

September 19, 2023

E-PORTAL

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

Re: Docket No. 20230097-GU: Petition of Florida City Gas for Approval of Safety, Access, and Facility Enhancement Program True-Up and 2024 Cost Recovery Factors

Dear Mr. Teitzman:

Attached for electronic filing, please find Florida City Gas's Responses to Staff's First Data Requests in the referenced docket.

Thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,



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

**Florida City Gas
Docket No. 20230097-GU
Staff's First Set of Data Requests
Request No. 1
Page 1 of 1**

QUESTION:

Please confirm that the total projected 2024 investment is \$17,403,332 and is for the six projects discussed on page 3 of Attachment C to the petition (SAFE 48, SAFE 49, BRE SAFE 7, Orange 1, Orange 2, and Orange 3).

RESPONSE:

As shown on Schedule 4 of Attachment D (page 6 of 10) to FCG's Petition, the total investment projected for 2024 is \$17,403,333. As provided on page 3 of Attachment C to FCG's Petition, the projected 2024 investment is for the following six projects: SAFE 48, SAFE 49, BRE SAFE 7, Orange 1, Orange 2, and Orange 3. However, FCG acknowledges that projects scheduled to be completed in 2023 may potentially carry-over to 2024 due to reasons that are largely beyond FCG's control, and if so, those will be reflected in the final true-up filing for calendar year 2023.

**Florida City Gas
Docket No. 20230097-GU
Staff's First Set of Data Requests
Request No. 2
Page 1 of 1**

QUESTION:

Please confirm that the projected 2024 SAFE investment is \$11,827,885.

RESPONSE:

Correct. See Schedule 4 of Attachment D (page 6 of 10) to FCG's Petition.

**Florida City Gas
Docket No. 20230097-GU
Staff's First Set of Data Requests
Request No. 3
Page 1 of 1**

QUESTION:

Please confirm that the projected 2024 orange pipe investment is \$5,574,447.

RESPONSE:

When rounded to the nearest dollar, the projected 2024 orange pipe investment is \$5,575,448, as shown in Attachment A (page 1 of 3) and Schedule 4 of Attachment D (page 6 of 10) to FCG's Petition.

**Florida City Gas
Docket No. 20230097-GU
Staff's First Set of Data Requests
Request No. 4
Page 1 of 1**

QUESTION:

Please provide Attachments A and D to the petition, including all schedules in Excel format with formulas intact.

RESPONSE:

Electronic copies of Attachments A and D to FCG's Petition will be separately provided to Staff in Excel format with formulas intact.

Florida City Gas
Docket No. 20230097-GU
Staff's First Set of Data Requests
Request No. 5
Page 1 of 1

QUESTION:

Please explain how FCG determined that 10 years was a suitable amount of time for the continuation of the SAFE program and for the replacements of orange pipes.

RESPONSE:

As set forth in paragraph 6 of FCG's Petition, the SAFE Program is designed to relocate on an expedited basis certain existing gas mains and associated facilities located in or associated with rear lot easements to street front locations to improve the Company's ability to inspect and maintain the facilities and reduce opportunities for damage to the facilities and theft. As the Commission recognized when it initially approved the SAFE Program, the existing location of these mains, services and, in some cases, above-ground facilities, presents significant operational risks and challenges for the Company and its customers. See *In re: Petition for approval of safety, access, and facility enhancement program and associated cost recovery methodology, by Florida City Gas*, Order No. PSC-2015-0390-TRF-GU in Docket No. 20150116-GU (FPSC Sept. 15, 2015) ("*SAFE Order*").

As set forth in paragraph 10 of FCG's Petition, the Commission approved the expansion of the SAFE Program to include the capital investments necessary for the expedited replacement of approximately 160 miles of orange pipe installed before 1990 that has been studied by the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration ("PHMSA") and shown through industry research to exhibit premature failure in the form of cracking. See *In re: Petition for rate increase by Florida City Gas*, Order No. PSC-2023-0177-FOF-GU, Docket NO. 20220069-GU (FPSC June 9, 2023) ("*Rate Case Order*"). The potentially compromised nature of the piping makes responding to leaks more hazardous since responders cannot safely squeeze the orange pipe without cracking it. This presents significant and serious safety risk to the customers and communities serviced by FCG, as well as to first responders.

Given the significant safety and operational risks and challenges associated with both the rear located mains and services and the orange pipe as previously found by the Commission's *SAFE Order* and *Rate Case Order*, FCG proposes to extend the SAFE Program for an additional 10-year period through 2035. The 10-year period aligns with the original approval for the 2015 SAFE. Importantly, extending the period to complete these projects will delay when customers and communities realize these important safety benefits and, further, could result in increased material and contractor labor costs due to inflation. Throughout the proposed 10-year period, FCG will prioritize the orange pipe and SAFE projects through a pipeline risk assessment under FCG's Distribution Integrity Management Program, which determines the relative risks of pipes and prioritizes risk levels.