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FPSC - COMMISSION CLERK

October 10, 2019

ELECTRONIC PORTAL

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

Re: Petition for approval of tariff modification to amend tariff provisions addressing capacity for transportation service, by Florida City Gas.

Dear Mr. Teitzman:

Attached for electronic filing, please find the **FLORIDA CITY GAS PETITION FOR APPROVAL TO AMEND TARIFF PROVISIONS ON CAPACITY FOR TRANSPORTATION SERVICE TO BE CONSISTENT WITH TARIFF FILED WITH RATE CASE SETTLEMENT**, in the above-referenced docket.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

A handwritten signature in blue ink that reads "Beth Keating".

Beth Keating

Greg Munson

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

MEK

cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: **Petition for approval of tariff modification to amend tariff provisions addressing capacity for transportation service, by Florida City Gas.**

Docket No.

Filed: October 10, 2019

**PETITION FOR APPROVAL TO
AMEND TARIFF PROVISIONS ON CAPACITY FOR TRANSPORTATION
SERVICE TO BE CONSISTENT WITH TARIFF FILED WITH RATE CASE
SETTLEMENT**

Florida City Gas (“FCG” or “Company”), by and through its undersigned attorneys, hereby requests, in accordance with Sections 366.041, 366.05 and 366.06, Florida Statutes, approval by the Florida Public Service Commission (“Commission”) of a modification to Tariff Sheet No. 22 to reinstate language addressing FCG’s obligations to both hold and release capacity that was included in the tariff sheets filed and considered by the Commission at the hearing on the Stipulation and Settlement entered in the Company’s last rate case, Docket No. 20170179-GU, but were, due to an internal Company error, not included in the final version of the Tariff that was attached to the Commission’s final order, Order No. PSC-2019-0190-FOF-GU. In support of this request, FCG states:

- 1) The name and address of the petitioner are:

Florida City Gas
4045 NW 97th Avenue
Doral, Florida 33178

- 2) The names and mailing addresses of the persons to whom notices, orders and correspondence regarding this petition are to be sent are:

Beth Keating
Gunster, Yoakley & Stewart, P.A
215 South Monroe St., Suite 601

Christopher Wright
Senior Attorney
Florida Power & Light Company

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Juno Beach, Florida 33408
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Christopher.Wright@fpl.com

3) FCG is a natural gas local distribution company (“LDC”) providing sales and transportation delivery of natural gas in parts of Florida, and is a public utility subject to the Commission’s regulatory jurisdiction under Chapter 366, Florida Statutes.

4) The Commission has broad jurisdiction, including jurisdiction to grant the relief requested herein, under Sections 366.04, 366.05, and 366.07, Florida Statutes, pursuant to which the Commission is authorized to establish rates and charges for public utilities, and in doing so, to consider, among other things, whether the rules, regulations and practices of the utility are fair and reasonable. The Company is unaware of any material facts in dispute in this regard. This is a Petition representing an initial request to the Commission, which is the affected agency located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

I. **BACKGROUND**

5) On October 23, 2017, FCG petitioned the Commission for approval to increase the Company’s base rates and charges, approve various modifications to FCG’s Tariff rates and rules, and to approve the Company’s depreciation study.

6) Following the October 23, 2017 filing, OPC filed a notice of its intervention on October 24, 2017. Subsequently, FEA was authorized to intervene on January 22, 2018.¹

¹ Collectively, FCG, OPC, and FEA are herein referred to as the “Parties.”

7) The Parties, as well as Commission Staff, engaged in extensive discovery leading up to the technical hearing scheduled to commence on March 26, 2018.

8) On March 12, 2018, the Parties submitted a Stipulation and Settlement in Docket No. 20170179-GU (“Settlement”), which represented the good faith efforts of the Parties to address the issues in the rate case proceeding in a manner that would provide regulatory certainty with regard to FCG’s rates and avoid the unnecessary expense and uncertainty associated with further litigation of the full rate case. The terms and conditions of the Settlement reflected a full resolution of all issues raised in the rate case proceeding.

