

COMMISSIONERS:
MIKE LA ROSA, CHAIRMAN
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO

STATE OF FLORIDA



DIVISION OF ECONOMICS
ELISABETH J. DRAPER
DIRECTOR
(850) 413-6410

Public Service Commission

March 20, 2024

Beth Keating, Esquire
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601
Tallahassee, FL 32301
bkeating@gunster.com

STAFF'S FIRST DATA REQUEST VIA E-MAIL

Matt Everngam
Director Regulatory Affairs
208 Wildlight Avenue
Yulee, FL 32097
Meverngam@chpk.com

Re: Docket No. 20240039-GU: Petition for approval of transportation service agreements between Peninsula Pipeline Company, Inc. and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas.

Dear Ms. Keating and Mr. Everngam:

By this letter, Commission staff respectfully requests that Peninsula Pipeline Company, Inc. (Peninsula) and Florida City Gas (FCG) provide responses to the following questions:

General

1. Peninsula seeks to transport alternative natural gas obtained from landfills in the three proposed gas supply and source diversity projects. Please explain the process or steps to obtain the gas, convert to pipeline quality gas, and transport the gas by Peninsula to add to FCG's pipeline system.
2. Did FCG issue a Request for Proposals (RFP) to obtain construction cost estimates for the proposed three pipeline projects from other entities? If so, please identify all respondents to the RFP and provide an explanation regarding why their proposals were rejected. If not, please state why FCG did not solicit competitive bids.
3. Please provide a brief description of the approvals required by Peninsula or FCG from any other state or local agencies to complete the source diversity projects.

4. Petition paragraphs 14, 17, and 21 states that the three projects are estimated to be completed in the third quarter of 2024. Is construction is currently underway? If so, please describe.
5. Please identify the types of costs included in the Total Monthly Reservation Charge (confidential) in Exhibit A of each of the three transportation agreements.
6. Section 2.2 of Article II of the three transportation agreements states that unauthorized use of transportation quantities (per Dekatherm) shall be billed at a rate of 2.0 times the rate to be charged for each Dekatherm of the Maximum Daily Transportation Quantity (MDTQ). Please explain why the parties have agreed to the rate (confidential) identified in Exhibit A for unauthorized usage in all three of the proposed transportation agreements.
7. Please explain how FCG plans to recover its payments to Peninsula for the three proposed expansion projects. If FCG plans to recover its payments to Peninsula through the purchased gas adjustment (PGA), what is the projected \$/therm impact to the PGA factor in 2025?

Brevard Expansion

8. What is the estimated cost to Peninsula to obtain the gas, convert to pipeline quality gas, and transport the gas to FCG's pipeline system for the proposed Brevard County Project (Brevard Expansion)? Please include a general description of the types of costs that will be incurred (e.g., materials, labor, permits, right-of-way).
9. With reference to paragraph 12 of the petition, what is the estimated cost to build approximately 5-miles of 12-inch Medium Density Polyethylene (MDPE) pipeline, as shown on the project map? What is the lifespan of the MDPE pipe compared to steel pipe of similar size?
10. Please provide the percent breakdown between materials and labor for the total cost of the Brevard Expansion.
11. Please reference petition Attachment A, Transportation Service Agreement-Brevard County Project. Page 1 of that Agreement states that the "Project will include extending steel pipelines from a new interconnect..." in contrast to paragraph 12 of the petition, which alludes to installing MDPE pipe. Please correct the discrepancy and adjust the associated costs, if applicable.
12. Please explain "flow design benefits" stated in paragraph 12 of the petition and provide examples.

13. Is the local landfill located in Cocoa, referenced in paragraph 14 of the petition, owned privately or by a unit of local government?
14. Paragraph 14 of the petition states that the “gas will meet the gas quality specifications found in Peninsula’s and FCG’s tariffs.” Please state the cost to convert the landfill gas to pipeline quality gas and discuss how the costs will be recovered.
15. Please discuss how many residential, commercial, and industrial customers are expected to take service, in the next five years, by the proposed Brevard Expansion?

Indian River County Expansion

16. What is the estimated cost to Peninsula to obtain the gas, convert to pipeline quality gas, and transport the gas to FCG’s pipeline system for the Indian River County Project (Indian River County Expansion)?
17. What is the estimated cost to build the approximately 14-mile, 6-inch steel pipeline, as shown on the project map and discussed in paragraph 15 of the petition? Please include a general description of the types of costs that will be incurred (e.g., materials, labor, permits, right-of-way).
18. Please provide the percent breakdown between materials and labor for the total cost of the Indian River County Expansion.
19. Please state why the Indian River County Expansion is using steel pipe and not MDPE as in the Brevard County Expansion? In your response, please discuss the advantages and disadvantages of using the two types of pipes.
20. Is the Vero Beach landfill referenced in paragraph 17 of the petition owned privately or by a unit of local government?
21. Paragraph 17 of the petition states that “the project’s infrastructure will result in interconnecting three existing systems in the area.” Please list the three existing systems.
22. Paragraph 18 of the petition references “pre existing pipeline projects.” Please list the projects, including PSC docket numbers if applicable, and state whether these “projects” are the same as the “existing systems” referenced in paragraph 17 of the petition.
23. Please discuss how many residential, commercial, and industrial customers are expected to take service, in the next five years, by the proposed Indian River County Expansion?

Miami-Dade Expansion

24. What is the estimated cost to Peninsula to obtain the gas, convert to pipeline quality gas, and transport the gas to FCG's pipeline system for the proposed Miami-Dade County Project (Miami-Dade Expansion)?
25. Please state the estimated cost to Peninsula to extend 8 miles of 8-inch steel pipeline as referenced in paragraph 19 of the petition and shown on the project map? Please include a general description of the types of costs that will be incurred (e.g., materials, labor, permits, right-of-way).
26. Please provide the percent breakdown between materials and labor for the total cost of the Miami-Dade Expansion.
27. Paragraph 23 of the petition states that Peninsula will use best practices to minimize impacts, such as market fluctuations, project timeline delays, fluctuations in interest rates, labor and materials on the contracts. What are some of these best practices?
28. Please discuss how many residential, commercial, and industrial customers are expected to take service, in the next five years, by the proposed Miami-Dade Expansion?

Please file all responses electronically no later than April 5, 2024 via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please contact me at sguffey@psc.state.fl.us or at 850.413.6204 if you have any questions.

Thank you.

/s/Sevini Guffey
Sevini Guffey
Public Utility Analyst IV

cc: Office of Commission Clerk