

COMMISSIONERS:
MIKE LA ROSA, CHAIRMAN
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO SMITH

STATE OF FLORIDA



DIVISION OF ECONOMICS
ELISABETH J. DRAPER
DIRECTOR
(850) 413-6410

Public Service Commission

January 16, 2025

To All PSC Regulated Natural Gas Utilities

Re: Statement of Estimated Regulatory Costs (SERC) Data Request for Proposed new Rule 25-7.150, Florida Administrative Code (F.A.C.), Natural Gas Facilities Relocation Cost Recovery Clause.

Dear Utility Owner:

The Florida Public Service Commission (PSC) staff has proposed the new Rule 25-7.150, F.A.C., to implement Section 366.99, F.S. The new Rule 25-7.150, F.A.C., is applicable to all natural gas utilities in Florida that are regulated by the PSC. In order to assess and consider the fiscal impacts and to prepare a SERC of the proposed new rule, PSC staff respectfully requests that you respond to the following data request included in pages 2-4. If you own more than one utility, please provide a cumulative response taking into consideration the impact on all of your utilities. For ease of reference, staff has also attached the draft Rule 25-7.150, F.A.C., with this data request.

Please file all responses electronically in **Docket No. 20250020-GU** no later than January 30, 2025 via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. 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

Proposed New Rule 25-7.150, Florida Administrative Code (F.A.C.), Natural Gas Facilities Relocation Cost Recovery Clause

Statement of Estimated Regulatory Costs (SERC) Data Request

During the 2024 legislative session, the Florida Legislature enacted Section 366.99, Florida Statutes (F.S.), Natural gas facilities relocation costs, which authorizes natural gas public utilities to petition the Florida Public Service Commission (PSC) annually to recover prudently incurred costs to relocate natural gas facilities to accommodate requirements imposed by an authority. Section 366.99, F.S. allows each gas utility to recover such costs through a charge separate and apart from base rates, referred to in the statute as the natural gas facilities relocation cost recovery clause (NGFRCRC). Such costs may not include any costs that the utility recovers through its base rates.

The statute requires the PSC to establish an annual proceeding to review these petitions. To implement the newly enacted Section 366.99, F.S., the PSC is proposing Rule 25-7.150, Florida Administrative Code (F.A.C.), which will address recovery of prudently incurred costs to relocate natural gas facilities to accommodate requirements imposed by an authority.

On December 16, 2024, the PSC held a rule development workshop. With stakeholder comments received during the workshop and written comments received after the workshop, staff has developed draft language for new Rule 25-7.150, F.A.C., which is required per new statute section 366.99, F.S.

This rule affects all natural gas utilities regulated by the PSC. In summary, the following items are requirements of the rule, not the statute, and need to be considered in determining to what extent the rule imposes costs for:

- The petition requirements listed in (1) and (2)(a)-(c).
- The requirements listed in (3)(a)-(e).
- The accounting requirement listed in (5).

Considering the draft Rule 25-7.150, F.A.C., attached to this data request, and considering the applicability of Section 366.99, F.S., please respond to the following questions:

1. Referring to Rule 25-7.150, (1), F.A.C., regarding providing supportive testimony with details of the facilities to be relocated and their associated costs, please provide the estimated cost to comply with this task.
2. Referring to Rule 25-7.150, (2)(a), F.A.C., regarding notification, please provide the estimated cost to provide the information to the PSC.
3. Referring to Rule 25-7.150, (2)(b), what is the estimated cost to prepare a description of the scope of the facilities relocation to be undertaken per the requirements imposed by the authority?

4. Referring to Rule 25-7.150,(2)(c), please provide the estimated cost to your utility to prepare an estimate of the costs associated with the relocation of the natural gas facilities.
5. What is the estimated cost to annually file your utility's NGFRCRC petition as prescribed in Rule 25-7.150(3)(a) through (e), F.A.C.?
6. With reference to Rule 25-7.150(5), F.A.C., what is the estimated cost to your utility to maintain subaccounts for all item subject to cost recovery using the NGFRCRC, consistent with the Uniform System of Accounts prescribed by the PSC pursuant to Rule 25-7.014, F.A.C.?
7. Would the proposed new Rule 25-7.150, F.A.C., directly or indirectly result in new regulatory costs to your utility in excess of \$200,000 in the aggregate in Florida within 1 year after implementation of the rule?

