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March 15, 2024

E-PORTAL FILING

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

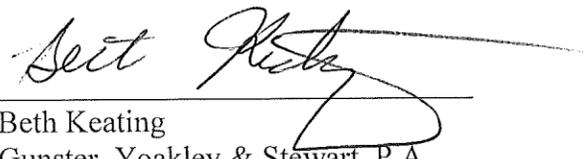
Re: Docket No. 20220067-GU - Petition for rate increase by Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities Company - Fort Meade, and Florida Public Utilities Company - Indiantown Division.

Dear Mr. Teitzman:

Attached for filing in the referenced docket, please find Florida Public Utilities Company's Annual Environmental Remediation report as required by Order No. PSC-2023-0103-FOF-GU.

Thank you for your assistance with this filing.

Kind regards,



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

Enclosure

RUTH ASSOCIATES, INC.

Providing Practical Solutions Since 1989

March 11, 2024

Ms. Michelle D. Napier
Director, Regulatory Affairs Distribution
Florida Public Utilities Company

RE: Remedial Cost Projections for Florida Public Utilities

Dear Ms. Napier:

This document has been prepared on behalf of Florida Public Utilities (FPU) to outline the remedial activities being conducted at various sites owned by FPU. These sites are subject to federal, state and local laws and regulations governing environmental quality and pollution control. These laws and regulations require FPU to remove or remediate impacts on the environment from the disposal or release of specified substances at current and former operating sites.

FPU is participating in active remediation at three former manufactured gas plants (MGPs) in Florida. Those sites are in West Palm Beach, Winter Haven and Key West.

West Palm Beach, Florida

FPU has is conducting remedial activities to respond to environmental impacts to soil and groundwater at, and in the immediate vicinity of three parcels of property owned by FPU in West Palm Beach, Florida, where FPU previously operated an MGP. FPU has been operating a bio-sparging / soil-vapor extraction (BS/SVE) system since the it was installed in January 2013, after demolition of the Quonset hut was completed.

On the West Parcel, additional demolition activities of aboveground structures such as the former office building, a garage, propane storage cylinders were completed in 2019, and in 2020, the subsurface remnants of the historical MGP plant foundations and piping were excavated and disposed off-site, along with tar-impacted soils and clinker. Additional wells to delineate possible floating product or light non-aqueous phase liquid (LNAPL) and of significant pockets of coal tar present as dense non-aqueous phase liquid (DNAPL) were installed in 2022 and have been monitored ever since. No recoverable product has been found.

A BS/SVE system like the one operating on the East Parcel has been designed and is being constructed on the West Parcel. The design, installation, and start-up of the West Parcel BS/SVE system will be completed in 2024.

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Groundwater-monitoring activities will be on-going through implementation of all remedial activities and will likely be continued as part of a natural attenuation monitoring program after active remedial activities are completed and the systems are decommissioned.

The total cost through installation and start-up of the West Parcel BS/SVE system, including on-going groundwater monitoring activities and reporting is estimated at \$857,000, on an undiscounted basis. Annual operating costs thereafter are estimated at \$270,000 for 2025, \$260,000 for 2026, and \$244,000 each year thereafter, until shutdown of the BS/SVE system is approved, which is projected to be 5 to 15 years after start-up. Once system shutdown is approved, annual monitoring costs are estimated at \$47,000. Costs for system decommissioning and site re-development is projected to cost \$680,000.

Total remedial costs through site re-development are estimated to range from \$3,287,000 to \$5,707,000, on an undiscounted basis. Annual long-term monitoring and maintenance costs following site re-development are estimated at \$47,000. A table outlining the details of our cost estimate is attached.

Not included in these costs is the remediation of the adjacent Government Services Administration property to the south. FPU's responsibility for this remediation has not been determined. Also not included are possible contingency costs for additional excavation and disposal of source materials. The potential costs for these additional items could range as high as \$1,894,000.

Key West, Florida

FPU formerly owned and operated a MGP in Key West, Florida. The property is currently owned and operated by Suburban Propane. In October 2012, Florida Department of Environmental Protection (FDEP) issued a Remedial Action Plan (RAP) approval order, which specified that a limited semi-annual monitoring program be conducted. Semi-annual groundwater monitoring has been conducted ever since.

Although the Natural Attenuation Default Criteria (NADC) have generally been met at all locations sampled, FDEP issued a letter dated February 27, 2020 requiring that elevated levels of naphthalene and 1-methylnaphthalene be addressed. As a result, a work plan was submitted to FDEP on January 18, 2021 to inject Petro-Fix, a mixture of micron-scale activated carbon and inorganic electron receptors in the vicinity of the one location where residual impacts persist. Three injection wells were installed to facilitate this in-situ treatment. The first round of injections was conducted 2021 and an additional injection round was completed in 2023.

Although the duration of the FDEP-required limited natural attenuation monitoring (NAM) cannot be determined with certainty, we anticipate that total costs to complete the remedial action will not exceed \$50,000. The annual cost to conduct the limited NAM program is not expected to exceed \$8,000.

Winter Haven, Florida

The Winter Haven site is located on the eastern shoreline of Lake Shipp, in Winter Haven, Florida. Pursuant to a consent order entered into with FDEP, FPU is obligated to assess and remediate environmental impacts at this former MGP site. Groundwater monitoring results have shown a continuing reduction in contaminant concentrations from the sparging system, which has been in operation since 2002. On September 12, 2014, FDEP issued a letter approving shutdown of the sparging operations on the northern portion of the site, contingent upon continued semi-annual monitoring. On December 9, 2021, FDEP issued another letter approving suspension of all sparging operations, including at the southern portion of the site, with continued semi-annual monitoring and reporting.

It is uncertain how long continued groundwater and surface-water monitoring will be required, although it is likely to be at least five additional years. It is also possible that some additional remedial action could be required if concentrations of MGP-related constituents rebound in groundwater after extended suspension of sparging operations. Annual costs to implement the groundwater and surface-water monitoring program is less than \$20,000.

Please note that our cost projections do not include any internal costs the company may incur related to relocation of facilities for remediation of any of the sites.

If you have any questions or require additional information, please don't hesitate to ask us.

Thanks,

RUTH ASSOCIATES, INC.

A handwritten signature in cursive script that reads "Michele C. Ruth".

Michele C. Ruth, PE
President
Chemical Engineer

attachment

FPUC Natural Gas Environmental Liability Status Report
For the Year ending December 31, 2023

Environmental Liability Beginning Balance @ 12/31/2022	(3,665,076)
Recovered from Customers	(543,371)
Clean up Costs	695,182
Environmental Liability Ending Balance @ 12/31/2023	<u>(3,513,265)</u>
GL Balance Check	<u>(3,513,265)</u>
Variance	-