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May 28, 2021

VIA E-PORTAL FILING

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

Re: Consumer Request No. 1365363G
Undocketed: 20210000-OT

Dear Mr. Teitzman:

Attached for electronic filing in the above docket, on behalf of Peoples Gas System, please find its Response to Staff's First Data Request (Nos. 1-5).

Your assistance in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb
Attachment

cc: Corey Hampson, Public Utility Analyst I (champson@psc.state.us)
Tripp Coston, Economic Supervisor (tcoston@psc.state.fl.us)
Ms. Paula K. Brown
Ms. Kandi M. Floyd
Ms. Karen Bramley
Mr. Luke A. Buzard
Mr. Derrick S. MacDonald

**PEOPLES GAS SYSTEM
UNDOCKETED
CONSUMER REQUEST NO. 1365363G
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
BATE PAGES: 1-2
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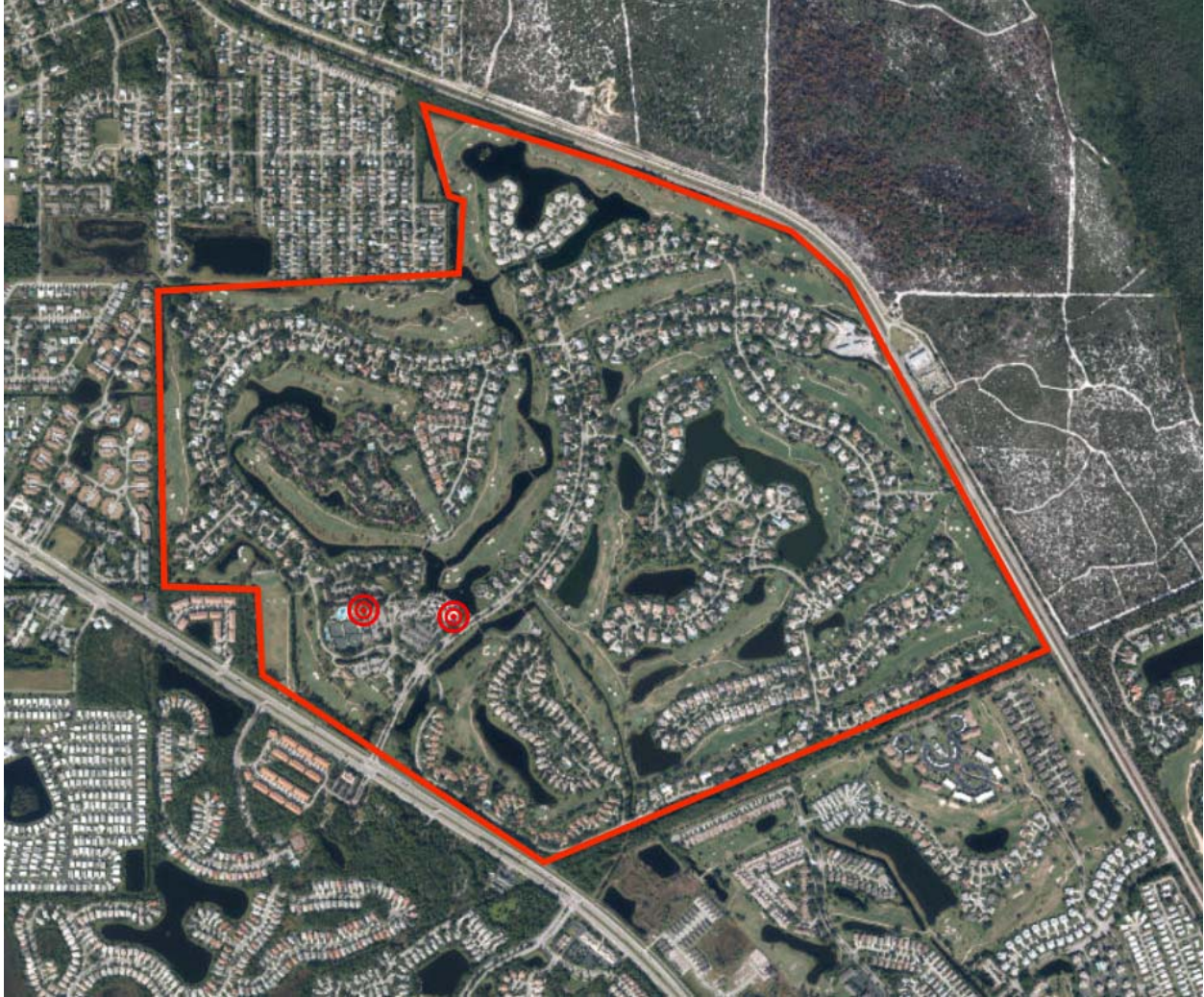
For the following questions, please refer to the consumer letter to Mr. Kuntz from Mr. Walsh regarding the cost estimate for Mariner Sands Country Club, dated April 22, 2021.

