

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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FPSC - COMMISSION CLERK

In the Matter of:

DOCKET NO. 20170206-GU

PETITION FOR APPROVAL OF  
TARIFF MODIFICATIONS TO  
ACCOMMODATE RECEIPT AND  
TRANSPORTATION OF  
RENEWABLE NATURAL GAS FROM  
CUSTOMERS, BY PEOPLES GAS  
SYSTEM.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 16

COMMISSIONERS  
PARTICIPATING: CHAIRMAN JULIE I. BROWN  
COMMISSIONER ART GRAHAM  
COMMISSIONER RONALD A. BRISÉ  
COMMISSIONER DONALD J. POLMANN  
COMMISSIONER GARY F. CLARK

DATE: Tuesday, December 12, 2017

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: ANDREA KOMARIDIS  
Court Reporter and  
Notary Public in and for  
the State of Florida at Large

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## 1 P R O C E E D I N G S

2 CHAIRMAN BROWN: Okay. Moving on to Item 16.

3 MS. DRAPER: Commissioners, if I may take a  
4 minute to recognize Sue Ollila. This is her last  
5 agenda --

6 CHAIRMAN BROWN: I didn't know that. Sue.

7 MS. DRAPER: -- as she will be retiring after  
8 over 20 years in January. And we want to thank you  
9 for her hard work and dedication to this agency  
10 over all these years.11 CHAIRMAN BROWN: Thank you. Sue, you've been  
12 tremendous.

13 (Applause.)

14 CHAIRMAN BROWN: It's been such a privilege  
15 working with you. Thank you.

16 MS. OLLILA: Thank you. Likewise.

17 CHAIRMAN BROWN: All right. Item 16.

18 MS. OLLILA: Good morning, Commissioners.

19 Item 16 is Peoples Gas Systems' petition to  
20 approve its proposed tariff modifications related  
21 to the receipt and transportation of renewable  
22 natural gas. This is the first tariff filing by a  
23 Florida natural gas utility giving biogas producers  
24 the option of delivering renewable natural gas into  
25 the utility's distribution system.

1           There have been no customer contacts. Staff  
2 recommends approval. And company representatives  
3 are present to answer questions.

4           CHAIRMAN BROWN: Great. Thank you.

5           Peoples, if you -- this is a great and  
6 innovative program that you're having. And I'm  
7 curious by the level of interest on the RNG side.  
8 Has there been a great deal of interest?

9           MR. BROWN: (Inaudible.)

10          CHAIRMAN BROWN: If you could --

11          MR. BROWN: Andy Brown, (inaudible)  
12 representing Peoples Gas. There have been a number  
13 of other entities that have reached out to Peoples  
14 and have been interested in adopting similar  
15 programs to those that are already at -- at a  
16 further point of development.

17           And Juan Reina can probably identify that  
18 greater, if you want further detail about that.

19          CHAIRMAN BROWN: No, I think this is very  
20 exciting. And it's great to see Peoples moving in  
21 this direction, too. So, I would like to commend  
22 you all for bringing this forth to the Commission  
23 for consideration. Thank you.

24           Commissioners, any questions?

25           Yes.

1           COMMISSIONER CLARK: Yeah, I had one. It was  
2 a technical question I discussed with staff, and I  
3 don't think we were ever able to resolve the  
4 answer.

5           How does the -- the BTU content of the biogas  
6 mix with your traditional natural gas? Is there a  
7 degradation in the final delivered product? How do  
8 you differentiate that?

9           MR. REINA: Good morning. My name is Juan  
10 Reina. I'm with TECO Peoples Gas.

11           Traditionally, RNG does have a lower heating  
12 value than our minimum requirements on our tariff.  
13 However, you can spike it with propane, naturally-  
14 produced natural gas, which is typical pipeline  
15 gas, has natural propane, butane and others that  
16 increase it over the thousand. And so, the intent  
17 for these projects is to spike it with propane.

18           During the start-up, we'll -- we'll be  
19 monitoring that, ensuring that it's consistent, and  
20 making sure that it's -- it's similar or this, you  
21 know, meets our minimum requirements.

22           COMMISSIONER CLARK: Are there additional  
23 moisture issues that are associated with the biogas  
24 that have to be dealt with?

25           MR. REINA: Yes, one of the first -- sorry.

1 One of the first items that the processing system  
2 does is removing moisture. There's actually  
3 several processes that continuously increase,  
4 reduce the pressures to remove all the moisture  
5 out.

6 COMMISSIONER CLARK: Okay. Thank you, Madam  
7 Chair.

8 CHAIRMAN BROWN: You're welcome.  
9 Commissioner Polmann.

10 COMMISSIONER POLMANN: Thank you, Madam  
11 Chairman.

12 Question for TECO Peoples Gas, the -- if I  
13 understand this correctly, you've got two -- two  
14 different items in the -- the tariff; one is for a  
15 producer that meets your quality standards; and  
16 then you're also -- have a separate item to provide  
17 services for the producer who doesn't meet your  
18 quality standards and actually upgrading.

19 Is that -- can you -- can you differentiate,  
20 what is -- what are the technical services that  
21 you're providing?

22 MR. BROWN: It -- it's expected that, in the  
23 typical case, they're going to need the service to  
24 upgrade the gas. Most of the RNG producers simply  
25 don't produce gas that meets that standard.

1           However, the tariff is set up so that, if a  
2           producer were to meet that standard, then we --  
3           they would not necessarily have to have the RNG  
4           treatment system.

5           COMMISSIONER POLMANN: Thank you.

6           Could you also clarify, when the producer is  
7           delivering gas to the utility, they are also  
8           paying?

9           MR. BROWN: That's -- that's correct because  
10          Peoples Gas is not taking ownership of the gas.  
11          They are merely using their system to transport the  
12          gas from the RNG producer to wherever that gas ends  
13          up. And this gets into the R-I-N credits, the RIN  
14          credits. Those -- and that -- it gets very  
15          technical, but essentially what happens with the  
16          RIN credits is the gas is inserted into the system  
17          so that it has the ability to be taken out at some  
18          other place. And there's an accounting that's done  
19          as part of the RIN system.

20          But Peoples is not buying the gas. They are  
21          simply allowing their system to be used to  
22          transport that gas. And that's what the charge is  
23          for.

24          COMMISSIONER POLMANN: So, in order for it to  
25          enter your system, it has to be pressurized and --

1 and -- but that's separate from the conditioning.

2 MR. BROWN: Yes.

3 COMMISSIONER POLMANN: So, hence the two  
4 different tariffs.

5 MR. BROWN: Yes.

6 COMMISSIONER POLMANN: All right. Thank you.

7 CHAIRMAN BROWN: Thank you.

8 And again, there's a lot of talk about this on  
9 the national level. And so, it's nice to see  
10 Peoples putting this forth. Thank you.

11 Commissioners, can I get a motion to approve  
12 this item?

13 COMMISSIONER BRISÉ: Move staff.

14 CHAIRMAN BROWN: Is there a second?

15 COMMISSIONER GRAHAM: Second.

16 CHAIRMAN BROWN: Any further discussion?

17 All those in favor, say aye.

18 (Chorus of ayes.)

19 CHAIRMAN BROWN: Motion passes. Thank you.

20 (Agenda item concluded.)

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STATE OF FLORIDA )  
COUNTY OF LEON )

I, ANDREA KOMARIDIS, Court Reporter, do hereby  
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DATED THIS 21st day of December, 2017.



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ANDREA KOMARIDIS  
NOTARY PUBLIC  
COMMISSION #GG060963  
EXPIRES February 9, 2021