FILED 11/12/2020 DOCUMENT NO. 11934-2020 FPSC - COMMISSION CLERK

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STATE OF FLORIDA

DIVISION OF ECONOMICS JUDY HARLOW DIRECTOR (850) 413-6410

Public Service Commission

November 12, 2020

Beth Keating Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601 Tallahassee, FL 32301

Christopher Wright Senior Attorney Florida Power & Light Company 700 Universe Blvd (JB/LAW) Juno Beach, Florida 33408

Re: Docket No. 20200216 - Florida City Gas Petition for Approval of Tariff Modifications to Accommodate Receipt and Transportation of Renewable Natural Gas from Customers.

Dear Ms. Keating and Mr. Wright:

By this letter, Commission staff requests that Florida City Gas (FCG or utility) provide responses to the following questions.

- 1. Please describe the process FCG would take if an RNG customer produces more gas than it consumes.
- 2. FCG states in response to staff's first data request, question 3, that it "has been in contact with or has been contacted by a number of municipalities or private business that intend to produce or use RNG." How many entities have contacted FCG about taking service under this tariff? Please describe the status of these discussions.
- 3. In its response to staff's first data request, question five, the utility states "The biogas conditioning equipment could be located on Company-owned property if there isn't room on the customer's property or if there is an advantage to FCG and the customer to locate the biogas conditioning and associated equipment on Company property." (a) Please explain the transportation process of the biogas to the RNG facility, if a customer elected to have the equipment built on FCG property. (b) ease explain how FCG would ensure safe transportation of the unconditioned biogas to a conditioning facility, if the facility was built on FCG property.
- 4. The company states in its response to staff's first data request, question 7, that "the costs could vary across a broad range, but based on publically available information and case

studies, it is anticipated that the costs for biogas conditioning equipment and associated equipment could generally be in the range of \$5MM to \$25MM dollars." Please provide all sources and case studies referred to in this statement.

5. FCG says in its response to staff's first data request question 8 that "FCG anticipates that the annual operations and maintenance costs for biogas conditioning equipment could be in the range of 4% to 7% of the original capital cost of the equipment." In the company's response to staff's first data request, question 12, the utility states "FCG will ensure creditworthiness by requiring the customer to remit a deposit in the amount of two-months estimated billing or to provide an irrevocable letter of credit or surety bond." (a)Please explain how FCG would address the cost recovery process, if a customer served under this tariff goes into default. (b) Please explain how FCG would ensure that the general body of rate payers would not be affected by an RNG customer defaulting on its contract.

Please file all responses electronically by November 25, 2020 via the Commission's website at <u>www.floridapsc.com</u> by selecting the Clerk's Office tab and electronic Filing Web Form. Please contact me at hforrest@psc.state.fl.us or at 850.413.6808 if you have any questions.

Sincerely,

/s/ Holly Forrest

Holly Forrest Public Utility Analyst

cc: Office of the Commission Clerk