

Eric Fryson

From: Keating, Beth [BKeating@gunster.com]

Sent: Friday, March 30, 2012 4:38 PM

To: Filings@psc.state.fl.us

Subject: Docket No. 090522

Attachments: 20120330163726965.pdf

Attached for filing in the referenced docket file, please find an electronic copy of the Final Report required by Order No. PSC-10-0158-PAA-GU. As always, please don't hesitate to let me know if you have any questions or concerns.

a. Person responsible for this electronic filing:

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b. **Docket No. 090522-GU - Petition for extension of waiver of service line abandonment provisions of Rule 25-12.045, F.A.C., by Florida Natural Gas Association.**

c. On behalf of: Florida Natural Gas Association

d. There are a total pages: 16

e. Description: Final Report



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FPSC-COMMISSION CLERK

3/30/2012



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March 30, 2012

VIA ELECTRONIC FILING - FILINGS@PSC.STATE.FL.US

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

In re: Docket No. 090522-GU - In re: Petition for extension of waiver of service line abandonment provisions of Rule 25-12.045, F.A.C., by Florida Natural Gas Association.

Dear Ms. Cole:

Attached for electronic filing, please find the final report required by Order No. PSC-10-0158-PAA-GU, issued March 22, 2010.

Thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

Beth Keating
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215 South Monroe St., Suite 601
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DOCUMENT NUMBER-DATE

01908 MAR 30 2012

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for extension of waiver of service line abandonment provisions of Rule 25-12.045, F.A.C., by Florida Natural Gas Association.

DOCKET NO. 090522-GU

DATED: March 30, 2012

Final Report

The following summarizes the collection of data from calendar years 2010 and 2011 in accordance with Order No. PSC-10-0158-PAA-GU granting the Florida Natural Gas Association members waivers to parts of Rule 25-12.045 on March 22, 2010.

Ten natural gas utility companies, including the two largest LDCs Peoples Gas System and Florida City Gas, provided data on an average of 659,101 service lines in 2010. Companies collected information on reported leaks or actual leaks found to have occurred on these service lines depending on the utilities customer information systems (CIS) or operational records. This data could have been derived from call center records or actual leak records retained by the individual utility.

Of the 663,286 total services reported, 585,260 were recorded as active and 73,842 as inactive. There were a total of 3,562 leaks recorded, 3,149 on active lines and 413 on inactive lines. Leak calls or reported leaks - as a percentage of the total - were about 0.5% for active lines and 0.6% for inactive lines. There were seven times as many leaks on active lines as there were on inactive lines.

In 2010, 57,057 of the lines had been inactive for less than 60 months while 11,478 had been inactive for more than 60 months and 5,307 were undetermined. Of these inactive lines, 307 of the lines that were inactive less than 60 months had a leak record associated with it, while 77 leak records were connected to lines inactive greater than 60 months. There were 29 service lines which could not be accurately determined. Leak calls as a percentage of the total were 0.5% for those inactive less than 60 months and 0.7% for those inactive greater than 60 months.

The same respondents provided data in 2011 on an average annual total of 671,955 service lines. Of these, 587,854 were reported as active while 84,101 were inactive. There were 2,747 leaks recorded, 2,426 on active lines and 321 on inactive lines. Leak calls or reported leaks as a percentage of the total represented 0.4% for active and 0.4% for inactive, but, again, there were 10 times as many reported leaks on active lines as there were inactive.

In 2011, 59,035 lines had been inactive for less than 60 months, while 14,348 had been inactive for more than 60 months. There were 10,718 service lines that could not be determined. Of these

inactive lines, those inactive less than 60 months, 214 of them had a leak record. As for lines inactive greater than 60 months, there were 63 that have leak records associated with them. Again, there were 44 lines that could not be accurately defined. In all three cases, leak calls as a percentage of the total were 0.4%.

For the two year period, 29,022 service lines were recorded as reactivated by LDCs. Slightly more than half, or 15,504, had been listed as inactive for less than 18 months. There were 11,452 service lines that had been inactive more than 18 months but less than 60 months that were reactivated and 1,960 were over 60 months inactive when they were reactivated. A total of 106 were not defined.

