

FLORIDA PUBLIC SERVICE COMMISSION

Item 8

VOTE SHEET

FILED 2/4/2025
DOCUMENT NO. 00668-2025
FPSC - COMMISSION CLERK

February 4, 2025

Docket No. 20240107-GU – Petition for approval of modifications to cast iron/bare steel pipe replacement rider, by Peoples Gas System, Inc.

Issue 1: Should the Commission approve Peoples' proposed modifications to the CI/BS Rider?

Recommendation: Yes, in part. The Commission should approve Peoples' expansion of the rider program to include: (1) maximum allowable operating pressure (MAOP) reconfirmation and material verification, (2) pipeline spans and shallow/exposed pipe, and (3) the relocation of facilities in rear easements. These components of the proposed rider expansion are reasonable additions that are required by recent changes to the United States Pipeline and Hazardous Materials Administration (PHMSA) regulations and/or are consistent with approved items in previous Commission Orders.

The Commission should deny the inclusion of (1) pipeline pressurization monitoring and management, (2) pipeline damages and leaks, (3) pipeline within casings, (4) undetectable facilities, and (5) system enhancement projects, as they are not required by PHMSA regulations and/or are part of the utility's normal operations and, therefore, more appropriately addressed through traditional ratemaking processes.

DEFERRED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

Handout from Peoples Gas System, Inc. attached.

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Issue 2: Should this docket be closed?

Recommendation: Yes. If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

replacement. Staff notes that the numbers shown above are estimates and actual costs will be evaluated and reviewed in the annual filings. Staff believes that if the Commission approves the proposed SAFIR projects in this Issue, the utility should include any projects that started in 2025 for cost justification in [REDACTED]

a separate petition to be filed with the Commission.

Peoples asserts that the proposed methodology to calculate the SAFIR rider surcharges is the same as that utilized for the approved CI/BS Rider. Specifically, the utility is proposing to continue the procedures and structure laid out in the 2012 Order, while expanding the definition of eligible replacements under the Rider. Staff believes that the proposed expenses are consistent with the approved CI/BS revenue requirements and are reasonable with the exception of the projects discussed above for which staff did not recommend approval. However, the revenue requirements for the approved projects should be reviewed in the annual petitions. Peoples should also quantify any operations and maintenance and depreciation cost savings resulting from the new replacement pipes and use the savings to offset the SAFIR rider revenue requirement. Any savings should be shown as a separate line item in the filings. If no savings can be identified, Peoples should provide an explanation in its annual SAFIR petitions.

The annual filings should provide the Commission with oversight to ensure that projected expenses are reasonable and only actual costs are recovered. The SAFIR rider and associated surcharges should terminate when all replacements have been made and the revenue requirement has been rolled into rate base. If Peoples wishes to continue the SAFIR rider beyond the 10 years requested in this petition, Peoples should file a petition with the Commission seeking approval to continue or modify the SAFIR rider.

As with the current CI/BS Rider, Peoples should be required to file its annual SAFIR petitions to revise the surcharge on, or before, September 1 of each year and implement the revised surcharge effective January 1 through December 31 of the following year. The first petition should be filed on September 1, 2025, for SAFIR factors to be effective January 1 through December 31, 2026. The annual SAFIR petitions should include all calculations to show a final true-up, actual-estimated true-up, projected year investments and associated revenue requirements, and the calculations of the SAFIR factors by rate class. The annual petitions should also include a report including the location, date, description, and associated costs of all replacement projects completed and all projects scheduled for the following year.

SAFIR Rate Impacts

In response to staff's second data request, Peoples provided SAFIR rate impacts based on the requested \$470.1 million increase associated with the new activities for 2025 through 2034, assuming there is no rate case in the next 10 years in which the SAFIR rider revenue requirement would be rolled into rate base and the SAFIR surcharge would be reset.¹⁴ A residential customer on the RS-2 rate schedule, using 20 therms a month, would have in 2025 an expected monthly bill impact of \$0.16 or \$1.90 annually. In 2034, the projected impact on a residential customer on the RS-2 rate schedule, using 20 therms a month, would be \$2.11 or \$25.26 annually. Staff notes that Peoples' calculation was based on the assumption that a SAFIR surcharge would be effective in 2025. The bill impacts were calculated using the estimated costs for all of the

¹⁴ Response No. 6 in Staff's Second Data Request, Document No. 09106-2024.

Parties/Staff Handout
Internal Affairs/Agenda
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