

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of safety, access,
and facility enhancement program true-up and
2025 cost recovery factors, by Florida City
Gas.

DOCKET NO. 20240134-GU
ORDER NO. PSC-2024-0451-PCO-GU
ISSUED: October 16, 2024

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO

ORDER SUSPENDING TARIFF

BY THE COMMISSION:

Background

On August 30, 2024, Florida City Gas (FCG or utility) filed a petition for approval of its safety, access, and facility enhancement (SAFE) program true-up and 2025 cost recovery factors. We originally approved the SAFE program in Order No. PSC-15-0390-TRF-GU (2015 Order) to recover the cost of relocating on an expedited basis certain existing gas mains and associated facilities from rear lot easements to the street front.¹ In the 2015 Order, we found that the relocation of mains and services to the street front provides for more direct access to the facilities and will enhance the level of service provided to all customers through improved safety and reliability. The SAFE factor is a surcharge on customers' bills.

In the 2015 Order, we required the utility to file an annual petition, beginning in 2016, for review and resetting of the SAFE factors to true-up any prior over-or under-recovery and to set the surcharge for the coming year. The SAFE program was originally approved as a 10-year program and was planned to finish in 2025. The current 2024 SAFE factors were approved by Order No. PSC-2023-0345-TRF-GU (2023 Order).²

¹ Order No. PSC-15-0390-TRF-GU, issued September 15, 2015, in Docket No. 20150116-GU, *In re: Petition for approval of safety, access, and facility enhancement program and associated cost recovery methodology, by Florida City Gas.*

² Order No. PSC-2023-0345-TRF-GU, issued November 16, 2023, in Docket No. 20230097-GU, *In re: Petition for approval of safety, access, and facility enhancement program true-up and 2024 cost recovery factors, by Florida City Gas.*

During the utility's 2022 rate case, we approved a stipulation for the expansion of the SAFE program in Order No. PSC-2023-0177-FOF-GU.³ The parties agreed and we found that the continuation of the SAFE program beyond its 2025 expiration date and the relocation of an additional approximately 150 miles of mains and services was reasonable.⁴

In Order No. PSC-2023-0177-FOF-GU, we further approved a stipulation for the replacement of approximately 160 miles of "orange pipe."⁵ All parties to the rate case agreed that orange pipe is a specific plastic material that was used in the 1970s and 1980s that has been studied by the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration and shown through industry research to exhibit premature failure in the form of cracking. The parties agreed and we ordered that FCG should expedite the replacement of 160 miles of orange pipe through the SAFE program to address this safety risk in a timely manner.

On April 19, 2024 FCG filed a petition to modify its SAFE program to include replacing of span pipes, burying shallow and exposed pipeline, and replacing of obsolete pipe and related facilities. At the September 10 2024 Agenda Conference, we approved FCG's SAFE modification. The total estimated cost for the program modifications is \$49.8 million over a ten year period.⁶ The additional program modifications are included in this proceeding for recalculation of the SAFE surcharges.

This order is to suspend the proposed tariffs. We have jurisdiction over the matter pursuant to Sections 366.04, 366.041, 366.05, and 366.06, Florida Statutes (F.S.).

Decision

We find that FCG's proposed revised SAFE tariffs for the period January through December 2025 shall be suspended to allow our staff sufficient time to review the petition and gather all pertinent information in order to present us with an informed recommendation on the tariff proposals. Our staff issued a data request to FCG on September 17, 2024, for which responses are currently pending.

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

Based on the foregoing, it is

³ Order No. PSC-2023-0177-FOF-GU, issued June 9, 2023, in Docket No. 20220069-GU, *In re: Petition for rate increase by Florida City Gas*.

⁴ See page 72, Section X, B. of Order No. PSC-2023-0177-FOF-GU.

⁵ See page 72, Section X, C. of Order No. PSC-2023-0177-FOF-GU.

⁶ See attachment B, of Document No. 04172-2024 titled "Responses to Staff's First Data Request"

ORDERED by the Florida Public Service Commission that Florida City Gas's proposed revised safety, access, and facility enhancement tariffs for the period January through December 2025 shall be suspended to allow our staff sufficient time to review the petition and gather all pertinent information in order to present us with an informed recommendation on the tariff proposals. It is further

ORDERED that this docket shall remain open pending our decision on the proposed revised tariffs.

By ORDER of the Florida Public Service Commission this 16th day of October, 2024.



ADAM J. TEITZMAN
Commission Clerk
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.