

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida City
Gas.

DOCKET NO. 20220069-GU
ORDER NO. PSC-2022-0285-PCO-GU
ISSUED: July 22, 2022

The following Commissioners participated in the disposition of this matter:

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

ORDER SUSPENDING REQUEST FOR RATE INCREASE
AND ALL ASSOCIATED TARIFF REVISIONS

BY THE COMMISSION:

Case Background

On May 31, 2022, Florida City Gas (FCG or Company) filed a petition seeking the Florida Public Service Commission's (Commission) approval of a rate increase and associated depreciation rates. FCG is a natural gas local distribution company providing sales and transportation of natural gas, and is a public utility subject to our regulatory jurisdiction under Section 366.02, Florida Statutes (F.S.). As a subsidiary of Florida Power & Light Company, FCG currently serves approximately 116,000 residential, commercial, and industrial natural gas customers in Miami-Dade, Broward, St. Lucie, Indian River, Brevard, Palm Beach, Hendry, and Martin counties.

FCG requested an increase of \$29.0 million in additional annual revenues. Of that amount, \$5.7 million is associated with the reclassification of FCG's Safety, Access, and Facility Enhancement program revenues from surcharge to base rates and \$3.8 million is related to the revenue requirements for the previously approved Liquefied Natural Gas Facility. Additionally, the remaining \$19.4 million is necessary, according to FCG, for the Company to earn a fair return on its investment and to adopt the requested reserve surplus amortization mechanism. FCG based its request on a 13-month average rate base of \$489 million for the projected test year ending December 31, 2023. The requested overall rate of return is 7.09 percent based on a mid-point of 10.75 percent return on equity.

This Order addresses the suspension of FCG's proposed final rates and charges. FCG did not request interim rate relief in this proceeding.

FCG's last rate case was filed on October 23, 2017, and was resolved by our approval of a settlement agreement in 2018.¹ The Commission-approved settlement agreement allowed FCG to generate an additional \$11.5 million in revenues for the projected test year ended December 31, 2018. The settlement agreement also authorized a return on equity of 10.19 percent.

Pursuant to Sections 366.06(2) and (4), F.S., FCG requested to proceed this rate case using our hearing process. Accordingly, in compliance with Section 366.06(2), F.S., an administrative hearing has been scheduled for December 12-16, 2022. We have jurisdiction over this request under Section 366.06, F.S.

Analysis and Decision

The requested permanent increase in rates and charges are hereby suspended for FCG to allow staff and the Parties time to analyze the case and for us to conduct the hearing.

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 a good cause for doing so with 60 days. The reasons previously stated have established good cause consistent with the requirements of Section 366.06(3), F.S.

This docket shall remain open pending our final resolution of FCG's requested rate increase.

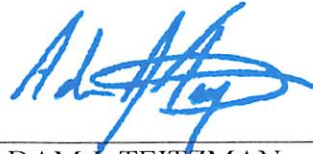
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida City Gas' request for a \$29 million rate increase and all associated tariff revisions are hereby suspended pending a final decision in this docket. It is further

ORDERED that this docket shall remain open pending final resolution of Florida City Gas' petition for a permanent rate increase.

¹Order No. PSC-2018-0190-FOF-GU, issued April 20, 2018, in Docket No. 20170179-GU, *In re: Petition for rate increase by Florida City Gas*.

By ORDER of the Florida Public Service Commission this 22nd day of July, 2022.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
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Tallahassee, Florida 32399
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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.

WLT

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.