

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: February 9, 2024

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

FROM: Kate McClelland, Public Utility Analyst I, Division of Economics

RE: Docket No. 20230110-GU: Petition for approval of tariff modifications to implement transportation balancing charge rider, by Florida City Gas.
Copy of information to be filed in docket.

Please place the attached information in the above docket.

RECEIVED-FPSC
2024 FEB -9 AM 9:42
COMMISSION
CLERK



Dear valued Transportation Customer,

On September 26, 2023, Florida City Gas (FCG) filed a petition with the Florida Public Service Commission (PSC) requesting approval of a new Tariff Rider "E" Transportation Balancing Charge. A portion of FCG's capacity and storage that is paid for by residential Sales Customers (and commercial/industrial customers who chose not to purchase their supply from a third-party supplier) is currently being used to balance the system on behalf of the Transportation Customers and their respective Suppliers/Marketers. To mitigate this subsidization, FCG proposes to implement a new Transportation Balancing Charge to allocate an incremental portion of this capacity and storage costs to the Transportation Customers through a monthly bill rider.

If approved, the new Transportation Balancing Charge of \$0.00780/therm will be applied to the monthly bill for each current and future Transportation Customer. The Transportation Balancing Charge, if approved, will become effective thirty (30) days after the PSC vote approving the tariff sheet or once the billing system modifications are complete, whichever occurs later.

If approved, FCG will provide all Transportation Customers with a second notice issued immediately prior to the effective date of the Transportation Balancing Charge.

This filing can be viewed in further detail at the PSC's website (floridapsc.com), Docket No. 20230110.

Should you have any questions, please email FCG-Transportation-Balancing-Charge@nexteraenergy.com.

Sincerely,
Florida City Gas Customer Service

Elisabeth Draper

From: Keating, Beth <BKeating@gunster.com>
Sent: Thursday, February 8, 2024 12:38 PM
To: Elisabeth Draper
Cc: Napier, Michelle; Bustos, Miguel
Subject: RE: Staff follow-up questions to 20230110- FCG transportation balancing charge
Attachments: balancing_charge_transportation_letter.pdf

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Here you go, Elisabeth. See below. Let us know if you'd like to discuss further. - Beth

1. The petition in footnote 8 states that the swing service riders approved for Peoples and FPUC are slightly different. Could you tell us what differences FCG sees? FCG calculated the swing based on monthly averages of third party suppliers (TPS) imbalances versus peak and non-peak volume averages.
2. Does FCG have a notice for the transportation customers ready to provide to staff? Yes, please see copy of the notification attached.

The proposed tariff on subsection A refers to multi-year average while in D it refers to three-year average. Please explain. FCG used a combined two-year monthly average for calendar years 2021 and 2022 to estimate the initial monthly average system-wide total TPS imbalance because it was the most accurate and complete data available at the time of this filing however, using a three-year average going forward is a reasonable method to track and identify whether average monthly system-wide total TPS imbalances change by more than 10.0%. To be clear, this three-year average will be tracked on a rolling basis each year rather than once every three years.

3. How exactly does storing gas with Bay storage work? Florida City Gas (FCG) has a contract with Enstor Gas who is the operator of the Bay Gas Storage facility located in Alabama. Bay Gas Storage has a interconnect with Florida Gas Transmission (FGT) in Zone 3 of FGT's Western Division/Production Area. FCG pays a monthly reservation charge to reserve a firm amount of capacity in the storage cavern, which then in turn gives us the ability to inject gas into the cavern or withdrawl gas from the cavern based upon the NAESB Natural Gas Nomination Timeline, both day ahead and on an intraday basis. The decision to use storage is based upon FCG system demand and pipeline operating conditions on FGT, which includes Alert Days, high and or low line pack days which can impact the flow/supply coming into any of the FCG City-Gate Stations. We use storage as a reliability balancing tool to protect the FCG System and to keep us in balance as needed

4. Imbalance penalties from the interstate pipeline - please provide an explanation when and how often those happen. As of to date, Florida City Gas has not been assessed any pipeline alert day penalties from Florida Gas Transmission
5. The 2024 PGA included \$12,863,340 in storage/capacity costs. This filing shows \$12,795,953 booked to the PGA (appendix 3 to the petition). What is the reason for the slight difference in numbers? The variance is due to the number of days for the month of February, the PGA was calculated using 29, the filing is using 28.

From: Elisabeth Draper <EDraper@PSC.STATE.FL.US>
Sent: Thursday, February 8, 2024 10:32 AM
To: Keating, Beth <BKeating@gunster.com>
Subject: RE: Staff follow-up questions to 20230110- FCG transportation balancing charge

Ok, we can look at the written answers first and go from there.

From: Keating, Beth <BKeating@gunster.com>
Sent: Wednesday, February 7, 2024 5:53 PM
To: Elisabeth Draper <EDraper@PSC.STATE.FL.US>
Cc: Shannon Hudson <SHudson@PSC.STATE.FL.US>; Corey Hampson <champson@psc.state.fl.us>; Kate McClelland <KMcClell@psc.state.fl.us>; Michael Barrett <MBarrett@PSC.STATE.FL.US>
Subject: RE: Staff follow-up questions to 20230110- FCG transportation balancing charge

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Elisabeth, Miguel can address your questions. Do you want us to send over the responses, or set up a call?

From: Elisabeth Draper <EDraper@PSC.STATE.FL.US>
Sent: Wednesday, February 7, 2024 11:09 AM
To: Keating, Beth <BKeating@gunster.com>
Cc: Shannon Hudson <SHudson@PSC.STATE.FL.US>; Corey Hampson <champson@psc.state.fl.us>; Kate McClelland <KMcClell@psc.state.fl.us>; Michael Barrett <MBarrett@PSC.STATE.FL.US>
Subject: Staff follow-up questions to 20230110- FCG transportation balancing charge

Beth, as explained in my voicemail staff would like to talk to somebody from the company to clarify a few things for us.

1. The petition in footnote 8 states that the swing service riders approved for Peoples and FPUC are slightly different. Could you tell us what differences FCG sees?
2. Does FCG have a notice for the transportation customers ready to provide to staff?
3. The proposed tariff on subsection A refers to multi-year average while in D it refers to three-year average. Please explain.

4. How exactly does storing gas with Bay storage work?
5. Imbalance penalties from the interstate pipeline - please provide an explanation when and how often those happen.
6. The 2024 PGA included \$12,863,340 in storage/capacity costs. This filing shows \$12,795,953 booked to the PGA (appendix 3 to the petition). What is the reason for the slight difference in numbers?

We can address all that in a conference call with the company. This week or early next week would work.

Thanks
Elisabeth