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Public Service Commission

March 24, 2023

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STAFF'S THIRD DATA REQUEST
via e-mail

Re: 20220212-GU - Petition for approval of depreciation rate and subaccount for renewable natural gas facilities leased to others by Peoples Gas System.

Dear Sirs:

By this letter, the Commission staff requests that Peoples Gas Systems (PGS) provide responses to the following data requests:

1. Referring to PGS's instant Petition filed in the above docket, Paragraphs 20 and 21, as well as the Company's response to Staff's First Data Request, No. 6(c), please clarify who will be responsible for the recovery of the remaining (undepreciated) portion of the RNG plant, the shareholders or the general body of ratepayers of PGS, if, for any reason, the "series of agreements with Brightmark Sobek RNG LLC" that PGS entered into, are contested or dissolved before the agreed-upon term of 15-years.
2. Under what conditions, if any, would PGS be in position to repurpose or sell the RNG equipment during the term of the purchase agreement?
3. What are the conditions under which the full Brightmark's Monthly Services Charge payments could be discontinued or curtailed?
4. In the event that Brightmark's Monthly Service Charge payments are discontinued or curtailed, what measures would PGS take to protect its general body of ratepayers from financial harm?
5. Regarding the proposed accelerated depreciation of RNG assets and lease/buyback arrangements detailed in the instant petition and reflected in the purchase agreement, what benefits, if any, are expected to accrue to: A. PGS, B. PGS customers, and C.

- Brightmark, that would not otherwise be available under standard depreciation schedules?
6. Why is it appropriate that Brightmark retain ownership of the environmental attributes of the natural gas produced at the RNG facility (Renewable Energy Credits), as contemplated in the petition, given that the RNG plant is owned by PGS and included in its rate base during the first fifteen years and the pipeline extension is owned by PGS and included in rate base for the life of the asset?
 7. Please explain whether the structure of the proposed purchase agreement, with accelerated depreciation and lease/buyback, is modelled after other approved regulatory arrangements entered into by other gas utilities. Also, please provide details of such regulatory approvals (docket numbers, order numbers, jurisdiction, date, etc).

Please file all responses electronically no later than Monday, April 14, 2023, from the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6846 if you have any questions.

Sincerely,

/s/ Daniel Dose

Daniel Dose

Office of the General Counsel

DD/crv

cc: Office of Commission Clerk