitations to bid on the projects under the program to multiple qualified Contractors for competitive bidding. Contractor selection procedures will follow an intense evaluation of qualifications, safety record, experience, and pricing.

- e. Please explain why FCG believes that the Commission should approve the proposed modifications to its SAFE program if the contractor's assessment is not yet complete and an estimate of costs is not yet available.**

Company Response:

Refer to response to question 4 D of this data request.

- 6. Please refer to Attachment A of the petition. Please indicate if the depicted facilities are owned and maintained by FCG. Furthermore, please explain if the depicted facilities could be addressed through the currently approved SAFE program.**

Company Response:

Yes, the depicted facilities are owned and maintained by FCG. Under the original 2015 SAFE program, the primary purpose was to relocate and replace mains and associated facilities from rear property easements to the street front, to improve safety, accessibility, and reliability. Areas of known shallow pipe, bare and unprotected steel, steel tubing, and similar DIMP risk areas would be prioritized and replaced under SAFE only if located in the rear property easements, with active

access issues. The June 9, 2023, rate order approval for extension of the SAFE program included areas of early vintage orange pipe only, regardless of location and access conditions. We believe the depicted facilities in Attachment A of the Petition are not currently covered by SAFE and would need to be included in the SAFE program through this petition because these facilities are not located in the rear of properties, nor are they vintage orange pipe. As such, we are proposing that the FCG SAFE program be modified to include projects related to problematic pipe and facilities consisting of obsolete, span, and exposed pipe and related facilities, in areas where these facilities are accessible.

BROWARD COUNTY



PROBLEMATIC FACILITY AREAS
WITHIN CITY OF WEST PARK

PROBLEMATIC FACILITY AREAS
WITHIN TOWN OF MIAMI-LAKES

PROBLEMATIC FACILITY AREAS
WITHIN CITY OF MIAMI GARDENS

PROBLEMATIC FACILITY AREAS
WITHIN CITY OF HIALEAH

PROBLEMATIC FACILITY AREAS
WITHIN CITY OF OPA LOCKA

PROBLEMATIC FACILITY AREAS
WITHIN VARIOUS AREAS OF
UNINCORPORATED MIAMI-DADE
(TYP.)


PROBLEMATIC FACILITY AREAS
WITHIN CITY OF SOUTH MIAMI

MIAMI DADE COUNTY

PROBLEMATIC FACILITY AREAS
WITHIN VILLAGE OF PALMETTO BAY

PROBLEMATIC FACILITY AREAS
WITHIN TOWN OF CUTLER BAY

LEGEND

 ESTIMATED PROJECT
LOCATIONS

1

FCG MIAMI-DADE EXPANDED SAFE MAP

Scale: 1" = 30,000'

Y



SEMINOLE COUNTY

PROBLEMATIC FACILITY AREAS
WITHIN CITY OF TITUSVILLE

ORANGE COUNTY

PROBLEMATIC FACILITY AREAS
WITHIN CITY OF CAPE CANAVERAL

PROBLEMATIC FACILITY AREAS
WITHIN CITY OF COCOA

PROBLEMATIC FACILITY AREAS
WITHIN VARIOUS AREAS OF
UNINCORPORATED BREVARD (TYP.)

PROBLEMATIC FACILITY AREAS
WITHIN CITY OF ROCKLEDGE


BREVARD COUNTY

PROBLEMATIC FACILITY AREAS
WITHIN CITY OF MELBORNE

OSCEOLA COUNTY

INDIAN RIVER COUNTY

LEGEND

 ESTIMATED PROJECT LOCATIONS

1 FCG BREVARD EXPANDED SAFE MAP

Scale: 1" = 40,000'

ATTACHMENT B

Problematic Opportunities from expanding SAFE to align with GUARD

Obsolete	25,672,000.00
Span	20,000,000.00
Exposed	<u>4,100,000.00</u>
	<u><u>49,772,000.00</u></u> *

Pricing subject to design, inflation, etc

Attachment C

SAFE Summary of Combined Impacts of Expansion and Continuation

Estimated Combined Bill Impacts for Expansion and Continuation of SAFE Program										
(\$/Customer)										
YEAR	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
RS-1	\$ 3.14	\$ 4.57	\$ 5.95	\$ 7.30	\$ 8.61	\$ 9.98	\$ 11.33	\$ 12.65	\$ 13.97	\$ 15.24
RS-100	\$ 3.14	\$ 4.57	\$ 5.95	\$ 7.30	\$ 8.61	\$ 9.98	\$ 11.33	\$ 12.65	\$ 13.97	\$ 15.24
RS-600	\$ 3.14	\$ 4.57	\$ 5.95	\$ 7.30	\$ 8.61	\$ 9.98	\$ 11.33	\$ 12.65	\$ 13.97	\$ 15.24
GS-1	\$ 3.14	\$ 4.57	\$ 5.95	\$ 7.30	\$ 8.61	\$ 9.98	\$ 11.33	\$ 12.65	\$ 13.97	\$ 15.24
GS-6K	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63
GS-25K	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63
GS-120K	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63
GS-1250K	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63
GS-11M	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63
GS-25M	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63
Gas Lighting	\$ 3.14	\$ 4.57	\$ 5.95	\$ 7.30	\$ 8.61	\$ 9.98	\$ 11.33	\$ 12.65	\$ 13.97	\$ 15.24

