

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of tariff  
modifications applicable to address installation  
of excess flow valves, by Florida City Gas.

DOCKET NO. 170085-GU  
ORDER NO. PSC-17-0246-TRF-GU  
ISSUED: June 26, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman  
ART GRAHAM  
RONALD A. BRISÉ  
JIMMY PATRONIS  
DONALD J. POLMANN

ORDER APPROVING TARIFF MODIFICATIONS TO ADDRESS INSTALLATION OF  
EXCESS FLOW VALVES

BY THE COMMISSION:

Background

On April 12, 2017, Florida City Gas (FCG or Company) filed a petition requesting this Commission's approval of tariff modifications to address the installation of excess flow valves (EFVs) in order to comply with new federal guidelines. FCG is a natural gas local distribution company subject to this Commission's regulatory jurisdiction under Chapter 366, Florida Statutes (F.S.).

Effective April 14, 2017, a federal pipeline safety rule (49 C.F.R. § 192.383 (2017)) with which FCG must comply was amended by the Pipeline and Hazardous Materials Safety Administration (PHMSA).<sup>1</sup> As a result of PHMSA's revisions to the federal rule, FCG is seeking to modify Tariff Sheet Nos. 1A and 22B. The proposed tariff sheets are included as Attachment A to this Order. Commission staff issued a data request to the Company for which the responses were received on May 4, 2017. Commission staff received the Company's responses to follow-up questions on May 11, 2017, which staff placed in the docket file.

This Commission approved a similar petition by Peoples Gas System at our May 4, 2017 Agenda Conference (Docket No. 170071-GU).<sup>2</sup> Commission staff placed the relevant

<sup>1</sup> Docket No. PHMSA-2011-0009; Amendment No 192-121, Federal Register / Vol. 81, No. 199 / Friday, October 14, 2016, pp. 70987-71002.

<sup>2</sup> Docket No. 170071-GU – In re: Petition for approval of tariff modifications relating to relocation or modification of gas service facilities, by Peoples Gas System.

rulemaking record as published in the Federal Register<sup>3</sup> in the Docket No. 170071-GU file for informational purposes. This Commission has jurisdiction in this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, F.S.

### Decision

The proposed tariff revision would allow FCG to be reimbursed by customers who request the installation of an EFV on an existing service line pursuant to the new PHMSA rule discussed below.

#### **PHMSA Changes and Pipeline Safety Rules**

FCG is required by PHMSA to comply with Federal Rule 49 C.F.R. § 192.383 (2017). As originally adopted, the rule required the installation of an EFV on any new or replaced service line serving a single family residence after February 12, 2010, subject to certain exceptions. An EFV is a device designed to shut off automatically when the natural gas flow exceeds certain limits, such as when a service line is damaged due to excavation or other activities. Thus the EFV provides safety benefits by limiting the risk of escaping gas due to third party damage or a pipe failure. EFVs do not protect against gas leaks occurring in piping behind the customer's gas meter. Most service lines serving non-residential customers deliver in excess of 1,000 standard cubic feet per hour and are fitted with curb valves that are shut off manually.

PHMSA adopted an amendment to 49 C.F.R. § 192.383 (2017), which took effect on April 14, 2017. Among other things, the rule revisions, subject to certain exceptions, provide for the following: (a) "operators" such as FCG are required to notify customers of their right to request installation of an EFV, (b) if a service line customer requests an EFV installation, FCG must install the EFV at a mutually agreeable date, and (c) the question of who bears the cost of the requested EFV installation is left to the "operator's rate-setter."<sup>4</sup> These three key elements are discussed individually below.

Regarding customer notification, PHMSA determined that notification through broad electronic means, including website postings, was acceptable.<sup>5</sup> In response to Commission staff's data request, FCG provided the information that was posted on the Company's website and a copy of the bill insert containing EFV information. The website posting includes information related to the function and benefits of an EFV and answers to "Frequently Asked Questions" regarding EFVs, including potential cost estimates for EFV installations and a point of contact for interested customers.