Companies during this moratorium period have promoted a variety of marketing programs directed towards reconnection incentives to gain back lost customers. In many cases, however, the continued slump in the economy and home sales continues to be a factor with inactive accounts.

Over the two year period, the percentage of leak calls or actual leaks reported remained essentially the same for both active and inactive lines and there appears to be no indication that because a line has been inactive for a given period of time that there exists a higher probability that a leak will occur. Utility companies are required by both federal and state regulations to maintain inactive service lines in the same manner and with the same inspection and operating requirements as active lines.

As for the question of costs associated with the abandonment and the reactivation costs of inactive lines, the many variables tied to the abandonment costs (such as urban or rural location, paved or unpaved surfaces, road crossings, permit and traffic control expenses and other factors) make it somewhat difficult to establish an average cost for this activity; however, from polling the member LDCs, we have learned that abandonment costs can vary widely between the companies, with variations as little \$100 to more than several thousand dollars. In the case of reactivating an inactive line, the expense can be significantly less because no excavation is required. In most cases, all that is required of the company is to verify that the customer fuel lines are properly inspected, then to ensure that the meter is reconnected, and finally, to initiate a turn on in accordance with the company's procedures.

2010-2011 Cut & Cap Moratorium Summary

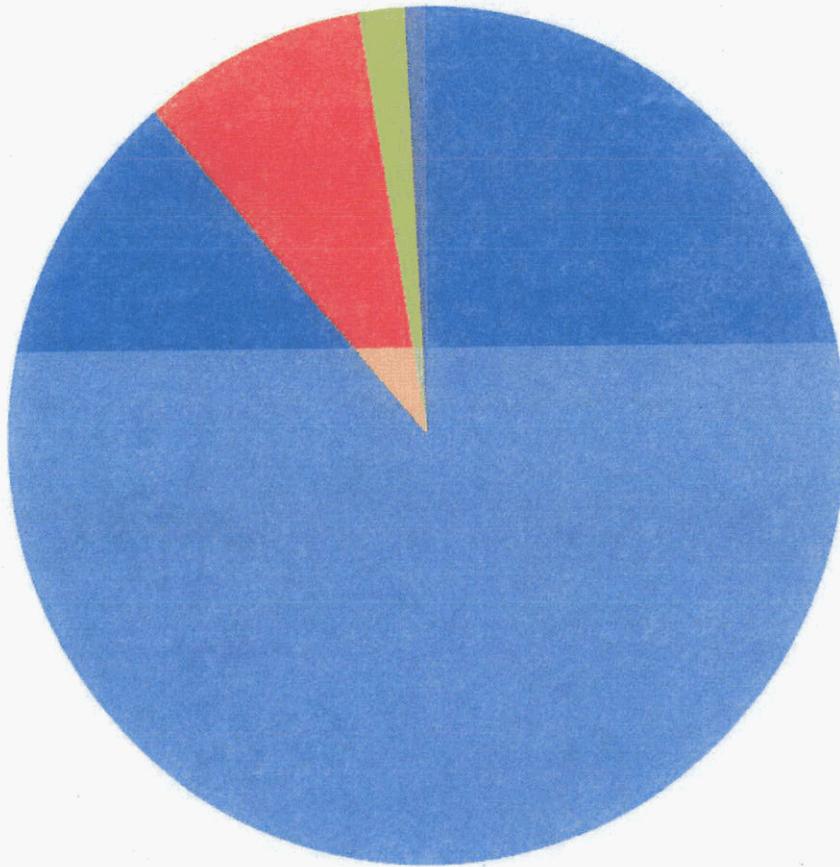
Companies Responding

- AGL/Florida City Gas
- FPU/CFG
- Live Oak
- Okaloosa Gas
- Reedy Creek
- City of Sunrise
- City of Tallahassee
- Energy Services of Pensacola
- Clearwater Gas System
- TECO

