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May 4, 2017

BY E-PORTAL

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

Re: Docket No. 170085-GU: Request for approval of tariff modifications applicable to address installation of excess flow valves, by Florida City Gas.

Dear Ms. Stauffer:

Attached, for electronic filing, please find Florida City Gas's responses to Commission staff's first data requests in the referenced docket.

Thank you for your assistance with this filing. As always, please do not hesitate to contact me if you have any questions whatsoever.

Sincerely,

Beth Keating Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601 Tallahassee, FL 32301 (850) 521-1706

MEK

Cc:// PSC (Duval, Guffey) Blake O'Farrow

Re: Docket No. 170085-GU: Request for approval of tariff modifications applicable to address installation of excess flow valves, by Florida City Gas.

Below, please find the responses of Florida City Gas to Commission Staff's first data requests in the referenced docket.

1. Paragraph 5 of the petition states that Excess Flow Valves (EFVs) or their equivalent are currently required for new or replaced gas service lines serving single family homes. Please explain if the new requirement is limited to single family residential customers or are other types of residential and non-residential customers required to comply with the new Pipeline and Hazardous Materials Safety Administration (PHMSA) safety rule?

<u>FCG Response</u>: In addition to the requirement for EFVs on new or replaced gas service lines serving single family homes, the new regulations require the installation of EFVs on all new or renewed single small commercial service lines (≤ 1000 cfh) and on all new or renewed multi-family service lines (≤ 1000 cfh).

2. How is FCG currently recovering the cost of installing EFVs on new or replaced gas service lines serving single family homes and what is the approximate cost to install an EFV on a new gas service line?

<u>FCG Response</u>: New and fully replaced gas service lines are capitalized. Therefore, the EFVs installed in those services are capitalized. The EFVs are normally installed within the service tee, and the incremental cost of that device currently ranges from approximately \$13 to \$137 based on the size of the service tee/EFV.

3. What will FCG's customer notification process be (e.g., bill insert, website) and when would the customers be notified of the new PHMSA rule? Please provide a copy of the customer notice.

<u>FCG Response</u>: The language on EFVs was placed on the FCG Website on Thursday April14th (Attachment A). References to this EFV website information will also be included twice a year in the Company's quarterly pipeline safety bill stuffers (Attachment B), and in the FCG new customer packages once existing stock is used up.

4. FCG website states that the cost to install EFV at a customer's premises would be between \$2,300 and \$4,000. Please confirm that this cost estimate is for an existing customer and provide a description of the steps (and approximate cost associated with each step) FCG will have to take to install an EFV for an existing customer.

<u>FCG Response</u>: This estimated range of costs is for an existing customer who wants an EFV at their request. For customers who are interested in having an EFV installed at their request, they will first fill out the online form on the Company's website. The Company will then review the information to determine if the requesting customer already has an EFV, and contact the customer to discuss. If the customer chooses to pursue the request, the Company will send an employee to the site to make a determination of the work required and the projected cost to install the EFV. Once the cost has been paid, then the Company will perform the work. See Attachment C for itemization of estimated cost of EFV installations.

5. FCG's proposed new tariff language is limited to customers requesting the installation of EFVs. Does FCG's current tariff contain a provision that requires customers to reimburse FCG for any kind of other customer-requested modification of gas service facilities?

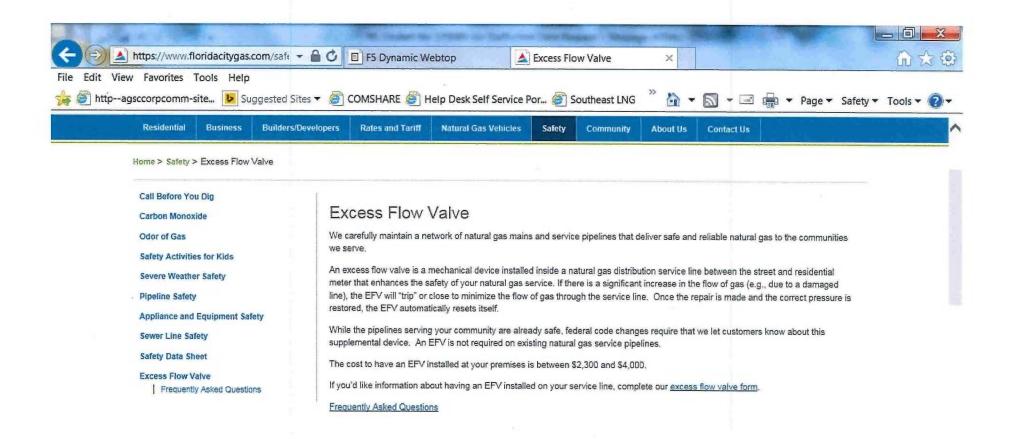
<u>FCG Response</u>: Yes, for certain types of work. For example, FCG's tariff contemplates at Sheet No. 9 that customers will be expected to reimburse the Company for installation of AMR meters that have been installed at the customer's request. To the extent that a customer requests modifications to existing facilities to accommodate an anticipated increase in the customer's load, then such changes would be handled consistent with Sheet No. 16 by calculating the MACC for the modification in order to determine whether the anticipated additional revenues associated with the customer's anticipated increased load will enable the Company to make the requested modifications without charge to the customer. In instances where the anticipated increase in revenues do not equal or exceed the MACC, then the customer will be expected to contribute towards the cost of the facilities modifications. Thus, there are existing instances in the Company's tariff that contemplate customers will be expected to reimburse the Company for customer-requested facility modifications.

