



September 28, 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 Second 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
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Tallahassee, FL 32301
(850) 521-1706

**Florida City Gas
Docket No. 20230097-GU
Staff's Second Set of Data Requests
Request No. 1
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QUESTION:

In Docket No. 20220153-GU, on Attachment A to the petition, there were actual and forecasted data for both main replacements and service replacements. For the instant docket (20230097-GU), on Attachment B to the petition, there are actual and forecasted replacement data for main replacements and orange pipe replacements, but service replacements were not included. Please provide a revised Attachment B to include the data for service replacements from 2014 to 2035.

RESPONSE:

An electronic copy of the revised Attachment B for the 2023 SAFE Filing - Actual and Projected Main and Service Replacements to FCG's Petition will be separately provided to Staff in Excel format with formulas intact.

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Request No. 2
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QUESTION:

Please explain in detail whether FCG intends to use in-house or contracted labor to complete the relocation of mains and services from rear lot easements to front and replacement of orange pipe. If applicable, please provide the name of the contractors.

RESPONSE:

Consistent with the current ongoing SAFE Program, all SAFE and Orange Pipe projects are and will continue to be completed by outside contractors, with FCG personnel responsible for overseeing and managing the project. FCG's outside contractors are selected through a periodic bidding process in order to engage qualified available vendors at the lowest competitive cost. Currently, the SAFE project work in the Miami area is being performed by Mears Group Inc., and the SAFE project work in the Brevard and Port St. Lucie areas is being performed by Pike Gas Service. However, new or additional contractors may be used to complete SAFE and Orange Pipe projects in the future depending on the responses and results of future requests for proposals.

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Request No. 3
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QUESTION:

Please clarify whether the workers that will be used for the relocation of mains and services and the replacement of orange pipe, are the same as those who worked on the original SAFE program.

RESPONSE:

At this time, the contractors currently performing work under the ongoing SAFE program will also be used for Orange Pipe projects. However, new or additional contractors may be used to complete SAFE and Orange Pipe projects in the future depending on the responses and results of future requests for proposals. See FCG's response to Staff's Second Set of Data Requests, No. 2. Each contractor manages its own resources and, as such, different contracted workers may be used on different projects or locations. However, all resources used for current and future SAFE and Orange Pipe projects must have the training and qualifications required for covered tasks under FCG's Operator Qualification Plan.

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Request No. 4
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QUESTION:

Please explain in detail how FCG determined that a 10-year replacement schedule and recovery period was appropriate, as opposed to a shorter time period.

RESPONSE:

See FCG's response to Staff's First Set of Data Requests, No. 5. Completing the approved relocation of approximately 150 miles of additional SAFE eligible mains and service and the approved replacement of approximately 160 miles of orange pipe¹ in a shorter time period (*i.e.*, less than the proposed 10-year period) would have upward pressure on customer bills and potentially require FCG to engage additional outside resources in order to complete the projects on an accelerated basis. For these reasons, as well as those further explained in FCG's response to Staff's First Set of Data Requests, No. 5, FCG submits that the proposal to extend the SAFE Program by 10 years is reasonable, appropriate, and aligns with the original approval for the 2015 SAFE Program, including similar bill impacts.

¹ See *In re: Petition for rate increase of Florida City Gas*, Order No. PSC-2023-0177-FOF-GU, Docket No. 20220069-GU (FPSC June 9, 2023).

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Staff's Second Set of Data Requests
Request No. 5
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QUESTION:

Please explain why the forecasted SAFE replacements per year are estimated at an average rate of 15 miles per year, while the average rate of SAFE replacements was approximately 28.26 miles per year during the original program.

RESPONSE:

The average miles of SAFE replacements per year is the simple product of (i) the total miles to be replaced divided by (ii) the total period over which the replacements will occur. In this case, the Commission approved the relocation of approximately 150 miles of additional SAFE eligible mains and services. *See In re: Petition for rate increase of Florida City Gas*, Order No. PSC-2023-0177-FOF-GU, Docket No. 20220069-GU (FPSC June 9, 2023). In this filing, FCG is proposing to complete these additional 150 miles of SAFE relocations starting in 2026, after the expiration of the originally approved program in 2025, and continuing through 2035 (*i.e.*, over a 10-year period). As such, the average annual SAFE replacements forecasted to be completed over this 10-year period is 15 miles per year. In comparison, the original 2015 SAFE program was based on the relocation of an estimated total 254.3 miles over a 9-year period (*i.e.*, an average of approximately 28.26 miles per year).

The estimated annual rate of main replacement proposed in this filing is tied to the management of the combined bill impact from both the SAFE and Orange Pipe projects. It is noteworthy that FCG is now consolidating both SAFE and Orange Pipe programs, resulting in a combined yearly average replacement rate that generally aligns with the historical average annual rate of replacements undertaken by FCG under the original 2015 SAFE Program.