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July 17, 2015

E-PORTAL

Ms. Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 150116-GU – Petition for approval of safety, access, and facility enhancement program and associated cost recovery methodology, by Florida City Gas

Dear Ms. Stauffer:

Attached for electronic filing, please find the Responses of Florida City Gas to the Second Set of Data Requests from Commission staff in the referenced docket.

Thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,



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Cc:// Sue Ollila
John Villafrate

Docket No. 150116-GU – Petition for approval of safety, access, and facility enhancement program and associated cost recovery methodology, by Florida City Gas

RESPONSES OF FLORIDA CITY GAS TO COMMISSION STAFF’S

SECOND DATA REQUESTS

- 1. Please explain why Florida City Gas (FCG) proposes an annual filing date of October 1 (paragraph 22 of the petition), rather than the September 1 filing date required for Peoples Gas and Florida Public Utilities/Chesapeake for their surcharges (Docket Nos. 110320-GU and 120036-GU, respectively).**

Response: The Company has proposed updating for actual program costs through July of each year. Actual spending for the month of July will not be completely known and recorded until approximately the middle of August. The Company believes that preparing an accurate and complete true-up filing may require more than the two to three weeks between finalization of July program costs and a September 1st filing date, thus we proposed October 1st.

- 2. Please explain how and when FCG plans to notify customers of an approved surcharge, e.g., notice on bill, bill insert, etc.**

Response: The Company plans to provide notification of an approved surcharge to customers through the following communication channels:

- 1) By placing an on-bill message on the communications portion of Florida City Gas bills in the month of December 2015. Scheduling the message for this date would allow for a 30-day notice period prior to the date the surcharge would first appear on customer bills.
- 2) By posting a short article in the December 2015 Florida City Gas customer e-newsletter (distributed to customers who prefer email as a communication method).
- 3) By posting a message during the month of December 2015 on the homepage of the Florida City Gas website, and linking it to a Frequently Asked Questions document.

The process outlined above would be utilized for future changes to the surcharge, as well.

- 3. Please refer to FCG's response to staff's First Data Request, No. 7. Has FCG awarded the project? If not, when does FCG plan to award the project?**

Response: Regarding STF-02-03, the Company has not yet awarded the project. The Company will award the project in accordance with commission's approval of project.

- 4. According to Exhibit A, the SAFE program targets 20% of the rear lot main (which are also unprotected steel). Please describe any plans FCG has for the remainder of the rear lot main and unprotected steel.**

Response: The Company annually updates the risk analysis associated with its Distribution Integrity Management Program (DIMP) using the most current data. Similar data was used in the identification of the 20% higher risk backyard facilities, which will be the focus of the SAFE Program. The remaining 80% of the backyard facilities will continue to be operated and maintained during the period of the program, and the Company will determine through its DIMP evaluation if additional rear lot mains require replacement in the future.

- 5. According to Exhibit B, FCG plans to begin work on this project in October 2015, but its proposed surcharges would take effect on January 1, 2016. Please explain why FCG plans to begin work prior to the implementation of any surcharges and whether the expenditures during October – December 2015 are included in the proposed 2016 surcharge.**

Response: The Company will begin program spending as soon as the Company receives approval for the program. The program spending that occurs in 2015 may result in plant being placed in service as early as the 4th quarter of 2015; however, the Company has not asked to recover the revenue requirement that would be generated from this plant in 2015. The Company proposes that plant placed in service and associated with the SAFE program in 2015 be included in the calculation of rates beginning on January 1, 2016, but the Company has not proposed to collect any revenue requirement associated with that plant during 2015.