State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 10, 2021

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Sevini K. Guffey, Public Utility Analyst III, Division of Economics SKG

RE: Florida Public Utilities Company (FPUC) Responses to Staff's Data Request regarding Customer Billing Inquiry

Please file the attached staff's data request dated August 26, 2021 to FPUC and responses received from FPUC on September 9, 2021, regarding a customer billing inquiry in Docket No. 20210000-OT.

Thank you.

STATE OF FLORIDA

DIVISION OF ECONOMICS
JUDY HARLOW
DIRECTOR
(850) 413-6410

Public Service Commission

August 26, 2021

Mr. Mike Cassel
AVP, Regulatory and Governmental Affairs
Florida Public Utilities Company/Chesapeake
208 Wildlight Avenue
Yulee, FL 32097
mcassel@fpuc.com

Ms. Beth Keating, Esq.
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601
Tallahassee, FL 32301
bkeating@gunster.com

Re: FPUC Customer Billing Inquiry

Dear Mr. Cassel and Ms. Keating:

In response to a customer inquiry concerning the multiplying factor Florida Public Utilities Company (FPUC or Company) uses to convert 100 cubic feet (CCF) of natural gas to therms on a customer bill, the Florida Public Service Commission staff respectfully request the following information.

1) Please state FPUC's multiplying factor used to convert natural gas CCFs to therms used.

2) Please provide an explanation how the company arrived at the factor stated in above response. Also discuss if the factor stays constant through the year(s) or, if it changes, please explain the reasons for the variations.

3) The U.S. Energy Information Administration information indicates the standard CCF conversion factor to be 1.037 therms. Please explain the reasons why FPUCs conversion factor deviates from the industry standard factor.

4) Referring to item 10 on FPUCs *Understanding your Bill* (on FPUC website), please explain the statement "2.88 is the cubic feet in a therm"

Please file all responses electronically in Docket No. 20210000-OT no later than September 9, 2021 via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please contact me at sguffey@psc.state.fl.us or at 850.413.6204 if you have any questions.

Thank you.

/s/Sevini Guffey
Sevini Guffey
Public Utility Analyst

cc: Tripp Coston, Economics Supervisor (tcoston@psc.state.fl.us)

FLORIDA PUBLIC UTILITIES

Company Responses to Customer Billing Inquiry
Docket No. 20210000-OT

September 9, 2021

In response to a customer inquiry concerning the multiplying factor Florida Public Utilities Company (FPUC or Company) uses to convert 100 cubic feet (CCF) of natural gas to therms on a customer bill, the Florida Public Service Commission staff respectfully request the following information.

1) Please state FPUC's multiplying factor used to convert natural gas CCF's to therms used.
Company Response:

FPUC does not use a single multiplying factor to convert natural gas CCF's to therm. The Company uses multiple billing factors that vary according the two primary components: the average BTU factor for that service area and the pressure factor associated with the customer's meter. *Respondent – Curtis D. Young*

2) Please provide an explanation how the company arrived at the factor stated in above response. Also, discuss if the factor stays constant through the year(s) or, if it changes, please explain the reasons for the variations.
Company Response:

The factor for this particular customer was computed by first calculating the Company's BTU factor the customer's service area (South Florida). This is based on the average BTU content of gas purchased from two months prior multiplied by a pressure conversion factor derived from dividing the delivery pressure of gas sold by the delivery pressure of gas purchased. The resulting product is then multiplied by the pressure factor assigned to the customer's meter for the total multiplying factor that appears on the customer's bill. *(Attached is a sample illustration of this calculation).*
The multiplying factor may vary from month to month in accordance to changes in the delivery pressure conversion factors provided by the Company's upstream pipeline.
Respondent – Curtis D. Young

3) The U.S. Energy Information Administration information indicates the standard CCF conversion factor be 1.037 therms. Please explain the reasons why FPUC's conversion factor deviates from the industry standard factor.
Company Response:

It is the Company's position that the BTU factor cited by the U.S. Energy Information Administration are simply industry standards and approximations. Actual BTU factors are impacted by many factors (including heat content, varying pipeline pressures, etc.) and fluctuate quite regularly. *Respondent – Curtis D. Young*

4) Referring to item 10 on FPUC's *Understanding you Bill* (on FPUC website), please explain the statement "2.88 is the cubic feet in a therm".
Company Response:

The Company presumes that the statement in item 10 may contain a typo or have been entered in error. It is being investigated and will be corrected, if necessary. *Respondent – Curtis D. Young*

FLORIDA PUBLIC UTILITIES COMPANY
PURCHASED GAS ADJUSTMENT CALCULATION
September-2021

		FIRM & INTERRUPTIBLE FLORIDA PUBLIC UTILITIES COMPANY	
1.	Gas sold under Firm and Interruptible Rate Schedules for all bills rendered in September 2021 for gas consumed in August 2021		
2.	Rate Adjustment Calculation		
	(a) Cost of Gas Purchased	96.128	¢ per therm
	(b) True-up Amount	(5.583)	¢ per therm
	(c) Total (a + b)	90.545	¢ per therm
	(d) Revenue Tax Factor	1.00503	
	(e) PGA Adjusted for Taxes	91.0004	¢ per therm
	(f) PGA Rounded to nearest .001¢	91.000	¢ per therm

		South Florida	Central Florida	Fernandina Beach	Fort Meade	Brewster Florida	Okeechobee Florida
3.	Conversion Factor for all bills rendered during the month of September 2021						
	(a) Average BTU content of gas purchased during the month of July 2021 (Btu/cf)	1,028.7	1,029.2	1,031.2	1,027.9	1,027.6	1,027.3
	(b) Pressure Conversion Factor						
	1) Delivery Pressure of Gas Sold:	14.929	14.983	14.980	14.983	14.983	14.983
	2) Delivery Pressure of Gas Purchased:	14.730	14.730	14.730	14.730	14.730	14.730
	3) Conversion Factor (1 / 2)	1.01351	1.01718	1.01697	1.01718	1.01718	1.01718
	(c) Corrected BTU Content (a x b)	1,042.6	1,046.9	1,048.7	1,045.6	1,045.3	1,044.9
	(d) Billing Factor	1.04	1.05	1.05	1.05	1.05	1.04

NOTES:
1. The current approved levelized Purchased Gas Cost Recovery Factor (PGCRF) is 99.587¢ per therm effective January 2021.
2. FPUC is flexing downward from its approved PGCRFs.
3. The true-up was updated from (2.363)¢ per therm to (5.583)¢ per therm effective January 1, 2021.