6. Upon review of FCG's tariff, it appears to staff that FCG currently does not have a provision for the relocation of gas service facilities in its tariff. Please explain how FCG currently recovers its cost associated with customer-requested relocation of facilities.

<u>FCG Response</u>: Currently, consistent with Rule 25-7.060(2), Florida Administrative Code, the Company provides an estimate to the customer for the work necessary to complete the relocation. If the customer agrees to the estimate and provides payment to the Company, the Company will then perform the work necessary to relocate the facilities as requested. To be clear, such relocations involve situations in which the customer is requesting relocation of the facilities solely due to their convenience or construction plans initiated by the customer. For instance, a customer may be contemplating a significant home renovation which may require that the service line be relocated or the customer may intend to install a pool. Neither of these instances would represent an increase in load (and therefore revenues) to serve the customer, nor would they represent a change necessitated by some act of the Company or an existing problem with the current service facilities. Thus, it is appropriate in such instances that the costs of the customer-requested relocation be borne by the "requester" rather than by the general body of ratepayers. As this question notes, however, the Company's tariff does not, at present, specifically address relocation of facilities, which the Company intends to rectify in short order.

Attachment A

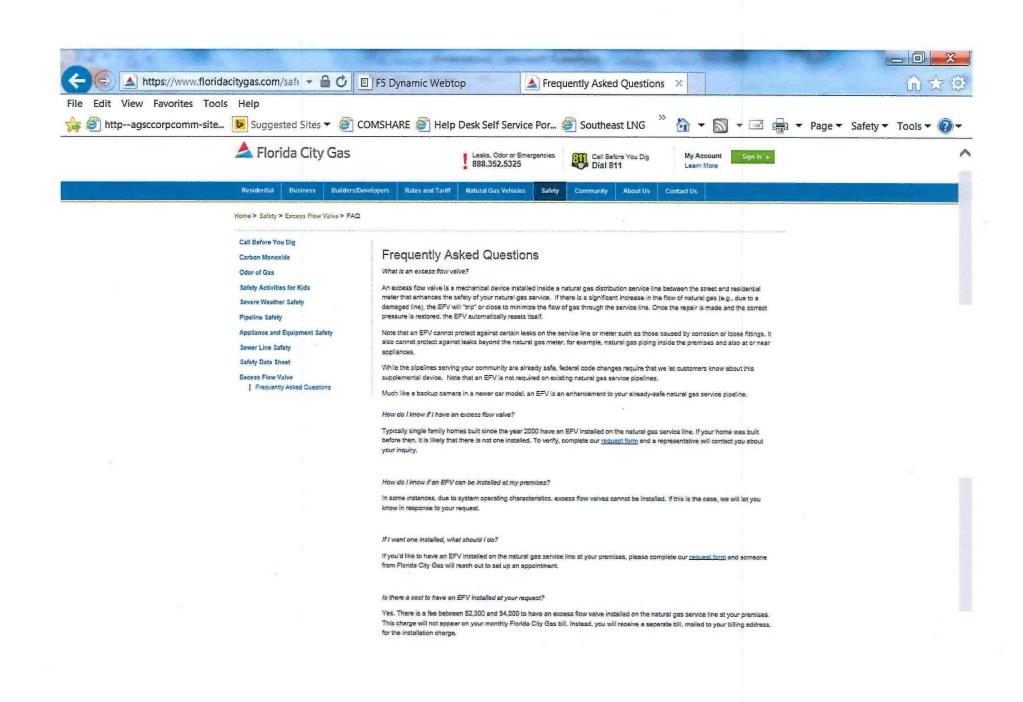
Website Notice





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Attachment B

Safety Bill Stuffer Sample

Natural Gas Safety and You

SMELL GAS?

LOOK for blowing dirt, discolored vegetation or continued bubbling in standing water.

LISTEN near a natural gas appliance or line; there may be a hissing or roaring sound when natural gas is leaking.

SMELL for the distinctive, rotten-egg odor associated with natural gas. You should take action any time you detect even a small amount of this odor in the air.

Note: Do not rely solely on your sense of smell to determine if a gas leak exists or if natural gas is present. Some persons may not be able to detect the odorant because they have a diminished sense of smell or olfactory fatigue, or because the odor is being masked by other odors in the area. Certain conditions may cause the odorant to diminish so that it is not detectable

ACT FAST!

