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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20200039-GU

PETITION FOR APPROVAL TO
IMPLEMENT A TEMPORARY STORM
RECOVERY SURCHARGE, BY
ST. JOE NATURAL GAS COMPANY.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 10

COMMISSIONERS
PARTICIPATING: CHAIRMAN GARY F. CLARK
COMMISSIONER ART GRAHAM
COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER ANDREW GILES FAY

DATE: Tuesday, March 31, 2020

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

REPORTED BY: DEBRA R. KRICK
Court Reporter and
Notary Public in and for
the State of Florida at Large

PREMIER REPORTING
114 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
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1 P R O C E E D I N G S

2 CHAIRMAN CLARK: All right. Item No. 10, Mr.
3 Maurey.

4 MR. MAUREY: Thank you.

5 Item 10 concerns St. Joe Natural Gas Company's
6 petition for approval of a temporary storm cost
7 recovery surcharge to recover incremental storm
8 restoration costs associated with Hurricane
9 Michael.

10 On January 24th, 2020, St. Joe Gas filed its
11 petition to recover approximately \$382,000 over a
12 four-year period, beginning in May of 2020.

13 St. Joe Gas is not currently a party to any
14 settlement agreement, nor does it have a storm
15 reserve balance. The company requests to implement
16 a monthly per therm surcharge for all customer
17 classes. Residential customers will see an impact
18 that will range from approximately \$1.68 to \$3.10
19 per month based on the level of usage.

20 This recommendation only allows St. Joe Gas to
21 begin recovery on an interim bases. This interim
22 recovery is subject to refund following a hearing
23 or formal proceeding where the veracity and
24 prudence of the company's actual restoration costs
25 will be fully vetted.

1 The Office of Public Counsel has intervened in
2 this docket and wishes to address the Commission on
3 this matter. The company is also available to
4 address the Commission regarding this item.

5 Staff is available to answer any questions.

6 CHAIRMAN CLARK: All right. Thank you,
7 Mr. Maurey.

8 All right, we will begin with Mr. Kelly. Are
9 you on the line?

10 MS. FALL-FRY: This will actually be Mireille
11 Fall-Fry --

12 CHAIRMAN CLARK: Okay.

13 MS. FALL-FRY: -- on behalf of Public Counsel.

14 CHAIRMAN CLARK: You are recognized.

15 MS. FALL-FRY: Hello again. OPC -- thank you.

16 OPC opposes St. Joe's position in this current
17 format for the following reason:

18 OPC believes it's against the public interest
19 to permit upfront recovery of storm costs without
20 an analysis of the validity of the charges. With
21 one exception, the Commission has historically
22 suspended an investigated tariff and authorized
23 collection of costs after a hearing is held
24 unless there is an agreement in place, as there is
25 in the previous docket in the five IOU electric

1 companies.

2 Neither St. Joe Natural Gas nor staff have
3 provided any reasons why an exception should be
4 created here. Permitting accompany to receive
5 recovery through a surcharge before a thorough
6 investigation without these procedures in place
7 puts ratepayers at risk and, therefore, against the
8 public interest.

9 Permitting any company to request a storm
10 recovery surcharge via the filing within law 366.06
11 is tantamount to creating a pass-through mechanism
12 or clause recovery without having a rule in place.
13 Continuing to do so on a case-by-case basis without
14 rules in place clearly delineating the company's
15 policies places ratepayers and investor-owned
16 utilities at risk and is, therefore, not in the
17 public interest.

18 OPC acknowledges that St. Joe is underearning,
19 but notes that St. Joe does not have a storm
20 reserve, and does not technically fall under the
21 requirements of 25-6.0143, even though they state
22 the they use the accounting principles articulated
23 therein.

24 Accordingly, the appropriate mechanism for St.
25 Joe to recover these expenses and earn a fair

1 return is through interim rates under -- pursuant
2 to Section 366.071. For these reasons, OPC opposes
3 this position.

4 CHAIRMAN CLARK: Okay. Thank you,
5 Ms. Fall-Fry.

6 Ms. Keating, your response?

7 MS. KEATING: Good morning, Mr. Chairman,
8 Commissioners. Beth Keating with the Gunster Law
9 Firm here today on behalf of St. Joe Natural Gas.

10 First of all, I just want to say that we
11 obviously support your staff's recommendation and
12 appreciate them bringing --

13 CHAIRMAN CLARK: Ms. Keating, can I interrupt
14 you for one second? We are having a little bit of
15 difficulty hearing you. Can you speak up for us?