A "Small Business" is defined by Section 288.703, F.S., as an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state, which has a Small Business Administration 8(a) certification. As to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

8. Considering the above stated definition of a Small Business, please state if your natural gas utility is a small business.
9. If yes, please state if the proposed new rule would have an adverse, minimal, or no financial impact on your utility.
10. Would the proposed new rule have an adverse financial impact on economic growth, private-sector job creation or employment, and private-sector investment in excess of \$1 million in the aggregate within 5 years after implementation of the rule?
11. Would the proposed new rule have an adverse financial impact on business competitiveness, productivity, and innovation in excess of \$1 million in the aggregate within 5 years after implementation of the rule?
12. Would the proposed new rule result in new regulatory costs, including any transactional costs (Transactional costs" include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used, procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring or reporting, and any other costs necessary to comply with the rule) to your utility, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? If yes, please explain.

A "Small City" is defined by Section 120.52, F.S., as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. A "small county" is defined by Section 120.52, F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

13. Considering the above definition of a Small City, please state if your utility serves a small city or several small cities, or a small county/counties? Would the small city/cities/county/counties served by your utility have financial impacts or no impacts due to the proposed rule revisions?
14. Please provide any additional information, including any tasks not identified above, which would result in new costs to you utility, due to the proposed new rule, which the Commission may determine useful. [Section 120.541(2)(f), F.S.]

1 **25-7.150 Natural Gas Facilities Relocation Cost Recovery Clause.**

2 (1) A utility may file a petition for recovery of natural gas facilities relocation costs
3 through the annual natural gas facilities relocation cost recovery clause (NGFRCRC). The
4 petition seeking such cost recovery must be supported by testimony that provides details of the
5 facilities relocation activities and associated costs.

6 (2) As part of the NGFRCRC or by a separate filing, a utility must seek a determination
7 that “natural gas facilities relocation costs” are eligible for recovery through the NGFRCRC
8 by providing the following information:

9 (a) The notification by the authority requiring the facilities relocation per section
10 366.99(1), Florida Statutes,

11 (b) A description of the scope of the facilities relocation to be undertaken per the
12 requirements imposed by the authority, and

13 (c) An estimate of the costs associated with the relocation of the natural gas facilities.

14 (3) Each year, pursuant to the order establishing procedure in the annual NGFRCRC, a
15 utility must submit the following:

16 (a) Final True-Up for Previous Year. The final true-up of natural gas facilities relocation
17 cost recovery for a prior year must include revenue requirements based on a comparison of
18 actual costs for the prior year and previously filed projected costs and revenue requirements
19 for such prior year for each project determined to be eligible by the Commission. The final
20 true-up must also include identification of each of the utility’s eligible facilities relocation
21 projects for which costs were incurred during the prior year, including a description of the
22 work actually performed during such prior year.

23 (b) Estimated True-Up for Current Year. The actual/estimated true-up of natural gas
24 facilities relocation cost recovery must include revenue requirements based on a comparison
25 of current year actual/estimated costs and the previously-filed projected costs and revenue

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

1 requirements for such current year for each eligible project. The actual/estimated true-up must
2 also include identification of each of the utility's eligible facilities relocation projects for
3 which costs have been and will be incurred during the current year, including a description of
4 the work projected to be performed during such current year.

5 (c) Projected Costs for Subsequent Year. The projected natural gas facilities relocation
6 cost recovery must include costs and revenue requirements for the subsequent year for each
7 eligible project. The projection filing must also include identification of each of the utility's
8 eligible facilities relocation projects for which costs will be incurred during the subsequent
9 year, including a description of the work projected to be performed during such year.

10 (d) True-Up of Variances. The utility must report observed true-up variances, including
11 sales forecasting variances, changes in the utility's prices of services and/or equipment, and
12 changes in the scope of work relative to the estimates provided pursuant to paragraphs (2)(b)
13 and (2)(c). The utility must also provide explanations for variances regarding the facilities
14 relocation.

15 (e) Proposed Natural Gas Facilities Relocation Cost Recovery Factors. The utility must
16 provide the calculations of its proposed factors and effective 12-month billing period.

17 (4) Natural gas facilities relocation cost recovery clause true-up amounts will be afforded
18 deferred accounting treatment at the 30-day commercial paper rate.

19 (5) Subaccounts. To ensure separation of costs subject to recovery through the clause, the
20 utility filing for cost recovery must maintain subaccounts for all items consistent with the
21 Uniform System of Accounts prescribed by this Commission pursuant to Rule 25-7.014,
22 F.A.C.

23 (6) Recovery of costs under this rule does not preclude a utility from proposing inclusion
24 of unrecovered natural gas facilities relocation costs in base rates in a subsequent rate
25 proceeding. Recovery of costs under this rule does not preclude inclusion of such costs in base

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

1 rates in a subsequent rate proceeding, provided that such costs are removed from the
2 NGFRCRC.
3 *Rulemaking Authority 366.99, FS. Law Implemented 366.99, FS. History–New*
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.