

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 11, 2017

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Sevini K. Guffey, Public Utility Analyst I, Division of Economics *SKG*

RE: Place in Docket File No. 170085-GU

Please place the attached tariff pages and emailed responses to staff's follow-up questions in the referenced docket file.

Thank you.

COMMISSION
CLERK

2017 MAY 11 AM 11:25

RECEIVED-FPSC

TABLE OF CONTENTS

Sheet No.

RULES AND REGULATIONS (Continued)

18.	BUDGET BILLING PLAN	22
19.	LIMITS OF COMPANY RESPONSIBILITIES	22A
20.	LIMITATION OF DAMAGES	22A
21.	ACCESS TO PREMISES	22B
<u>22.</u>	<u>Excess Flow Valves</u>	<u>22B</u>

TABLE OF CONTENTS

Sheet No.

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Issued by: Carolyn Bermudez
Vice President, Southern Operations

Effective:

Sevini Guffey

From: O'Farrow, Blake T. <bofarrow@southernco.com>
Sent: Thursday, May 11, 2017 10:48 AM
To: Sevini Guffey; Beth Keating (BKeating@gunster.com)
Cc: Elisabeth Draper; Margo Duval
Subject: RE: Docket No. 170085-GU - Follow-up Questions
Attachments: Florida City Gas Tariff Revised Sheet 1A_Redline.docx; Florida City Gas Tariff Revised Sheet 1A_Clean.docx

Sevini – I've responded to the questions that you sent over below, and attached the information for #1. Please don't hesitate to reach out if you have more questions or need further clarification! Thanks!

1. Please also provide a revised tariff page 1A (Table of Contents) adding the proposed tariff policy #22, Excess Flow Valves, to the table of Contents.

See attached.

2. FCG website and responses state that the cost to install an EFV on an existing line is between \$2,300 and \$4,000. Is this a set range or can the cost to be paid by the customer less than \$2,300 or more than \$4,000? In other words, if the actual cost is less than \$2,300, does the customer have to pay \$2,300 as that is a set minimum amount?

The range posted on the FCG website is a general estimate of installing EFVs in pavement vs non-pavement situations. The \$2,300 is not a set minimum amount and \$4,000 is not a cap on the cost to install an EFV on existing facilities because we won't know the full extent of the work required until the premise is visited. The customer will pay the cost quoted to him/her when the premise is visited by a Company Rep. If it is determined that the cost to install the EFV is less than \$2,300 or more than \$4,000, the customer will pay the actual cost of installing the EFV at their premise.

3. The response to question 1 state that the new and fully replaced gas service lines are capitalized. Please explain what is meant by the term "capitalized" stated in the response. Does the customer pay for the EFV cost or are the cost put in the company's rate base?

By capitalizing the expenses incurred to install new and fully replaced gas service lines, the Company does not immediately recognize the costs as O&M but book it as a long-term asset

(Rate Base). The customer would not have to pay for the EFV when new and fully replaced service lines are installed because those costs are put in rate base.

Blake O'Farrow

Director, Regulatory & Legislative Affairs (FL)

404.584.3694 office

404.227.5339 mobile

bofarrow@southernco.com



From: Sevini Guffey [<mailto:sguffey@psc.state.fl.us>]

Sent: Tuesday, May 09, 2017 9:12 AM

To: Beth Keating (BKeating@gunster.com)

Cc: O'Farrow, Blake T.; Elisabeth Draper; Margo Duval

Subject: RE: Docket No. 170085-GU - Follow-up Questions

Good Morning Beth:

After reviewing the responses to Staff's First Data Request, we have a few follow-up questions.

1. Please also provide a revised tariff page 1A (Table of Contents) adding the proposed tariff policy #22, Excess Flow Valves, to the table of Contents.
2. FCG website and responses state that the cost to install an EFV on an existing line is between \$2,300 and \$4,000. Is this a set range or can the cost to be paid by the customer less than \$2,300 or more than \$4,000? In other words, if the actual cost is less than \$2,300, does the customer have to pay \$2,300 as that is a set minimum amount?
3. The response to question 1 state that the new and fully replaced gas service lines are capitalized. Please explain what is meant by the term "capitalized" stated in the response. Does the customer pay for the EFV cost or are the cost put in the company's rate base?

Thank you.

Sevini.

Sevini K. Guffey
Public Utility Analyst I