

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

STATE OF FLORIDA



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

Public Service Commission

July 31, 2020

Andrew M. Brown, Esquire
Thomas R. Fariior, Esquire
Macfarlane Ferguson &
McMullen
Post Office Box 1531
Tampa, Florida 33601-1531

STAFF'S SECOND DATA REQUEST
via e-mail

RE: Docket No. 20200093-GU: Petition for approval of tariff modifications for liquefied natural gas service by Peoples Gas System

Dear Mr. Brown and Mr. Fariior:

By this letter, Commission staff respectfully requests that Peoples Gas System (Peoples) provide responses to the following data request.

1. The Company previously asserted that it will participate in a competitive request for proposal (RFP) process as well as conduct a thorough vetting of potential customers prior to entering into a contract agreement under the proposed tariff. Further, the Company has asserted that all costs associated with building and operating an LNG facility under its proposed LNG tariff would be borne by the end-use customers and would have no impact on the general body of ratepayers. Given these assertions, please explain the following:
 - a. How does Peoples anticipate recovering costs incurred for bids and contract negotiations that do not result in either a new customer or new project with an existing customer? These costs may include, but not be limited to, such items as: customer and market research; financial qualification of potential customers and projects; engineering and design; market and transaction-level pricing; and administrative, sales, and legal costs.
 - b. How does Peoples anticipate recovering the upfront costs of establishing the ability to enter into the liquid natural gas (LNG) market? These costs may include, but not be limited to, such items as: acquiring technical ability, conducting market research, and establishing a sales and administrative infrastructure.

Mr. Andrew Brown

Page 2

2. Please explain why the Company chose to propose this service under the regulated utility rather than through a non-regulated affiliate.
3. In response to the Office of Public Counsel's first set of interrogatories, question 7, the company states that "LNG facilities constructed for a customer(s) pursuant to the proposed Tariff will increase Peoples rate base." Please elaborate on this response and explain whether Peoples intends to include any LNG facilities constructed in rate base on the surveillance reports filed with the Commission. If yes, please describe how the cost, and any associated revenues from the contract, will be documented in the surveillance reports. In addition, please explain how Peoples will treat any LNG facilities constructed, and their associated costs and revenues, in Peoples' next base rate proceeding.

Please file all responses electronically no later than August 7, 2020 via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please call me at 850.413.6814 if you have any questions.

Thank you,



Tripp Coston
Economic Supervisor

cc: Office of Commission Clerk