1. PGS states the estimated cost to provide the Mariner Sands Country Club access to the natural gas main amounts to \$3,470,076.00. Please provide a breakdown of the estimated cost.
 - A. The Mariner Sands Community, which began development in 1980, is an existing gated community of approximately 770 residences located in Stuart, Florida. PGS currently provides natural gas service to the country club which is a non-residential customer. See the attached map indicating the boundary of the development and the general location of the country club.

The cost of \$3,470,076 proposed in our letter dated April 22, 2021 represents the estimated cost to install approximately 53,000 feet of 2-inch polyethylene "PE" pipe and 23,000 feet of 4-inch PE pipe (mains) within the development. This cost is based on a distribution system designed to service a typical customer's complement of appliances (i.e., water heater, ranges, dryers, pool heaters, fireplaces, etc.). Should the community desire to install stand-by generation at multiple homesites, a system-wide load analysis will need to be performed which could result in additional improvements to the distribution system not included in the cost provided.

The cost of the customer's service line and meter have not been included in the initial cost estimate. See response to Data Request No. 5 for further explanation.

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2. PGS further states, "The main was designed to service the standard complement of appliances (i.e., water heater, ranges, dryers, pool heaters, fireplaces, etc.) within a home excluding a stand-by generator."
 - a. Has PGS estimated the amount of additional residential customers able to apply for service? If so, please provide.
 - b. Has PGS designed the main to have the capacity to serve to any additional non-residential customers? Please explain.
- A.
 - a. PGS has not estimated the number of residential customers within the development who would apply for service.
 - b. PGS has not yet formally designed the project as it would need more specifics about the interest in natural gas service from the entire community, however, the distribution system design would provide the residential customers within the development the opportunity to apply for service. The Company is not currently aware of any potential commercial customers in the development who would be seeking gas service and the current estimated cost only includes main to serve the immediate residential development.

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For the following questions, please refer to PGS Tariff Sheet No. 5.601.

- 3.** Does PGS believe that Tariff Sheet No. 5.601, Section A applies to the requested main extension in this case? Please explain.

- A.** PGS follows Tariff Sheet No. 5.601, Section A as the MACC calculation is considered a revenue component in service line extensions. Additionally, see response to Data Request No. 5.

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- 4.** Tariff Sheet No. 5.601, Section A, Subsection 2 states, “The Maximum Allowable Construction Cost shall equal ten (10) times the estimated annual revenue to be derived from the facilities less the cost of Gas.” Has PGS determined the Maximum Allowable Construction Cost (MACC) or estimated the annual revenue to be derived from the facilities, less the cost of gas? If so, please provide. If not, please explain why.

 - A.** PGS has not determined the estimated annual revenue for the MACC calculation for this existing development because the Company has not been provided the number of customers who would obtain gas service or the appliances which they would commit to installing.

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- 5.** Does PGS believe that there is significant uncertainty regarding the revenues to be derived from service provided through the requested extension of Main and Service facilities? If so, please explain and provide the MACC giving due consideration to such uncertainty.
- A.** Yes, PGS believes there is significant uncertainty with regards to the revenue to be derived from service provided through the requested extension because there have been no further discussions about the extension of mains and services in this development and the estimated number of customers desiring natural gas service. Regardless of the uncertainty, the MACC based on the estimated revenue derived from the facilities would typically cover the installation cost of the service line and meter to an individual residential customer's premise once the mains were installed.