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October 3, 2024

E-Portal

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

Re:Docket No. 20240135-GU: Petition of Florida Public Utilities Company for Approval of Swing Service Rider Rates for the Period January-December 2025

Dear Mr. Teitzman:

Attached for filing in the above-referenced docket, please find Florida Public Utilities Company's Responses to Staff's First Data Requests.

Thank you for your assistance with this filing.

Kind regards,



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Enclosure

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of swing service rider rates for the period January through December 2025, by Florida Public Utilities Company.) Docket No. 20240135-GU)
)
) Filed: October 3, 2024

1. Order No. PSC-16-0422-TRF-GU, which established the swing service rider, ordered that it be handled in a manner similar to the Gas Reliability Infrastructure Program (GRIP), both of which require the company to file annually by September 1. Please discuss any potential impacts that would arise if the Commission were to require FPUC to file the swing service rider by August rather than by September.

Company Response

The impact to the Company is one of time constraint if the swing service rider is filed by August rather than September. The Company has one employee that prepares all of the natural gas annual filings. Since these annual filings are due at the time, requiring the swing service rider by August will place undue time constraints and stress on this employee. Therefore, the Company would respectfully ask the Commission to consider the filing of the swing service rider either two weeks before or two weeks after the annual filings are due.

2. Please refer to the question beginning on page 3 of Witness Laster’s testimony, line 21. The witness states that the Swing Service Rider was found to have slightly lower actual costs than projected, but the consolidated purchased gas adjustment (PGA) recovery (cap) was not revised to reflect the changes.

- a. Please confirm the time period which this refers to.

Company Response

The period of actual costs is July 2023 to June 2024.

- b. Please explain whether the PGA is being subsidized by the Swing Service Rider overpayment.

Company Response

Cross subsidization of PGA costs occurs between the PGA and Swing Service Rider due to the fact that costs related to swing are based on actuals for a certain period. The variance of \$298k, is relatively immaterial with minimal impact to the PGA cap, and therefore, the Company chose not to revise the consolidated PGA recovery (cap) to reflect this change.

3. Please refer to page 5 of Witness Laster's testimony, lines 3-8. Please state which month the transportation outdoor lighting customers-initiated service with FPUC. If applicable, please explain whether FPUC intends to recover costs from these customers incurred in 2024.

Company Response

During the preparation of the Company's rate case in 2022, it was discovered that the outdoor lights for sales service and transportation was combined on the source documents used for preparation of the swing service filing. FPUC plans to only recover swing service costs from outdoor light transportation customers that are applicable to the period in this filing.

4. Please refer to page 5 of Witness Laster's testimony, lines 8-9.

- a. Explain why FPUC has elected to remove Interruptible (COM-INTT) and Natural Gas Vehicle (COM-NGVT) from the list of customers impacted by the swing service rider.

Company Response

In Order No. 2016-0422-TRF-GU, Interruptible and Natural Gas Vehicle customers were never intended to be charged through the swing service rider due to the nature of their services. Due to changes in personnel, these customers were inadvertently included last year and have been removed.

- b. Please explain whether COM-INTT and/or COM-NGVT are sales customers.

Company Response

No, they are not sales customers, but are transportation customers.

- c. If COM-INTT and/or COM-NGVT are considered sales customers, please explain whether the PGA was collected from them during the 01/01/2024 – 12/31/2024 service period.

Company Response

They are not sales customers, and therefore, no PGA was collected from these customers.

- d. Please state how much, in dollars, was collected from COM-INTT and/or COM-NGVT customers during the 01/01/2024 – 12/31/2024 service period.

Company Response

In January 2024, the Company collected \$150,891 and \$15,076 in swing service revenue from COM-INTT and COM-NGVT customers, respectively. These charges were refunded back to these customers.

5. Please provide copies of schedules A through D in Excel with formulas unlocked.

Company Response

Please see Attachment 1.

6. Please refer to Schedule D of Exhibit SKL-1 for the following questions.

a. Please explain why the following actual costs from the period of 07/01/2022-06/30/2023 have been discontinued: Nassau County William Burgess, Nassau County, Port of Palm Beach, Riviera Lateral, New Smyrna, Belvedere, Haines City CFG, Pensacola NW, Auburndale, Western PB County, Wildlight 1C, Wildlight 1B, Winter Haven, New River RNG LLC, Cardinal Technology LLC, and Snell & Wilmer LLP. Please state the dates on which the aforementioned services were discontinued.

Company Response:

Nassau County William Burgess, Nassau County, Port of Palm Beach, Riviera Lateral, New Smyrna, PB Belvedere, Haines City CFG, Pensacola NW, Auburndale, Western PB County, Wildlight 1C, Wildlight 1B and Winter Haven have not been discontinued. In order to provide confidentiality of these contracts, the Company merely consolidated them onto one line labeled, Peninsula Pipeline. See Attachment 1, Schedule D, line 6.

