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South Florida Natural Gas  
 (A Division of Southern Union Company)  
 Responses to FPSC Staff Workshop Questions  
 Requested by Florida Public Service Commission in their notice dated March 5, 1999

The following disclosures issued by Southern Union Company or its affiliates after January 1, 1996 are designated as Year 2000 Readiness Disclosures.

1. Southern Union Company, through its Y2K management appointed Y2K Steering Committee, has categorized assets into five different criticality ratings. This system has been applied to all divisions and subsidiaries of Southern Union Company, including South Florida Natural Gas. Each system has been rated for importance to continuing overall company operation. The rating system has been consistently applied according to the following definitions:

| Rating | Description   | Examples   |
|--------|---|--|
| 1      | All equipment that is in the gas stream and has control capability.                   | <ul style="list-style-type: none"> <li>➤ SCADA systems.</li> <li>➤ Stand alone flow controllers.</li> <li>➤ Pressure regulators w/electronic components.</li> <li>➤ Odorization equip. w/electronic components.</li> </ul> |
| 2      | All equipment that supports gas flow operations or gas leak services.                 | <ul style="list-style-type: none"> <li>➤ Remote monitoring equipment (no control function).</li> <li>➤ Systems used in 24 hour a day dispatch offices.</li> </ul>  |
| 3      | All metering, billing and customer service functions.                                 | <ul style="list-style-type: none"> <li>➤ Meter reading systems.</li> <li>➤ Billing and accounting mainframe systems.</li> <li>➤ Call center systems, WANs, "critical" PCs.</li> </ul>                                      |
| 4      | All general business support equipment (including building systems).                  | <ul style="list-style-type: none"> <li>➤ HVAC controls.</li> <li>➤ Elevators.</li> <li>➤ Fleet equipment and their support systems.</li> </ul>   |
| 5      | All specific business support equipment that are less critical to overall operations. | <ul style="list-style-type: none"> <li>➤ Fax machines.</li> <li>➤ Copiers.</li> </ul>  |

2. The categories listed above can be prioritized into the two categories of "mission critical" as a rating of 1, 2, 3 or 4 and "important" systems as a rating of 5. This categorization was determined by identifying the assets that must operate effectively on a day-to-day basis for our employees to provide our customers with safe, reliable, dependable natural gas service.
3. Answered in the table above in question #1.
4. South Florida Natural Gas does not utilize any mainframe computer applications.

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_  
 APP \_\_\_\_\_  
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 CMU \_\_\_\_\_  
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5. Not applicable.
6. South Florida Natural Gas utilizes PC based and mini computer based applications for billing and financial reporting.
7. South Florida Natural Gas operates without SCADA or EGM systems or any other technology utilizing date-sensitive embedded chips.
8. Not applicable.
9. South Florida Natural Gas has tested all PC hardware and software for Y2K readiness and is currently in the process of upgrading hardware and software that are not Y2K ready. Moreover, South Florida Natural Gas utilizes a mini computer application (located at Southern Union Company's corporate headquarters in Austin, Texas) for accounting and financial reporting. Although the vendor has claimed that the programs are Y2K ready, this system is being tested for Y2K readiness.
10. South Florida Natural Gas has tested or is in the process of testing all systems and is not using a sampling approach.
11. South Florida Natural Gas has not yet completed its contingency plans. These plans will definitely include detailed approaches to assure critical communications are available.
12. South Florida Natural Gas's testing of critical applications can include the following critical dates:

| Date                        | Significance   |
|-----------------------------|--|
| Friday, January 1, 1999     | This is the first day of the last year of the 20th century; the first time 99 will show up in the year field. This might be a default. |
| Wednesday, June 30, 1999    | This is the last day of the SUC fiscal year 1999. This date will be tested to verify the transition from FY1999 to FY2000.             |
| Thursday, July 1, 1999      | This is the first day of the SUC fiscal year 2000. This date will be tested to verify the transition from FY1999 to FY2000.            |
| Thursday, September 9, 1999 | This date is 9/9/99 and sometimes it is used as a default in some applications.  |
| Friday, December 31, 1999   | This date is the last date of the 20th century. This date will be tested to verify the transition from the 20th to the 21st century.   |
| Saturday, January 1, 2000   | This is the first day of the 21st century. Some applications might recognize 1/1/00 as January 1, 1900 and not 2000.                   |
| Tuesday, February 29, 2000  | This is the first leap day of the 21st century. Some applications might not recognize this day because 1900 was not a leap year.       |
| Sunday, December 31, 2000   | This is the last day of the first year of the 21st century. This will be the first year transition in the 21st century.                |
| Monday, January 1, 2001     | This is the first day of the second year of the 21st century. This will be part of the first year transition of the 21st century.      |

13. South Florida Natural Gas has not yet conducted any contingency drills. Our Y2K contingency training and drills are scheduled for the second half of 1999.
14. In conjunction with our supplier, Florida Gas Transmission, South Florida Natural Gas is planning to have personnel on standby alert around critical Y2K dates. These plans will be detailed in our contingency plans after further discussions with Florida Gas Transmission.
15. South Florida Natural Gas's internal deadlines for testing and remediating are the following:
  - Mainframe applications – Not applicable.
  - PC Computers – Summer, 1999.
  - Embedded chips – Not applicable.
16. At South Florida Natural Gas, none of the "non-mission critical" systems are linked to the "mission critical" systems.
17. Not applicable.
18. South Florida Natural Gas's gas distribution system is entirely manually operated and therefore does not utilize SCADA controls.