2010 Data Summary

- Total Service Lines 659,101 (12mo. Avg.)
- Total Active Services 585,260 (12mo. Avg.)
- Total Inactive Services 73,842 12.62%
 - 18 to 60 months 57,057
 - > 60 months 11,478
 - undefined 5,307

2010 Service Lines

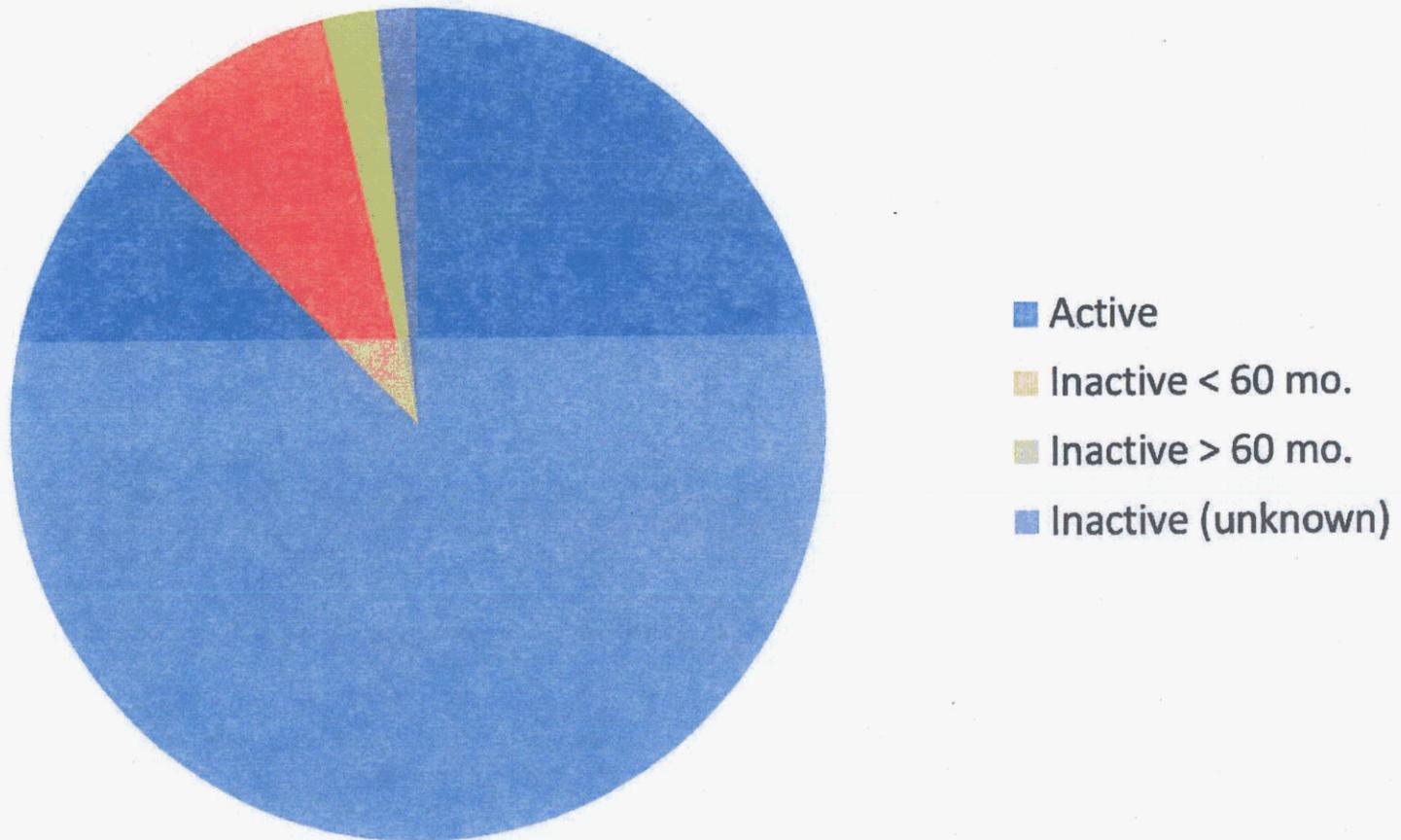


- Active Services
- Inactive < 60 mo.
- Inactive > 60 mo.
- Inactive (unknown)

