Gunster

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

June 24, 2025

BY E-PORTAL

Mr. Adam Teitzman, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Docket No. 20250035-GU – Petition for approval of 2025 depreciation study and for approval to amortize reserve imbalance, by Florida City Gas.

Dear Mr. Teitzman:

Enclosed for filing, please find Florida City Gas's Responses to Staff's Third Set of Data Requests.

As always, thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

Beth Keating

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

ENCL

CC:// (Office of Public Counsel)

Docket No. 20250035-GU: Petition for approval of 2025 depreciation study and for approval to amortize reserve imbalance, by Florida City Gas.

Florida City Gas's Response to Staff's Third Data Requests

1. Please refer to Schedule B (marked as Exhibit PSL-2 in workbook) of FCG's 2025 Depreciation Study, specifically Account 3762: Mains-Steel. The following parameters for the account are proposed by FCG:
    - Average Service Life = 65 years
    - Average Age = 21.5 years
    - Curve Shape = R4
    - Average Remaining Life = 48 years

    FCG provided the R4/65 life table as an attachment to its response to Staff's First Data Request, Question No. 3. At an average account age of 21.5 years, the R4/65 life table estimates an average remaining life of 43.69 years, yet FCG proposes an average remaining life of 48 years in the instant study. Please explain.

Company Response:

The proposed curve shape for Account 3762 should be R2.5 rather than R4. While there has been scant retirement experience indicating a higher mode curve shape, the Company proposes moving from an R1.5 curve to an R2.5 curve as being more indicative of future retirement expectations. With this correction, the proposed parameters for Account 3762 result in an average remaining life of 45.5 years, rounded to 46 years, rather than 48 years as stated on Schedule B of the 2025 Depreciation Study workbook. See attached Response PSC DR 3-1 R2.5-65 Life Table.

The proposed curve shape for Account 3761 should also be R2.5 rather than R4. As with Account 3762, while there has been minimal historical retirement experience, a move from an R2 curve to an R2.5 curve is more indicative of future retirement expectations. The curve shape correction does not result in any change to the proposed average remaining life of 65 years.

2. Please refer to Schedule B (marked as Exhibit PSL-2 in workbook) of FCG's 2025 Depreciation Study, specifically Account 3922: Transportation – Light –Med. Trucks, SUVs & Vans. The following parameters for the account are proposed by FCG:
   - Average Service Life = 12 years
   - Average Age = 4.7 years
   - Curve Shape = S2

   Please provide the life tables that show the estimated average remaining life, based on the above parameters, and explain how FCG calculated a remaining life of 5.4 years for this account.

<u>Company Response:</u>

The average remaining life of 5.4 years shown on page 23 of the 2025 Depreciation Study Narrative and in the associated workbook schedules is incorrect. An average service life of 12 years following an S2 retirement dispersion (Iowa Curve) would, at age 4.7 years, result in an average remaining life of 7.482 years, rounded to 7.5 years as shown below. See attached Response PSC DR 3-2 S2-12 Life Table.

Projection Life 12 Years	
Age	Remaining Life
4.5	7.65
4.7	X
5.5	6.81

(4.7-4.5)/(5.5-4.5) = (X-7.65)/(6.81-7.65)

0.2/1 = (X-7.65)/(0.84)

X-7.65 = -0.168

X = 7.482

X = 7.482 rounded to 7.5 years remaining life

Florida City Gas
Docket No. 20250035
2025 Depreciation Study
Attachment PSC DR 3-1 R2.5-65 Life Table

IOWA CURVE ELG / VINTAGE GROUP PROJECTION LIFE TABLE
AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE FOR CURVE TYPE = R2.5

