

November 12, 2020

Writer's E-Mail Address: bkeating@gunster.com

VIA E-PORTAL

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

Re: Docket 20200237-PU -- Amendment of Rules 25-6.0141, F.A.C., Allowance for Funds Used During Construction, and 25-30.116, F.A.C., Allowance for Funds Used During Construction, and adoption of Rule 25-7.0141, F.A.C., Allowance for Funds Used During Construction.

Dear Mr. Teitzman:

Enclosed for electronic filing, please find Sebring Gas System, Inc.'s response to Staff's November 5, 2020 SERC data request.

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

Sincerely,



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

MEK

Sebring Gas System's Response to Staff's SERC Data Request

- 1) Section (2)(a)1. states that projects that involve gross plant additions in excess of \$25,000 and are expected to be completed in excess of one year will be eligible for AFUDC. What is the potential financial impact to your utility and your customers for a newly qualifying project?

Company: Sebring expects a negligible financial impact, at most, as a result of this rule change.

- 2) What is your utility's incremental increase in the annual amount of AFUDC-eligible projects with the proposed \$25,000 threshold?

Company: Sebring expects an immaterial increase in the amount of eligible projects as a result of this rule change.

- 3) What is your utility's incremental increase in the annual amount of accrued AFUDC with the proposed \$25,000 threshold?

Company: Sebring expects a negligible financial impact, at most, as a result of this rule change.

- 4) Section (2)6. (f) states that the utility may file a petition prior to commencement of construction to seek approval to include an individual project in rate base. If your utility decides to file such a petition, what is the estimated cost?

Company: The cost will depend upon timing, but may range from \$3,000 to \$8,000.

- 5) Section (3)(a) states that the applicable AFUDC rate shall be determined using the most recent 13-month average embedded cost of capital. What is the estimated cost to determine the applicable AFUDC as stated above?

Company: Sebring expects a negligible financial impact, at most, as a result of this rule change.

- 6) Section (2) 2. allows a utility to bundle multiple related projects together if the utility can demonstrate that the total cost with AFUDC will be less than the total cost of the unbundled projects without AFUDC. (a) Under the proposed bundling with AFUDC, does the utility anticipate any financial impact to rate payers? Please explain. (b) What impact, if any, would bundling projects have on the utility's rate base? Please explain.

Company: Sebring expects a negligible financial impact as a result of this rule change, including bundling projects.

Docket 20200237-PU -- Amendment of Rules 25-6.0141, F.A.C., Allowance for Funds Used During Construction, and 25-30.116, F.A.C., Allowance for Funds Used During Construction, and adoption of Rule 25-7.0141, F.A.C., Allowance for Funds Used During Construction.

- 7) Section (5) requires the utility to file Schedules A, B, and C with each petition for a change in AFUDC rate and Section (7) requires these schedules to be included with the December Rate of Return surveillance report to the Commission. Please state the estimated cost to complete and file Schedules A, B, and C as required in Sections (5) and (7).

Company: Sebring expects a negligible financial impact, at most, as a result of this rule change.

- 8) Is the proposed rule likely to increase any transactional costs (e.g.: filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used, procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring or reporting, and any other costs necessary to comply with the rule) to your utility, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? Please provide a good faith estimate of incremental annual costs.

Company: No.

- 9) Is the proposed rule likely to directly or indirectly result in incremental regulatory costs for your utility in excess of \$200,000 in the aggregate within 1 year after the implementation of this rule? Please explain.

Company: No.

- 10) Is the proposed rule likely to have an adverse impact on economic growth, private-sector job creation or employment, or private-sector investment in excess of \$1 million in the aggregate within 5 years after the implementation of this rule? Please explain.

Company: No.

- 11) Will the proposed rule have an adverse impact on small business? (A small business is defined by Section 288.703, F.S., as an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments). Please explain.

Company: Not that Sebring is aware.

- 12) Is the proposed rule likely to have an adverse impact on business competitiveness, productivity, or innovation in excess of \$1 million in the aggregate within 5 years after implementation of the rule?

Company: No.

Docket 20200237-PU -- Amendment of Rules 25-6.0141, F.A.C., Allowance for Funds Used During Construction, and 25-30.116, F.A.C., Allowance for Funds Used During Construction, and adoption of Rule 25-7.0141, F.A.C., Allowance for Funds Used During Construction.

13) Does your utility anticipate any effect on state or local revenues from the AFUDC related projects? Please discuss.

Company: Sebring is unaware of impacts.

14) Please provide any additional information related to draft Rule 25-7.0141, F.A.C., which the Commission may deem useful.

Company: N/A