2011 Data Summary

- Total Service Lines 671,954 (12mo. Avg.)
- Total Active Services 587,854 (12mo. Avg.)
- Total Inactive Services 84,101 12.52%
 - 18 to 60 months 59,035
 - > 60 months 14,348
 - undefined 10,718

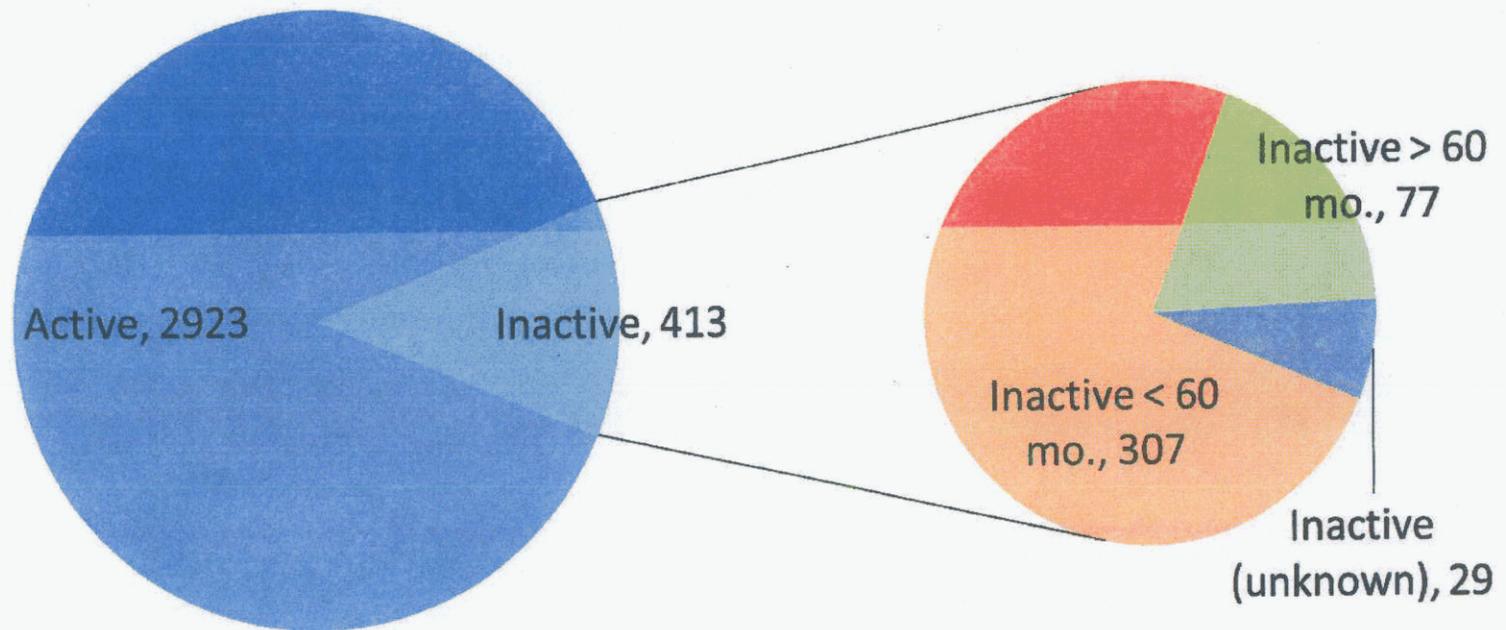
2011 Service Lines



2010 Leak Calls/Reported Leaks

• Total All Services	659,102	3,336	.506%
• Active Services	585,260	2,923	.499%
• Total Inactive	73,842	413	.559%
– < 60 mo.	57,057	307	.538%
– > 60 mo.	11,478	77	.671%
– undefined	5,307	29	.546%

