

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 19, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Guffey) *GP*
Office of the General Counsel (Brownless) *JSC*

RE: Docket No. 20240137-GU – Petition for approval of GUARD cost recovery factors, by Florida Public Utilities Company.

AGENDA: 10/01/24 – Regular Agenda – Tariff Suspension – Participation is at the Commission’s Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 11/02/24 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On September 3, 2024, Florida Public Utilities Company (FPUC) filed a petition for approval of its Gas Utility Access and Replacement Directive (GUARD Program) cost recovery factors for the period January through December 2025. By Order No. PSC-2023-0235-PAA-GU (2023 Order), the Commission approved FPUC’s 10-year GUARD program, consisting (1) replacement of problematic pipes and facilities and (2) relocation of mains and service lines located in rear easement and other difficult to access areas to the front lot easements.¹ The 2023 Order allows FPUC to recover the revenue requirements of expedited programs to replace problematic pipes and facilities and enhance the safety and accessibility of portions of FPUC’s natural gas distribution system through a monthly surcharge on customers’ bills.

¹ Order No. PSC-2023-0235-PAA-GU, issued August 15, 2023, amended by Order No. PSC-2023-0235A-PAA-GU, issued August 18, 2023, in Docket No. 20230029-GU, *In re: Petition for approval of gas utility access and replacement directive, by Florida Public Utilities Company.*

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The Commission further ordered FPUC to: (1) include all calculations to show a final true-up, actual-estimated true-up, projected year investments and associated revenue requirements, and the calculations of the GUARD factors by rate class; (2) provide a report including the location, date, description, and associated costs of all replacement projects completed and all projects scheduled for the following year; and (3) include any remaining GRIP over- or under-recovery in the GUARD cost recovery. FPUC has complied with the 2023 Order directives stated above. The Commission approved FPUC's 2024 GUARD factors in Order No. PSC-2023-0349-TRF-GU.²

This is staff's recommendation to suspend the proposed tariffs for 2025 GUARD factors. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

² Order No. PSC-2023-0349-TRF-GU, issued November 17, 2023, in *Docket No. 20230101-GU, In re: Petition for approval of gas utility access and replacement directive cost recovery factors for January 2024 through December 2024, by Florida Public Utilities Company.*

Discussion of Issues

Issue 1: Should FPUC's Gas Utility Access and Replacement Directive (GUARD) cost recovery factors and associated revised tariff sheet 7.403 to implement the 2025 GUARD factors, to be effective January 2025, be suspended?

Recommendation: Yes. Staff recommends that FPUC's GUARD cost recovery factors and associated revised tariff sheet 7.403 to implement the 2025 GUARD factors, to be effective January 2025, be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff modifications. (Guffey)

Staff Analysis: Staff recommends that FPUC's GUARD cost recovery factors and associated revised tariffs to implement the 2025 GUARD factors, to be effective January 2025, be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff modifications.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such a change, a reason, or written statement of a good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission decision on FPUC's GUARD cost recovery factors and associated revised tariffs to implement the 2025 GUARD factors. (Brownless)

Staff Analysis: This docket should remain open pending the Commission decision on FPUC's GUARD cost recovery factors and associated revised tariffs to implement the 2025 GUARD factors.