New Rates including SAFE expansion

YEAR	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
RS-1	\$ 3.35	\$ 5.20	\$ 6.97	\$ 8.71	\$ 10.39	\$ 12.13	\$ 13.85	\$ 15.53	\$ 17.21	\$ 18.82
RS-100	\$ 3.35	\$ 5.20	\$ 6.97	\$ 8.71	\$ 10.39	\$ 12.13	\$ 13.85	\$ 15.53	\$ 17.21	\$ 18.82
RS-600	\$ 3.35	\$ 5.20	\$ 6.97	\$ 8.71	\$ 10.39	\$ 12.13	\$ 13.85	\$ 15.53	\$ 17.21	\$ 18.82
GS-1	\$ 3.35	\$ 5.20	\$ 6.97	\$ 8.71	\$ 10.39	\$ 12.13	\$ 13.85	\$ 15.53	\$ 17.21	\$ 18.82
GS-6K	\$ 5.81	\$ 6.33	\$ 8.49	\$ 10.63	\$ 12.71	\$ 14.83	\$ 16.93	\$ 18.99	\$ 20.05	\$ 23.01
GS-25K	\$ 5.81	\$ 6.33	\$ 8.49	\$ 10.63	\$ 12.71	\$ 14.83	\$ 16.93	\$ 18.99	\$ 20.05	\$ 23.01
GS-120K	\$ 5.81	\$ 6.33	\$ 8.49	\$ 10.63	\$ 12.71	\$ 14.83	\$ 16.93	\$ 18.99	\$ 20.05	\$ 23.01
GS-1250K	\$ 5.81	\$ 6.33	\$ 8.49	\$ 10.63	\$ 12.71	\$ 14.83	\$ 16.93	\$ 18.99	\$ 20.05	\$ 23.01
GS-11M	\$ 5.81	\$ 6.33	\$ 8.49	\$ 10.63	\$ 12.71	\$ 14.83	\$ 16.93	\$ 18.99	\$ 20.05	\$ 23.01
GS-25M	\$ 5.81	\$ 6.33	\$ 8.49	\$ 10.63	\$ 12.71	\$ 14.83	\$ 16.93	\$ 18.99	\$ 20.05	\$ 23.01
Gas Lighting	\$ 3.35	\$ 5.20	\$ 6.97	\$ 8.71	\$ 10.39	\$ 12.13	\$ 13.85	\$ 15.53	\$ 17.21	\$ 18.82

Difference

YEAR	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
RS-1	\$ 0.21	\$ 0.63	\$ 1.02	\$ 1.41	\$ 1.78	\$ 2.15	\$ 2.52	\$ 2.88	\$ 3.24	\$ 3.58
RS-100	\$ 0.21	\$ 0.63	\$ 1.02	\$ 1.41	\$ 1.78	\$ 2.15	\$ 2.52	\$ 2.88	\$ 3.24	\$ 3.58
RS-600	\$ 0.21	\$ 0.63	\$ 1.02	\$ 1.41	\$ 1.78	\$ 2.15	\$ 2.52	\$ 2.88	\$ 3.24	\$ 3.58
GS-1	\$ 0.21	\$ 0.63	\$ 1.02	\$ 1.41	\$ 1.78	\$ 2.15	\$ 2.52	\$ 2.88	\$ 3.24	\$ 3.58
GS-6K	\$ 0.37	\$ 0.77	\$ 1.25	\$ 1.73	\$ 2.18	\$ 2.63	\$ 3.08	\$ 3.52	\$ 3.77	\$ 4.38
GS-25K	\$ 0.37	\$ 0.77	\$ 1.25	\$ 1.73	\$ 2.18	\$ 2.63	\$ 3.08	\$ 3.52	\$ 3.77	\$ 4.38
GS-120K	\$ 0.37	\$ 0.77	\$ 1.25	\$ 1.73	\$ 2.18	\$ 2.63	\$ 3.08	\$ 3.52	\$ 3.77	\$ 4.38
GS-1250K	\$ 0.37	\$ 0.77	\$ 1.25	\$ 1.73	\$ 2.18	\$ 2.63	\$ 3.08	\$ 3.52	\$ 3.77	\$ 4.38
GS-11M	\$ 0.37	\$ 0.77	\$ 1.25	\$ 1.73	\$ 2.18	\$ 2.63	\$ 3.08	\$ 3.52	\$ 3.77	\$ 4.38
GS-25M	\$ 0.37	\$ 0.77	\$ 1.25	\$ 1.73	\$ 2.18	\$ 2.63	\$ 3.08	\$ 3.52	\$ 3.77	\$ 4.38
Gas Lighting	\$ 0.21	\$ 0.63	\$ 1.02	\$ 1.41	\$ 1.78	\$ 2.15	\$ 2.52	\$ 2.88	\$ 3.24	\$ 3.58