Commissioners: Art Graham, Chairman Julie I. Brown Donald J. Polmann Gary F. Clark Andrew Giles Fay

STATE OF FLORIDA

OFFICE OF THE GENERAL COUNSEL KEITH C. HETRICK GENERAL COUNSEL (850) 413-6199

Public Service Commission

September 27, 2019

Beth Keating Gunster Law Firm 215 South Monroe St., Ste. 601 Tallahassee, FL 32301 <u>bkeating@gunster.com</u>

STAFF'S TENTH DATA REQUEST

via e-mail

RE: Docket No. 20190083-GU – Application for rate increase in Highlands, Hardee, and Desoto Counties, by Sebring Gas System, Inc.

Dear Ms. Keating:

By this letter, the Commission staff requests that Sebring Gas System, Inc. (Sebring or Company) provide responses to the following data requests:

- 1. Please provide the starting point and ending point of each of Sebring's **existing** gas mains by address. Specifically, provide the address of the starting and ending points for each existing gas main, including a detailed description of the route to the address of the endpoint.
- 2. Please provide the starting point and ending point of each of Sebring's **proposed** gas mains by address. Specifically, provide the address of the starting and ending points for each proposed gas main, including a detailed description of the route to the address of the endpoint.
- 3. In response to question Nos. 4(d) and 4(h) of staff's seventh set of data requests, Sebring states that the size and materials used to construct the distribution system included in this case are sized to provide service to many other customers that the Company expects to add over the next decade or more as the community grows.
 - a. Please complete the table below for Sebring's estimated customer growth, customer consumption, and revenues. Please provide this information for each plant addition (Arcadia, Wauchula, and Sebring).

	Total Customers	Total Consumption (Therms)	Total Revenues Assuming Current Rates (\$)
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			

- b. Please provide the basis for assumptions in customer growth and consumption relied on in part a of this question.
- 4. Please provide supporting documentation for the actual and estimated cost to complete as of August 31, 2019, for the Outside Consultants: Cost of Service fees shown on MFR Schedule C-13.
- 5. Please provide supporting documentation for the actual and estimated cost to complete as of August 31, 2019, for the Legal services fees shown on MFR Schedule C-13.
- 6. Please provide supporting documentation for the actual and estimated cost to complete as of August 31, 2019, for the Miscellaneous Expenses shown on MFR Schedule C-13.
- 7. In regard to Sebring's response to staff's ninth data request, there are customers in the TS-3 and TS-4 rate classes whose annual consumption measured outside the classes' therms per year parameters as stated in the tariff. For example, even when considering monthly outliers, TS-3 customers 5, 10, 14, 27, 31, 32, 48, and 78 fall at least 15 percent above or below the annual therm usage required for the TS-3 class (see applicability of usage greater than 1,000 therms per year up to 10,000 therms per year). Sebring's current tariffs require an annual volume review for reclassification.
 - a. Please provide Sebring's process for evaluating and transitioning customers who meet the reclassification parameters.
 - b. Of the customers provided in staff's ninth data request response, please provide a list of the customers transitioned to another rate class and the date of the transition.

- 8. Please provide the Company's methodology and rationale for its increase in each rate classes' customer charge and reduction in therm transportation charge.
- 9. MFR Schedule H-3, page 1 of 5, calculates customer related unit costs on line 10. Please discuss the relation, if any, of the calculated unit costs and the proposed customer charges.
- 10. Witness Christmas on page 18, line 13, uses the term marketable. Please provide a discussion as to how you determine whether a rate is marketable and discuss what other fuel options customers may have.
- 11. Referring to MFR Schedule H-2, page 1 of 4, Line 2, please explain and show the weighting of the customer costs for rate classes TS-2 through TS-5.

Please file all responses electronically no later than Thursday, October 17, 2019, through the Commission's website at <u>www.floridapsc.com</u>, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6076 if you have any questions.

Sincerely,

/s/ Margo A. DuVal Margo A. DuVal Senior Attorney

MAD/cf

 cc: Office of Commission Clerk Lila Jaber (ljaber@gunster.com) Jerry H. Melendy, Jr. (jmelendy@floridasbestgas.com) J.R. Kelly (kelly.jr@leg.state.fl.us) A. Mireille Fall-Fry (fall-fry.mireille@leg.state.fl.us)