New River RNG LLC was discontinued on February 2023 and Cardinal Technology LLC was discontinued on July 2022. Snell & Wilmer LLP has not been discontinued and is listed separately on Attachment 1, Schedule D.

b. Please explain the reasons for the Peninsula Pipeline cost change from \$0 in 2022/2023 to \$24,429,013 in 2023/2024 and provide a description of the services Peninsula Pipeline provides to FPUC.

Company Response:

As mentioned above, the previously detailed Peninsula Pipeline ("PPC") contracts were summarized into one line in this filing. Therefore, the actual PPC costs in 2022/2023 were \$23,910,743 and not zero as stated. The actual 2023/2024 costs, as filed, was \$25,429,013, which differs by \$1,000,000 as reflected in the question.

The overall increase year-over-year is \$1,518,270 and is attributable to either new PPC projects becoming operational in 2023/2024 or represent a full year of costs as compared to the prior year.

c. Please explain the reasons for the Baker & Hostetler LLP cost change from \$8,146 in 2022/2023 to \$2,814 in 2023/2024 and provide a description of the services Baker & Hostetler LLP provides to FPUC.

Company Response:

Baker & Hostetler provides legal and professional services on general contract matters, technical research regarding gas prepayment opportunities, multiple contract assignments and operation balancing agreements with Gulfstream. These costs vary depending on level of service required each year.

d. Please explain the reasons for the Convergence Solutions LLC change from \$150,000 in 2022/2023 to \$195,960 in 2023/2024 and provide a description of the services Convergence Solutions LLC provides to FPUC.

Company Response:

Convergence is the software provider for the Company's gas management system and provides cloud hosting services for the Company's gas tracking system.

The \$45,960 increase is directly related to a system enhancements that included 1) enhancements to monthly imbalances for pools by month, 2) month end billing reports & monthly cash out by pool manager, and 3) customer info exceptions report.

e. Please provide a description of the services provided by employees under the payroll allocation.

Company Response:

The employees gather and prepare the monthly and annual filings related to this clause and were not included in the company's base rates.

f. Please explain the reasons for the Pierpont & McLelland change from \$90,142 in 2022/2023 to \$70,642 in 2023/2024 and provide a description of the services Pierpont & McLelland provides to FPUC.

Company Response:

Pierpont & McLelland provide consulting for load forecasting, transportation tariff consolidation/modifications, interstate and intrastate transportation opportunities, general consultation regarding current customers and other business opportunities within the state. The amount of activity in these matters fluctuates from year to year depending upon the initiatives of the company.

g. Please explain the reasons for the S&P Global Platts change from \$23,688 in 2022/2023 to \$55,999 in 2023/2024 and provide a description of the services S&P Global Platts provides to FPUC.

Company Response:

S&P Global Platts provides information and data about natural gas markets, which include monthly and daily gas price settlements for geographic locations that are used for the utilities transactions. S&P changed the way they provide their subscription service which increased the annual cost.

h. Please explain the reasons for the Snell & Wilmer LLP change from \$8,789 in 2022/2023 to \$78,373 in 2023/2024 and provide a description of the services Snell & Wilmer LLP provides to FPUC.

Company Response:

Snell & Wilmer is a law firm representing the Company's interest regarding the FGT rate case, which directly impacts our costs. The amount of activity in this matter continues to increase because of the extended length of time necessary to resolve this rate case, which is still in litigation.

i. Please explain the reasons for the Arden FPU AGL change from \$8,297 in 2022/2023 to \$29,265 in 2023/2024 and provide a description of the services Arden FPU AGL provides to FPUC.

Company Response:

The increase is due to Florida City Gas reclassifying FPUC's customer pool to a new rate class due to increased demand, therefore increasing our cost. This is an FCG line providing transport service to FPUC's Arden area.

j. Please explain the reasons for the Emera Energy Services Inc. change from \$608,898 in 2022/2023 to \$1,148,544 in 2023/2024 and provide a description of the services Emera Energy Services Inc. provides to FPUC.

Company Response:

Emera Energy Services provides asset management of the capacity and commodity in Nassau County, Florida. The cost increase is due to changes in the AMA agreement, which offer additional capacity, capacity flexibility and optionality and alternative supply sources.

k. Please explain the reasons for the Marlin Gas Services LLC change from \$3,726,982 in 2022/2023 to \$2,621,162 in 2023/2024 and provide a description of the services Marlin Gas Services LLC provides to FPUC.

Company Response:

Marlin is used to bring supply to areas as a virtual pipeline for emergency and planned services. These activities vary depending on the event. The overall gas costs and deployment activity were lower in 2023/2024 than in the previous year.

7. Please describe any potential impacts to the swing service program or FPUC's workload if the Commission ordered the utility to file its future annual swing service petition on August 1 of each year, as opposed to September 1.

Company Response

Please see the Company Response for question 1 above.