

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

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BY E-MAIL/E-PORTAL

Mr. William McNulty, Chief/Conservation and Forecasting
Division of Economics
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Docket No. 20230121-EG – Petition of Associated Gas Distributors of Florida (AGDF)
for Approval of Conservation Demonstration and Development Program**

Dear Mr. McNulty:

As you know, the Associated Gas Distributors of Florida, Inc. (“AGDF”) filed a Petition in October of 2023 seeking approval to reinstate Conservation and Development Programs (“CDD”) for its members, with the exception of Peoples Gas System (“PGS”), which already has an approved CDD program.¹ This filing was made following discussions with Commission Staff regarding AGDF’s intent to seek reinstatement of the CDD programs and consistent with Rule 25-17.001(5)(f), Florida Administrative Code, as well as Commission Orders interpreting that Rule as applied to natural gas utilities.²

Since that filing, AGDF has provided responses to several rounds of data requests and engaged in further discussions with Commission Staff with regard to certain aspects of the proposed CDD programs.

In light of these discussions, and in an effort to move this matter forward, AGDF offers this Letter, which includes the following commitments as it relates to the CDD program, as well as changes that AGDF agrees would be consistent with the intent of AGDF’s request for reinstatement of the CDD programs:

1. Although the participating AGDF members anticipate involvement in CDD activity beyond a 5-year horizon, AGDF is amenable to a 5-year program limitation, as long as AGDF is not precluded from seeking an extension. In the alternative, AGDF suggests that a 5-year reporting

¹ Herein, referenced as “AGDF” only for the sake of simplicity, but should be understood to exclude PGS in this Letter.

² See, Order No. PSC-2015-0095-PAA-EG, at page 4, citing Order No. PSC-10-0113-PAA-EG.

requirement may be more administratively efficient and provide staff with sufficient information to initiate a docket in the event staff identifies concerns that necessitate changes in the program.

2. AGDF agrees that expenditure for Sebring and St. Joe for the CDD program should be capped at \$1,000 per year.

3. Consistent with our discussions, attached is a revised projected ECCR factor impact for the AGDF participating members that is based upon allocation of costs per the utilities' cost of service studies, which allocates across all rate classes. (Attachment A).

4. Any technology or program studied that falls under the "resiliency" category would nonetheless require all of the data inputs outlined in Part One (1) of the Gas Rate Impact Measure (G-RIM) cost-effectiveness test.

5. Consistent with item 3 above, AGDF clarifies that costs will be allocated to the rate classes in accordance with each utility's cost of service model just as costs are allocated for the gas utilities other conservation programs. As such, AGDF will endeavor to provide a similar balance in the types of research projects undertaken and commits that it will not focus solely on projects and technologies geared toward commercial and industrial customers.

As always, AGDF appreciates Staff's outreach and willingness to discuss its concerns. We hope this Letter offers some additional clarity that will address those concerns, and we are available to discuss further, as may be necessary.

Thank you for your consideration and time.

Sincerely,



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

MEK

Cc:// Commission Clerk (Docket File)
Dale Calhoun, Ex. Director-AGDF
Jacob Imig (Staff Counsel)
Walt Trierweiler, Public Counsel
Division of Economics (Barrett)
Division of Engineering (Ellis, Thompson)

Res. Rate Class	Approved ECCR Factor	Approved Ann. Exp. Cap.	One CDD Project Incremental Cost	Est. Annual Exp. Cap	% increase	Est. ECCR Factor Impacts	Two CDD Project Incremental Cost	Est. Annual Exp. Cap	% increase	Est. ECCR Factor Impacts
FPUC		\$ 3,304,245	\$ 75,000	\$ 3,379,245	2.27%		\$ 150,000	\$ 3,454,245	4.54%	
Residential (1)	0.13035					0.13038				0.13041
Residential (2)	0.06657					0.06659				0.06660
Residential (3)	0.03655					0.03656				0.03657
FCG		\$ 6,471,483	\$ 75,000	\$ 6,546,483	1.16%		\$ 150,000	\$ 6,621,483	2.32%	
RS1	0.29484					0.29487				0.29491
RS100	0.14192					0.14194				0.14195
RS600	0.08522					0.08523				0.08524
Sebring		\$ 40,061	\$ 1,000	\$ 41,061	2.50%		\$ 1,000	\$ 41,061	2.50%	
TS-1	0.12985					0.12988				0.12988
SJNG		\$ 141,596	\$ 1,000	\$ 142,596	0.71%		\$ 1,000	\$ 142,596	0.71%	
RS-1	0.33922					0.33924				0.33924
RS-2	0.24049					0.24051				0.24051
RS-3	0.1816					0.18161				0.18161