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Public Service Commission

April 26, 2024

Beth Keating, Esquire
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601
Tallahassee, FL 32301
bkeating@gunster.com

STAFF'S THIRD DATA REQUEST VIA E-MAIL

Matt Everngam
Director, Regulatory Affairs
208 Wildlight Avenue
Yulee, FL 32097
Meverngam@chpk.com

Re: Docket No. 20240039-GU: Petition for approval of transportation service agreements between Peninsula Pipeline Company, Inc. and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas.

Dear Ms. Keating and Mr. Everngam:

By this letter, Commission staff respectfully requests that Peninsula Pipeline Company, Inc. (Peninsula) and Florida City Gas (FCG) provide responses to the following questions.

Please provide the following information associated with staff's prior data requests:

1. Please refer to the Utility's response to staff's First Data Request, Question No. 2. Explain why seeking a non-affiliated partner would not result in materially different pricing, but using an affiliated partner produces benefits. As part of this response, provide a quantified estimate of the benefits, such as costs or timing.
2. Please refer to the Utility's response to staff's First Data Request, Question No. 7 and Second Data Request, Question No. 2. Identify when and through what proceeding(s) would the Commission have an opportunity to review the need for the proposed projects and associated costs, including any purchases from or contracts with the associated production source. As part of your response, explain what the statutory and rule basis of the Commission's review to determine if cost recovery of the proposed project and associated costs would be appropriate in the future proceeding(s), if any, including any purchases from or contracts with the associated production source.

3. Please refer to the Utility's response to staff's Second Data Request, Question No. 4. Provide a quantification of the identified savings over the life of each of the contracts, in nominal and net present value.

For the following questions, provide a response for each of the three projects (Brevard County, Indian River County, and Miami-Dade County).

4. Provide the estimated annual and peak day consumption of the local interconnected area, and the estimated annual and peak contribution of the associated production source. As part of your response, compare the consumption of the local interconnected area to the system as a whole.
5. Provide the forecasted annual and peak consumption growth per year of the local interconnected area for the contracted period, and what percentage of that growth the associated production source would address. As part of your response, compare the growth of the local interconnected area to the system as a whole.
6. Identify the next best alternative to provide the same quantity of gas as the associated production source to the local interconnected area, and provide an estimate of its costs compared to the proposed project and associated production source.
7. Provide whether a reliability need currently exists that the proposed project and associated production source addresses.
 - a. If so, explain what reliability metric is currently insufficient and how the project would resolve or reduce the reliability need. As part of your explanation, identify alternatives that were considered, if any, and why they were rejected.
 - b. If not, explain when would a reliability need would occur if the project is not approved.
8. Has the buyer of the gas from the associated production source been determined, and if so, identify them.
 - a. If no buyer has been determined, explain why not.
 - b. If the buyer is FCG, explain why the gas purchases are necessary and at what rate(s) it is purchasing the gas. If the rate(s) exceeds the current market price of natural gas, please explain why it is in the public interest to do so.
 - c. If the buyer is not FCG, explain whether and how costs associated with the contract would be passed on to the ultimate buyer. If they would not be passed on to the ultimate buyer but borne by the general body of ratepayers, explain why it is reasonable to do so.

9. Please describe the impact to FCG and the general body of ratepayers if each of the following scenarios occurs during any monthly period of the proposed contract, in terms of payments under the contract, costs to FCG's general body of ratepayers, and reliability of the system.
 - a. There is no flow of gas from the associated production source.
 - b. The associated production source operates at its forecasted capacity and FCG purchases gas from the associated production source.
 - c. The associated production source operates at its forecasted capacity and a third party purchases the gas from the associated production source.
10. For the local interconnected area, specify how many sources of natural gas are available. As part of this response, provide the quantity and percentage of gas supply that the project and its associated production source would represent compared to each other source.
11. What percentage of renewable natural gas would the associated production source represent for the local interconnected area and out of the system as a whole?

For the following questions, please provide the following information regarding the identified projects.

Indian River County Gas Supply Project.

12. Refer to the Utility's Petition, paragraphs 15 through 17. Regarding the interconnection of the three systems, provide the following:
 - a. What benefits, if any, are there to interconnecting the three systems?
 - b. How much of the local interconnected area capacity would the interconnection(s) be able to carry?
 - c. What alternatives, if any, are there to interconnecting the three systems?
13. Please refer to the Utility's response to staff's First Data Request, Question No. 12. Are any alternatives available that would provide the flow design benefits provided by the project?

Miami-Dade County Project.

14. Refer to the Utility's Petition, paragraph 21.
 - a. Provide the actual and estimated frequency of supply disruptions for the local interconnected area.

- b. What alternatives, if any, are there to address supply disruptions, and how do they compare to the proposed project and associated production source?
15. With reference to response number 9, in staff's first data request, the company states that it will pay approximately \$1.54MM as its portion of the total cost of approximately 6.1 MM for the Brevard County project. Please discuss who will be responsible for the portion not paid by FCG.
16. With reference to response number 17, in staff's first data request, the company's estimated cost for the Indian River County project is \$17.7MM. Please discuss if this amount is all FCG's responsibility or whether another entity also has cost responsibility and identify the entity.
17. With reference to response number 25 in staff's first data request, the company states that it will pay approximately \$8.33MM as its portion of the total cost of approximately \$22MM for the Miami-Dade County project. Please discuss who will be responsible for the portion not paid by FCG.
18. The petition and responses to staff's data requests alludes to the fact that the proposed projects are needed to serve expected new population growth and significant increase in demand for natural gas. For each of the proposed projects in Brevard, Indian River, and Miami-Dade Counties, please quantify the estimated number of customers FCG plans to serve and the estimated amount of therms needed to serve those customers.

Please file all responses electronically no later than May 10, 2024 through the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. In addition, please email the filed response to discovery-gcl@psc.state.fl.us and add this email address on the service list block associated with the PSC attorney assigned to this docket. Please contact me at sguffey@psc.state.fl.us or at 850.413.6204 if you have any questions.

Thank you.

/s/Sevini Guffey
Sevini Guffey
Public Utility Analyst IV

cc: Office of Commission Clerk