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March 31, 2025

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

Re: Docket No. 20240159-GU –Joint petition by Florida Public Utilities Company and Florida City Gas for approval of tariff changes to standardize and align Florida Public Utilities Company and Florida City Gas's transportation service tariffs and to implement a flexible gas service tariff for Florida City Gas.

Dear Mr. Teitzman:

Attached for filing, please find Florida Public Utilities Company's and Florida City Gas's Responses to Staff's Data Requests.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

Beth Keating
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MEK

Docket No. 20240159-GU - Joint Petition by Florida Public Utilities Company and Florida City Gas for Approval of Tariff Changes to Standardize and Align Florida Public Utilities Company and Florida City Gas's Transportation Service Tariffs and to Implement a Flexible Gas Service Tariff for Florida City Gas.

Staff's First Data Request

- 1. Please explain why FCG is currently using the Gastar software system rather than the Convergence Gas Transportation software system.**

Company Response:

With the acquisition of Florida City Gas, the company "inherited" the current Gastar gas management system. Prior to the acquisition of Florida City Gas, FPUC entered into an agreement with Convergence for the existing software used for FPUC's gas management activities. Subsequently, the company now has two gas management systems. The company has opted to utilize the Convergence system in the Florida City Gas area.

- 2. Please provide FPUC's proposed tariff sheet Nos. 6.527 and 8.177, in both clean and legislative formats.**

Company Response:

See attached. There are no proposed changes to sheet No. 6.527. The reference at paragraph 14 of the Petition was in error. There is no Sheet No. 8.177 is the proposed or existing FPUC tariff. The reference to that Sheet at paragraph 13 of the Petition was incorrect and should, instead, have been a reference to Sheet No. 8.117, which was included with the filing.

RULES AND REGULATIONS - CONTINUED

9. **Ft. Meade and FPUC Service Area Non-Residential Customers Currently Receiving Service from CI Pool Manager:**
Non-Residential Customers receiving service from a CI Pool Manager may select to be assigned to Company's Regulated Sales Service. Said Non-Residential Customer shall execute a Request to Return to Regulated Sales Service Form no later than ten (10) Working Days prior to the end of the Month. Customer who elects to return to Company's Regulated Sales Service Pool will be required to remain on Regulated Sales Service for a period of not less than twelve (12) Months.
10. **Termination of Shipper Status:**
- a. **CI Pool Manager:**
If Company terminates a CI Pool Manager, CI Pool Manager's Indiantown and CFG Service Area Customers shall be assigned by Company to a TTS Pool Manager or CI Pool Manager Ft. Meade and FPUC Service Area Customers shall be assigned by Company to Company's Regulated Sales Service Pool.
- b. **TTS Pool Manager – Indiantown and CFG Service Areas:**
If Company terminates a TTS Pool Manager, TTS Pool Manager's Customers shall revert to the remaining TTS Pool Manager(s) until a replacement TTS Pool Manager is approved. Upon selection of a replacement TTS Pool Manager, such Customers shall be transferred back to the replacement TTS Pool Manager. If all TTS Pool Managers' rights are terminated, Company shall serve Customers in the TTS program under its SOLR Service, until a replacement TTS Pool Manager is approved or any Non-Residential Customers select a CI Pool Manager in accordance with Section 3 above.
11. **Assignment or Selection of Shipper Pricing Options by Customers:**
- a. **Residential Customers – Indiantown and CFG Service Areas:**
Residential Customers assigned to a TTS Pool Manager shall receive the standard pricing option as identified in Company's TTS Pool Manager Agreement with each TTS Pool Manager. Residential Customers transferring service from an existing premise to another premise shall, upon request by Customer, retain the standard pricing option with the same TTS Pool Manager at the original premise. Residential Customers shall, request to change their selection of TTS Pool Manager once within a twelve-Month period. Company does not assume any liability related to the selections made by each Residential Customer and does not warrant that each Residential Customer will select the TTS Pool Manager that is most advantageous.

3. **Referring to tariff sheet No. 6.031, please explain why section ii. Shipper Administrative Service was not applicable to flexible gas service (FGS) and special contract service.**

Company Response:

The Shipper Administration Service is not applicable to FGS and special contract services because the services provided under these contracts are negotiated rates. In addition, these customers transport on an individual basis rather than through a pool.

4. **Please explain why FCG's customers are categorized into two different transportation programs while FPUC only has one.**

Company Response:

Both companies have two subparts to their transportation programs i) the aggregation (pool) service and ii) the individual transportation service.

5. **Please explain how further consolidating the tariffs benefits the general body of ratepayers and the Utilities.**

Company Response:

This filing represents the initial step in an ongoing effort by Chesapeake, the parent of both FPUC and FCG, to reduce and eliminate business inconsistencies across the two sister subsidiaries. Operating under two varying transportation tariffs present a variety of administrative and operational challenges to the company. These challenges include administrative inefficiencies, the inability to streamline necessary business functions and IT systems, and the utilization of duplicative business forms with varying levels of consistency and that are absent a common format. By making transportation service rules and processes for each of the companies' service areas, the companies will be able to provide a more uniform service level and customers and pool managers will operate under the same tariff provisions across the company's distribution systems.

In general, approval will eliminate confusion among pool managers and customers and will allow for greater gas supply liquidity. Approval may also provide an expanded customer base for those gas suppliers who deliver firm natural gas service to the companies' customers.

From an operations perspective, the companies' propose to implement analogous operational controls and balancing provisions. This change will remove any inadvertent incentive for pools manager to favor gas deliveries to one service area over another. In addition, the utilization of individual tariffs effectively isolates the companies' service areas from that of the other business unit, which, consequently, limits utilization of inherent throughput diversity within the companies' service areas. The use of service area diversity can be utilized by the company to mitigate interstate pipeline operational penalties.

6. **Have the Utilities previously experienced technical issues by having two different sets of tariffs? Please explain.**

Company Response:

The companies presently utilize two different transportation service programs i.e., Convergence at FPUC and Gastar at FCG. This is problematic because the companies' employees and Pool Managers must understand two varying software systems, which have given rise to the differing tariffs. Since FCG has only been a part of the Chesapeake family of companies for a relatively short period of time, we are aware of no notable issues that have arisen as of yet. However, the companies are working to find synergies and efficiencies across the FPUC and FCG platforms given that these entities will likely be consolidated under one company at some point in the future. To that end, the companies plan to implement one consistent and standardized gas transportation service program. Ultimately, it is not cost effective or practical for the companies to continue to operate, modify, and support two varying software systems that are used for the same purpose.

7. **Please explain whether FPUC or FCG will still have any company specific transportation tariff sheets if the petition is approved by the commission.**

Company Response:

Each of the Company's transportation tariffs will be separate but consistent. The only varying section of the transport tariffs will be the section related to the allocation of interstate pipeline capacity to the CI Pools. See Section I3.

8. **Footnote 5 of the petition states that FCG cancelled the Flexible Gas Service, because at the time, it was not being utilized.**

a. Have any FCG customers inquired about receiving Flexible Gas Service? Please explain.

b. Approximately how many current and future customers does FCG expect to request Flexible Gas Service over the next year?

Company Response:

a. We have received inquiries for discounted rates from large users that currently have alternate energy options in our service territory.

b. Currently we have a handful of potential customers that may fall in to this category based on their projected volume and alternative energy options.