16 MS. KEATING: Yeah, absolutely. Let me turn
17 up the -- does that help at all?

18 CHAIRMAN CLARK: That's better. Yes.

19 MS. KEATING: Okay. Well, again, this is Beth
20 Keating with the Gunster Law Firm here today on
21 behalf of St. Joe Natural Gas.

22 And first of all, we very much support your
23 staff's recommendation and appreciate them bringing
24 it to you in this timely manner. Obviously, we
25 disagree with OPC's arguments with regard to your

1 ability to grant temporary relief in cases such as
2 this.

3 The Commission has broad authority under
4 366.04 and 366.06 to provide relief. And as your
5 staff has noted, the ratepayers are going to be
6 protected during the pendency of this proceeding
7 because these temporary rates will be held subject
8 to refund and true-up at the end of the proceeding.

9 There is nothing in the statutes that would
10 preclude you from taking action to provide this
11 expedited relief for this company that does not
12 have a current storm reserve, and the need for rate
13 relief at this time is on an emergency basis.

14 So commission and OPC will have a full and
15 open opportunity to review the validity of the
16 costs that are being sought for recovery, and we
17 look forward to that process. But all in all, we
18 believe that the Commission, as the courts have
19 consistently recognized, has broad jurisdiction to
20 address the rates and -- just and reasonable rates
21 for any utility in manners that it sees fit.

22 CHAIRMAN CLARK: Thank you, Ms. Keating.

23 Any other comments from any of the interested
24 parties?

25 Okay. We will turn to Commissioners.

1 Commissioner Graham, no comment.

2 Commissioner Brown?

3 COMMISSIONER BROWN: No comment. No
4 questions.

5 CHAIRMAN CLARK: Commissioner Polmann?

6 COMMISSIONER POLMANN: I have a question.

7 I don't see that there is any issue or concern
8 with our ability or authority to grant this type of
9 relief. I am just curious, I don't see information
10 in here regarding a comparative level of impact of
11 the bill increase relative to the average customer
12 charges at this time. Is there an average billing
13 in the RS-1 or RS-2 that -- or any of the current
14 customer charges that we have information?

15 CHAIRMAN CLARK: Yes, sir. Commissioner
16 Polmann, I think those are available.

17 Mr. Maurey, you want -- Mr. Maurey or Mr.
18 Futrell.

19 MR. MAUREY: I'm going to defer to Mr. Coston
20 to address that question.

21 CHAIRMAN CLARK: On the first page, it was
22 \$1.68 to 3.10 per month, was the numbers that --

23 MR. MAUREY: Those were the monthly numbers.
24 I thought the question was on a -- what does that
25 represent on a relative basis.

1 COMMISSIONER POLMANN: Yeah. I see the bill
2 increase \$1.68 to \$3.10. I am just curious what is
3 the current customer average bill?

4 MR. COSTON: Commissioner, this is Tripp
5 Coston with Commission staff.

6 For the RS-1 customers, the average on the
7 levelized usage is around \$8 per month, and the
8 customer charge is currently \$13 per month on that.
9 And so I can -- maybe just give me one second, I
10 will -- to kind of give you a look at that kind of
11 differential as to why -- how it will impact --

12 COMMISSIONER POLMANN: Yeah, it's about
13 15 percent, more or less. Okay.

14 CHAIRMAN CLARK: Did that answer your
15 question, Commissioner Polmann?

16 COMMISSIONER POLMANN: Yeah, that's
17 sufficient.

18 CHAIRMAN CLARK: Okay.

19 COMMISSIONER POLMANN: Thank you.

20 CHAIRMAN CLARK: Commissioner Fay?

21 COMMISSIONER FAY: No questions or comments.
22 Thank you.

23 CHAIRMAN CLARK: All right. Any other
24 comments? Any follow-ups?

25 Seeing none, Commissioner Graham?

1 COMMISSIONER GRAHAM: Yes, Mr. Chairman, I
2 move staff recommendation on Item No. 10.

3 CHAIRMAN CLARK: Do I have a second?

4 COMMISSIONER BROWN: Second.

5 CHAIRMAN CLARK: I have a motion and a second
6 to approve Item No. 10.

7 Any discussion?

8 Bring your vote.

9 Commissioner Graham?

10 COMMISSIONER GRAHAM: Yes.

11 CHAIRMAN CLARK: Commissioner Brown?

12 COMMISSIONER BROWN: Aye.

13 CHAIRMAN CLARK: Commissioner Polmann?

14 COMMISSIONER POLMANN: Aye.

15 CHAIRMAN CLARK: Commissioner Fay?

16 COMMISSIONER FAY: Aye.

17 CHAIRMAN CLARK: The motion is approved.

18 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 8th day of April, 2020.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #GG015952
EXPIRES JULY 27, 2020