9) Among the issues addressed in the Settlement was the filing of tariff pages that were revised to reflect, among other things, agreed-upon changes in the Company’s method of allocating costs for existing, held capacity and its obligation to release certain new capacity. *See* Settlement, Articles VIII and XI. Consistent with these provisions, on March 23, 2018, the Company filed a revised Tariff conforming to the Settlement provisions. This Tariff was entered into the record at the Commission’s March 26, 2018 hearing as Hearing Exhibit 121. (Docket No. 20170179-GU, TR 37). At that same hearing, the Commission voted to approve the Settlement. (Docket No. 20170179-GU, TR 39-40).

10) Following the hearing (but prior to issuance of the Commission’s Order), the Commission Staff made a due diligence inquiry to the Company regarding certain perceived differences between the version of the Tariff submitted in support of the Settlement and the proposed Tariff submitted with the initial Minimum Filing Requirements (“MFRs”) of the

Company's Petition for Approval of a Rate Increase. In response to the Commission Staff inquiry, on April 12, 2018, the Company submitted a revised version of the Tariff removing the differences identified by Staff. This April 12, 2018 version of the Tariff was then incorporated in the Final Order Approving Settlement, Order No. PSC-2018-0190-FOF-GU, issued April 20, 2018.

11) It has, however, recently come to the attention of the Company that Tariff Sheet No. 22 submitted with the April 12, 2018 version of the Tariff was the original version from the proposed Tariff submitted with the initial MFRs and did not accurately reflect the Settlement terms the Parties agreed to or the version of the Tariff included in the record as Hearing Exhibit 121 that was approved by the Commission at the March 26, 2018 hearing.

12) Specifically, Tariff Sheet No. 22 submitted with the April 12, 2018 version of the Tariff incorrectly deleted certain language designed to clarify the Company's practice regarding the amount of capacity that should be held and when additional capacity would be released, consistent with discussions around the allocation of costs for capacity held in reserve. The omission of this language has resulted in operational issues arising from the insistency of the Tariff as it currently stands, and the operational intent underlying the Settlement provisions regarding the agreed-to changes in FCG's obligations to hold and release capacity. The language omitted would have clarified the intent to ensure Essential Use Customers are protected, while likewise ensuring that the Company's Sales or Purchased Gas Adjustment ("PGA") Customers are not allocated additional costs as a result of additional capacity acquired to support the Company's Transportation Customers.

13) FCG therefore asks that the Commission accept and approve the Company's revised Tariff Sheet No. 22, which is attached hereto as Attachment A.

TARIFF SHEETS

14) Attachment A includes the revised Tariff Sheet No. 22 (in legislative and clean formats) that corrects the erroneously omitted language addressing the Company's obligations to hold and release capacity. The proposed language clarifies that the Company may elect to defer releasing capacity unless and until it has achieved 100% of the pipeline capacity necessary to serve its Sales Customers and its Essential Use Customers. Thereafter, consistent with the current Tariff, the Company would release capacity in accordance with the release priority set forth in the Tariff.

15) Notably, the proposed revision is consistent with the version of Tariff Sheet No. 22 that was entered into the record of Docket No. 20170179-GU as Hearing Exhibit 121 and approved by the Commission at the March 26, 2018 hearing. A true and correct copy of Tariff Sheet No. 22 of Hearing Exhibit 121 at Docket No. 20170179-GU is attached hereto as Attachment B.

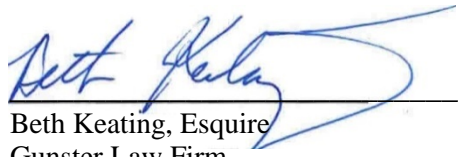
16) The proposed revisions to Tariff Sheet No. 22 accurately reflect the terms the Parties to the Settlement agreed to, are consistent with the terms of the Settlement, accurately reflect the record before the Commission when it approved the Settlement in Docket No. 20170179-GU, and provide a level of insurance that the Company's Essential Use Customers can be served in the event that those Customers' marketers fail to provide adequate firm capacity and/or they return to PGA service, while doing so without allocating additional costs through the PGA. For

these reasons, FCG submits that the proposed revisions to Tariff Sheet No. 22 are in the public interest and should be approved. Given the nature of the error, as well as the operational ambiguity generated by the error, the Company respectfully requests that the Commission approve the tariff on an expedited basis such that it can become effective on or before January 1, 2020.