Regarding EFV installation, FCG stated that the Company installs EFVs on new service lines at a cost of approximately \$13 to \$137. However, FCG stated that it is considerably different in the case of an existing customer who requests an EFV installation on a line that may

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<sup>3</sup> The PHMSA rulemaking record published in the Federal Register contains the purpose for promulgating the rule, pertinent noticing requirements for the rule, a summary of the rulemaking process including stakeholder comments and PHMSA's responses thereto, and the final rule language.

<sup>4</sup> Federal Register / Vol. 81, No. 199 / Friday, October 14, 2016; pp. 70987-71002.

<sup>5</sup> *Id.*, pp. 70990, 70993-70994.

have been installed many years before. FCG stated that the cost to have an EFV installed on an existing line is between \$2,300 and \$4,000.<sup>6</sup> This general estimated range includes the cost of crew members, hours, excavator, other equipment and materials, landscaping, service upsize and taxes. The actual cost will be determined after a site visit and it could be less or more than the above stated general estimated cost.

The rulemaking record published in the Federal Register also devoted considerable discussion to the appropriate regulatory entities which would be responsible for determining who should pay for the costs of EFV installation on existing service lines. PHMSA considered stakeholder comments and ultimately “left the question of who bears the cost of installing EFVs on service lines not being newly installed or replaced to the operator’s rate-setter.”<sup>7</sup> FCG states that this Commission is the Company’s rate-setter.

### **Conclusion**

Based upon the information provided by FCG and a review of the PHMSA rulemaking record published in the Federal Register, we agree with FCG’s assertion that this Commission is FCG’s “rate-setter” for purposes of the federal rule. Further, this Commission finds that it is appropriate for customers who request the installation of EFVs on existing service lines to bear the cost of the modifications and that such costs shall not be subsidized by the general body of ratepayers. Therefore, this Commission hereby approves FCG’s proposed tariff modifications to Tariff Sheet Nos. 1A and 22B relating to the Company’s EFVs tariff, as reflected in Attachment A, effective June 5, 2017.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida City Gas’s proposed tariff modifications to Tariff Sheet Nos. 1A and 22B relating to the Company’s Excess Flow Valves tariff, as reflected in Attachment A, is hereby approved, effective June 5, 2017. It is further

ORDERED that if a protest is filed within 21 days of issuance of this Order, the tariff shall remain in effect, with any revenues held subject to refund, pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

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<sup>6</sup> FCG stated that the actual cost could be less than the bottom of this estimated range, as well as above top of the range. Response to follow-up question 2.

<sup>7</sup>Id., p. 70987.

By ORDER of the Florida Public Service Commission this 26th day of June, 2017.



CARLOTTA S. STAUFFER  
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Florida Public Service Commission  
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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#### NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 17, 2017.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Florida City Gas  
FPSC Natural Gas Tariff  
Volume No. 8

~~First-Second~~ Revised Sheet  
No. 1A

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Issued by: Jesse Killings  
Vice President, Southern Operations

Effective: March 5, 2013

Florida City Gas  
FPSC Natural Gas Tariff  
Volume No.8

First Revised Original-Sheet No. 22B

RULES AND REGULATIONS (Continued)

21. ACCESS TO PREMISES

The Customer shall grant to the Company without cost to the Company, all rights, easements, permits and privileges which in the Company's opinion are necessary for the rendering of service. The Customer will furnish to the Company, without charge, an acceptable location for the Company's meter and shall give Company employees and representatives access to the Customer's premise so that the Company may operate, inspect and maintain its facilities. Failure to grant access could result in disconnection of service.

22. Excess Flow Valves

Existing single family residential regardless of size, as well as multi-family residences and commercial customers not using in excess of one-thousand (1,000) standard cubic feet per hour (SCFH) per service, may request the Company to install an excess flow valve (EFV) or equivalent equipment, which appropriate equivalent will be determined in the Company's sole discretion, for the purpose of interrupting the flow of gas. The Customer shall reimburse the Company for the costs associated with installing an EFV (or equivalent equipment) when such installation is performed at the request of the Customer.

Issued by: Jesse Killings Effective: March 5, 2013  
Vice President, Southern Operations Carolyn Bermudez Effective:  
Vice President Southern Operations