	SERVICE LIFE											
	<— PROJECTION LIFE 65.0 —>				<— PROJECTION LIFE 66.0 —>				<— PROJECTION LIFE 67.0 —>			
AGE	SURVIVOR CURVE	SER-VICE LIFE	ELG REMAIN LIFE	VG REMAIN LIFE	SURVIVOR CURVE	SER-VICE LIFE	ELG REMAIN LIFE	VG REMAIN LIFE	SURVIVOR CURVE	SER-VICE LIFE	ELG REMAIN LIFE	VG REMAIN LIFE
0.0	1.00000	46.71	46.71	65.00	1.00000	47.40	47.40	66.00	1.00000	48.09	48.09	67.00
0.5	0.99958	48.62	48.12	64.53	0.99958	49.33	48.83	65.53	0.99959	50.05	49.55	66.53
1.5	0.99869	50.76	49.26	63.58	0.99871	51.51	50.01	64.58	0.99873	52.25	50.75	65.58
2.5	0.99775	51.96	49.46	62.64	0.99778	52.72	50.22	63.64	0.99782	53.48	50.98	64.64
3.5	0.99674	52.83	49.33	61.71	0.99680	53.60	50.10	62.71	0.99685	54.37	50.87	63.71
4.5	0.99567	53.53	49.03	60.77	0.99575	54.31	49.81	61.77	0.99582	55.09	50.59	62.77
5.5	0.99453	54.13	48.63	59.84	0.99463	54.92	49.42	60.84	0.99473	55.70	50.20	61.84
6.5	0.99333	54.66	48.16	58.91	0.99345	55.46	48.96	59.91	0.99356	56.25	49.75	60.91
7.5	0.99203	55.15	47.65	57.99	0.99218	55.95	48.45	58.99	0.99233	56.74	49.24	59.99
8.5	0.99067	55.61	47.11	57.07	0.99085	56.40	47.90	58.07	0.99102	57.20	48.70	59.07
9.5	0.98921	56.03	46.53	56.15	0.98942	56.84	47.34	57.15	0.98963	57.64	48.14	58.15
10.5	0.98766	56.44	45.94	55.24	0.98791	57.24	46.74	56.24	0.98815	58.05	47.55	57.23
11.5	0.98602	56.83	45.33	54.33	0.98631	57.64	46.14	55.33	0.98659	58.44	46.94	56.32
12.5	0.98427	57.21	44.71	53.43	0.98461	58.02	45.52	54.42	0.98493	58.83	46.33	55.42
13.5	0.98242	57.58	44.08	52.53	0.98280	58.39	44.89	53.52	0.98318	59.20	45.70	54.52
14.5	0.98045	57.94	43.44	51.63	0.98090	58.75	44.25	52.62	0.98132	59.56	45.06	53.62
15.5	0.97837	58.30	42.80	50.74	0.97887	59.11	43.61	51.73	0.97935	59.92	44.42	52.72
16.5	0.97616	58.65	42.15	49.85	0.97673	59.46	42.96	50.84	0.97726	60.28	43.78	51.84
17.5	0.97382	59.00	41.50	48.97	0.97445	59.81	42.31	49.96	0.97506	60.62	43.12	50.95
18.5	0.97134	59.34	40.84	48.10	0.97205	60.16	41.66	49.08	0.97272	60.97	42.47	50.07
19.5	0.96872	59.68	40.18	47.22	0.96950	60.50	41.00	48.21	0.97026	61.31	41.81	49.20
20.5	0.96593	60.03	39.53	46.36	0.96682	60.84	40.34	47.34	0.96765	61.66	41.16	48.33
21.5	0.96301	60.37	38.87	45.50	0.96397	61.18	39.68	46.48	0.96491	62.00	40.50	47.47
22.5	0.95990	60.71	38.21	44.64	0.96098	61.53	39.03	45.63	0.96200	62.34	39.84	46.61
23.5	0.95663	61.05	37.55	43.80	0.95781	61.87	38.37	44.78	0.95894	62.68	39.18	45.76
24.5	0.95316	61.40	36.90	42.95	0.95447	62.21	37.71	43.93	0.95571	63.03	38.53	44.91
25.5	0.94952	61.74	36.24	42.12	0.95095	62.56	37.06	43.09	0.95232	63.37	37.87	44.07
26.5	0.94567	62.09	35.59	41.28	0.94724	62.90	36.40	42.26	0.94873	63.72	37.22	43.23
27.5	0.94162	62.44	34.94	40.46	0.94333	63.25	35.75	41.43	0.94497	64.06	36.56	42.40
28.5	0.93735	62.79	34.29	39.64	0.93922	63.60	35.10	40.61	0.94099	64.41	35.91	41.58
29.5	0.93286	63.15	33.65	38.83	0.93489	63.96	34.46	39.80	0.93683	64.77	35.27	40.76
30.5	0.92814	63.50	33.00	38.03	0.93035	64.31	33.81	38.99	0.93244	65.12	34.62	39.95
31.5	0.92316	63.86	32.36	37.23	0.92557	64.67	33.17	38.19	0.92785	65.48	33.98	39.15
32.5	0.91796	64.23	31.73	36.44	0.92055	65.03	32.53	37.39	0.92301	65.84	33.34	38.35
33.5	0.91247	64.59	31.09	35.65	0.91528	65.40	31.90	36.60	0.91796	66.20	32.70	37.56
34.5	0.90673	64.96	30.46	34.87	0.90976	65.77	31.27	35.82	0.91263	66.57	32.07	36.77
35.5	0.90069	65.34	29.84	34.11	0.90397	66.14	30.64	35.05	0.90708	66.94	31.44	36.00
36.5	0.89437	65.72	29.22	33.34	0.89790	66.52	30.02	34.28	0.90124	67.31	30.81	35.23
37.5	0.88774	66.10	28.60	32.59	0.89155	66.90	29.40	33.52	0.89515	67.69	30.19	34.46
38.5	0.88080	66.49	27.99	31.84	0.88489	67.28	28.78	32.77	0.88875	68.07	29.57	33.71
39.5	0.87354	66.88	27.38	31.10	0.87793	67.67	28.17	32.03	0.88288	68.46	28.96	32.96
40.5	0.86594	67.28	26.78	30.37	0.87064	68.06	27.56	31.29	0.87508	68.85	28.35	32.22
41.5	0.85801	67.68	26.18	29.65	0.86304	68.46	26.96	30.56	0.86780	69.25	27.75	31.48
42.5	0.84969	68.08	25.58	28.93	0.85508	68.87	26.37	29.84	0.86017	69.65	27.15	30.76
43.5	0.84103	68.50	25.00	28.22	0.84679	69.27	25.77	29.13	0.85222	70.05	26.55	30.04
44.5	0.83195	68.91	24.41	27.53	0.83811	69.69	25.19	28.43	0.84391	70.46	25.96	29.33
45.5	0.82251	69.34	23.84	26.84	0.82907	70.11	24.61	27.73	0.83526	70.88	25.38	28.63
46.5	0.81262	69.77	23.27	26.16	0.81962	70.53	24.03	27.05	0.82621	71.30	24.80	27.94
47.5	0.80234	70.20	22.70	25.49	0.80980	70.96	23.46	26.37	0.81681	71.73	24.23	27.25
48.5	0.79159	70.65	22.15	24.83	0.79952	71.40	22.90	25.70	0.80699	72.16	23.66	26.58
49.5	0.78042	71.10	21.60	24.17	0.78886	71.85	22.35	25.04	0.79679	72.60	23.10	25.91