17. The Company has notified the Parties to the Stipulation and Settlement entered in Docket No. 20170179-GU of the error in the tariff and the Company's desire to make the correction addressed herein. The Office of Public Counsel has indicated that they do not oppose the Company's request to make this correction. The Federal Executive Agencies have, to date, not responded.

WHEREFORE, Florida City Gas hereby respectfully requests that the Commission approve the proposed modification to the Company's Tariff Sheet No. 22, which is attached hereto and incorporated herein as Attachment A, with an effective date on or before January 1, 2020.

Respectfully submitted this 10th day of October, 2019, by:


Beth Keating, Esquire
Gunster Law Firm
215 South Monroe Street, Ste. 601
Tallahassee, FL 32301

Christopher T. Wright
Fla. Auth. House Counsel No. 1007055
Florida Power & Light Company
700 Universe Boulevard (JB/LAW)
Juno Beach, Florida 33408

Attorneys for Florida City Gas

CERTIFICATE OF SERVICE

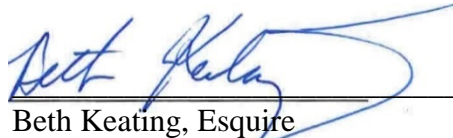
I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 10th day of October 2019 to the following:

Jennifer Crawford, Esq.
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2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
jcrawfor@psc.state.fl.us

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ATTACHMENT A

(Revised Tariff Sheet No. 22)

Clean/Legislative-Tracked Changes

RULES AND REGULATIONS (Continued)

15. TRANSPORTATION - SPECIAL CONDITIONS (Continued)

H. Facilities (Continued)

Prior to the initial receipt of service hereunder, unless agreed otherwise, Customer shall reimburse Company in accordance with the terms of the Transportation Service Agreement, for the cost of any facilities which are constructed, acquired, or expanded by Company to receive or deliver Customer's gas.

All facilities required to provide service under each applicable Rate Schedule shall be designed, constructed, installed, operated, and owned by Company, unless otherwise agreed to by Company.

Company's execution of a Transportation Service Agreement under each applicable Rate Schedule may be conditioned on Customer's agreement to pay the total incremental cost of such facilities as specified herein and in the Service Agreement.

I. Designated Pools

This section designates the Pools that have been adopted for the Company's service territory in order to facilitate the operation of the Company's system.

Basic Pools result from the physical characteristics of the Company's system and the location of the delivery points of the interstate pipeline companies.

The Company's service territory is composed of two Primary Pools, each of which is composed of one or more Basic Pools:

- (a) Brevard
- (b) Miami-Dade

J. Allocation, Assignment, of Capacity and Supply Assets

This section sets forth the method and provisions by which the Company will allocate, on an equal access, nondiscriminatory basis, the Company's Interstate Pipeline Capacity to a Third Party Supplier based upon the Average Daily Delivery Quantity ("ADDQ") and Demand Charge Quantity ("DCQ") of the Transportation Customers served by the Third Party Shipper.

The portion of the Company's Interstate Pipeline Capacity not associated with premises served by Third Party Supplier will remain with the Company. The Company will hold the capacity required to service its Customers on a Design Day plus a reserve margin not to be less than 5%. The Company will post on the Electronic Bulletin Board ("EBB") each allocation of the Company's Interstate Pipeline Capacity to a Third Party Supplier for viewing only by such Third Party Shipper. Until the Company has sufficient Interstate Pipeline Capacity to satisfy 100% of its Sales and Essential Use Customers throughput the Company may opt to not release capacity to Third Party Suppliers. Once adequate capacity is obtained to meet the Sales and Essential Use Customers' needs, capacity releases will be prioritized based upon Customer groups. The Company will first release Interstate Pipeline Capacity to service Cycle Read Customers (ADDQ) based upon Third Party Supplier market share.

RULES AND REGULATIONS (Continued)

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H. Facilities (Continued)

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