LEAVE the area immediately if you detect a natural gas leak. Don't try to identify the source or to stop the leak yourself.

AVOID touching anything that my cause a spark. While near a possible natural gas leak, do not touch or use anything that may cause a spark. This includes starting a car engine or using cell phones, lighters, matches, cigarettes, flashlights, light switches or landlines.

CALL Florida City Gas or 911 once you are out of the area of the suspected leak and in a safe place. Stay away until Florida City Gas or emergency personnel indicate it is safe to return.

📥 Florida City Gas



Excess Flow Valves

An excess flow valve is a supplemental mechanical device installed inside a natural gas distribution service line. To learn more visit nicorgas.com/efv.

Plan Ahead to Stay Safe



Know what's below Call before you dig.

Planning a home improvement project? Planting a tree? Installing a fence or deck? WAITI With any digging on your property, here's what you need to know first: Excavation work, including digging or plowing around a home or business, is the most common cause of natural gas emergencies. Before digging around your property, state law requires that you call 811, a statewide, toll-free number, to have your utility lines professionally marked. After calling you must wait the required amount of time before digging, so underground utility lines can be located and marked - free of charge - before you begin your project.

WATER HEATER SAFETY

The U.S. Consumer Product Safety Commission urges you to lower your water heater to 120 degrees Fahrenheit.

A thermostat setting of 120 degrees Fahrenheit (49 degrees Celsius) may be necessary for residential water heaters to reduce or eliminate the risk of most tap water scald injuries. Consumers should consider lowering the thermostat to the lowest settings that will satisfy hot water needs for clothing and dishwashing machines.

Never take hot water temperature for granted. Always hand-test before using, especially when bathing children and infants.

GAS PIPING

Florida City Gas is responsible for maintaining the gas lines that deliver natural gas to the meter at your home. You are responsible for maintaining the gas lines from the meter to the natural gas-burning appliances throughout your home and property - indoors and outdoors, above and below ground. Don't forget that you may have gas lines extending to yard lights, grills, pool heaters, and garage or workshop heaters.

NATURAL DISASTERS

Should your property be affected by a natural disaster such as floods, tornadoes or hurricanes, be aware appliance connectors and gas piping may be impacted. If a leak is suspected:

- · Leave the building immediately and have others also exit immediately.
- · Do not light a match, operate natural gas appliances, use a phone or turn an electrical switch on or off. Keep everyone away from the area of the odor. Do not start a car. Go to a nearby phone away from the smell and call 888.352,5325.

It is recommended that any gas appliances that have been submerged in water be replaced.

APPLIANCE CONNECTORS

Appliance connectors are corrugated metal tubes used to connect gas appliances to fuel gas supply pipes in your home or business. Some older brass connectors - that have not been made for more than 20 years, but still found in older homes and buildings - have a potential flaw in how their tubing is joined to their end pieces. Over time, the end pieces can separate from the tubing and may cause a serious leak, explosion or fire.

Although not all uncoated connectors have this potential flaw, it is difficult to tell which ones do. Therefore, any uncoated brass connector should be replaced immediately by a certified contractor.

Be sure to follow these appliance connector guidelines:

- Make sure that connectors are installed where no one will step, sit, lean or place a heavy object on them.
- · Never have a connector installed through a wall, floor or ceiling.
- An appliance connector should not be more than 6 feet long.
- · Each appliance should have a shut-off valve installed on the house piping before the connector.
- · A new connector should be installed by a certified contractor every time an appliance is replaced.

Visit floridacitygas.com/safety for additional natural gas safety information.

Docket No. 170085-GU

Attachment C

Breakdown of EFV Installation Costs

ate Create	ed: 04/11/:	-	Outside of Pavement Installation									Pavement Installation																	
LDC	Fully Loaded Hourly Rate	Crew Members	Hours	Truck		Total Crew Cost with Equipment	Landscaping	Materials	Misc Costs	Fully Loaded Cost	Service Upsize	Tax Gross Up	Total Cost	Crew Members	Hours.	Truck,	Excavator	Total Crew Cost with Equipment	Pavement	Materials	Misc Costs	Fully Loaded Cost	Service Upsize	Tax Gross		Services with Landscaping Only		Flat Ratu Cost	Commen
FCG	\$ 131.00	. 3	5	\$ 39.73	\$ 11.50	\$2,221.15	\$ 150.00	\$ 20,00	-	\$2,391.15	5 -	0.00%	\$2,391,15	3	6	\$ 39.73	\$ 11.50	\$ 2,665,38	\$ 1,000.00	\$ 20.00	\$ 300.00	\$3,985,38	s .	0.00%	\$3,985,38	NA	25%		Miscellane costs inclue \$300 permi for installat within pavement.

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