IOWA CURVE ELG / VINTAGE GROUP PROJECTION LIFE TABLE
AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE FOR CURVE TYPE = S2

	SERVICE LIFE											
	<— PROJECTION LIFE 11.0 —>				<— PROJECTION LIFE 11.5 —>				<— PROJECTION LIFE 12.0 —>			
AGE	SURVIVOR CURVE	SER-VICE LIFE	ELG REMAIN LIFE	VG REMAIN LIFE	SURVIVOR CURVE	SER-VICE LIFE	ELG REMAIN LIFE	VG REMAIN LIFE	SURVIVOR CURVE	SER-VICE LIFE	ELG REMAIN LIFE	VG REMAIN LIFE
0.0	1.00000	9.67	9.67	11.00	1.00000	10.11	10.11	11.50	1.00000	10.56	10.56	12.00
0.5	1.00000	9.67	9.17	10.50	1.00000	10.12	9.62	11.00	1.00000	10.56	10.06	11.50
1.5	0.99977	9.69	8.19	9.50	0.99981	10.13	8.63	10.00	0.99984	10.57	9.07	10.50
2.5	0.99783	9.77	7.27	8.52	0.99821	10.20	7.70	9.02	0.99851	10.63	8.13	9.52
3.5	0.99096	9.92	6.42	7.58	0.99248	10.34	6.84	8.07	0.99371	10.76	7.26	8.56
4.5	0.97492	10.17	5.67	6.69	0.97899	10.57	6.07	7.17	0.98228	10.98	6.48	7.65
5.5	0.94547	10.51	5.01	5.88	0.95392	10.89	5.39	6.35	0.96086	11.28	5.78	6.81
6.5	0.89942	10.93	4.43	5.16	0.91421	11.29	4.79	5.60	0.92654	11.66	5.16	6.05
7.5	0.83537	11.42	3.92	4.52	0.85823	11.76	4.26	4.93	0.87750	12.11	4.61	5.36
8.5	0.75415	11.97	3.47	3.95	0.78603	12.29	3.79	4.34	0.81337	12.62	4.12	4.74
9.5	0.65874	12.57	3.07	3.45	0.69959	12.88	3.38	3.81	0.73531	13.19	3.69	4.19
10.5	0.55400	13.21	2.71	3.01	0.60261	13.50	3.00	3.35	0.64604	13.80	3.30	3.70
11.5	0.44600	13.89	2.39	2.62	0.50000	14.16	2.66	2.93	0.54952	14.44	2.94	3.26
12.5	0.34126	14.60	2.10	2.26	0.39739	14.85	2.35	2.56	0.45048	15.12	2.62	2.87
13.5	0.24585	15.32	1.82	1.95	0.30041	15.57	2.07	2.22	0.35396	15.82	2.32	2.51
14.5	0.16463	16.08	1.58	1.66	0.21397	16.31	1.81	1.92	0.26469	16.54	2.04	2.19
15.5	0.10058	16.84	1.34	1.41	0.14177	17.06	1.56	1.65	0.18663	17.29	1.79	1.90
16.5	0.05453	17.63	1.13	1.17	0.08579	17.84	1.34	1.39	0.12250	18.05	1.55	1.63
17.5	0.02508	18.43	0.93	0.96	0.04608	18.63	1.13	1.16	0.07346	18.83	1.33	1.38
18.5	0.00904	19.25	0.75	0.77	0.02101	19.43	0.93	0.95	0.03914	19.62	1.12	1.16
19.5	0.00217	20.10	0.60	0.61	0.00752	20.25	0.75	0.76	0.01772	20.43	0.93	0.95
20.5	0.00023	21.01	0.51	0.51	0.00179	21.10	0.60	0.61	0.00629	21.25	0.75	0.76
21.5	0.00000	22.00	0.50	0.50	0.00019	22.01	0.51	0.51	0.00149	22.10	0.60	0.61
22.5	0.00000	0.00	0.00	0.00	0.00000	23.00	0.50	0.50	0.00016	23.01	0.51	0.51
23.5	0.00000	0.00	0.00	0.00	0.00000	0.00	0.00	0.00	0.00000	24.00	0.50	0.50