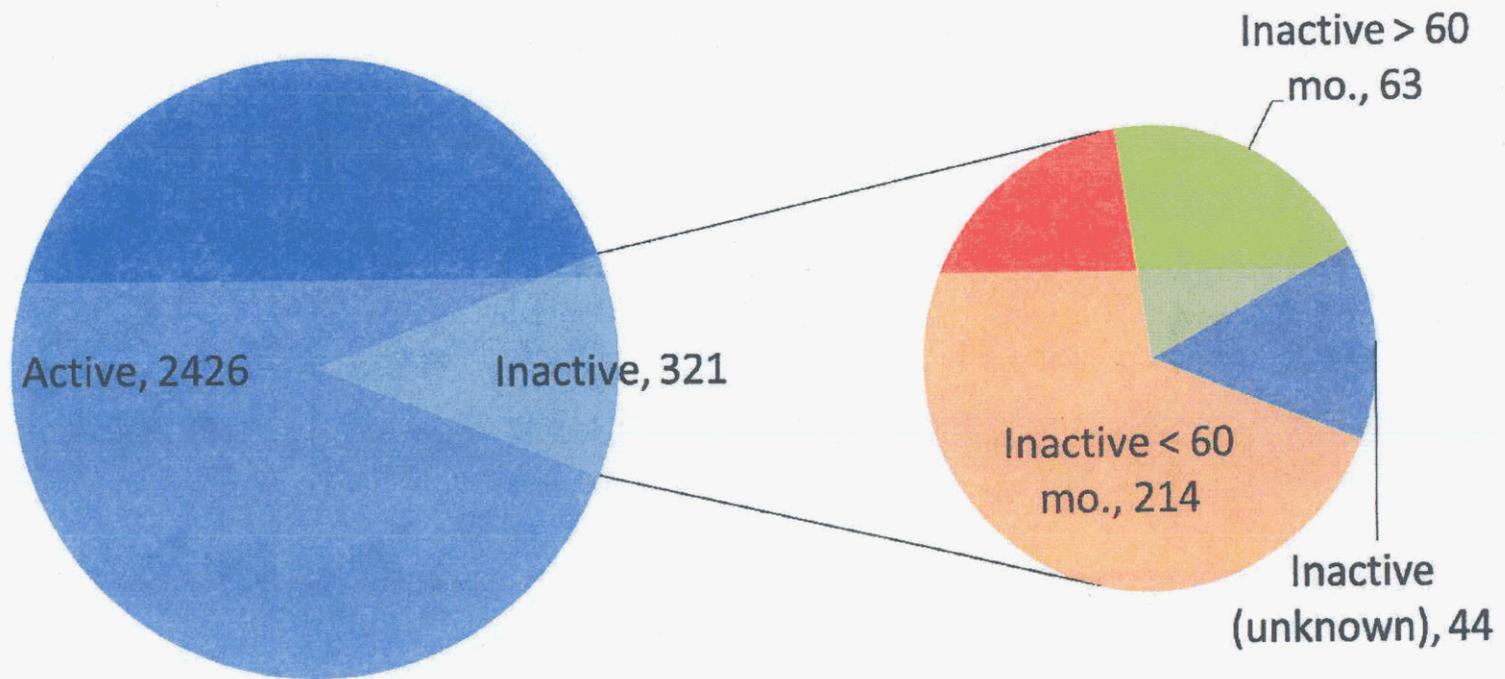
2010 Leak Calls/Reported Leaks



2011 Leak Calls/Reported Leaks

• Total all Services	671,955	2,747	.409%
• Active Services	587,854	2,426	.413%
• Total Inactive	84,101	321	.382%
– < 60 mo.	59,035	214	.362%
– > 60 mo.	14,348	63	.439%
– undefined	10,718	44	.411%

2011 Leak Calls/Reported Leaks



Active/Inactive Leak Call Comparison

• 2010 Active services	2,923	.499%
• 2010 Inactive services	413	.559%
• 2011 Active services	2,426	.413%
• 2011 Inactive services	321	.382%
• Combined Active	5,349	.456%
• Combined Inactive	734	.465%

2010-2011 Reactivations

- Total Reactivations Reported 29,022
 - Inactive < 18 mo. 15,504
 - Inactive >18 mo.< 60 mo. 11,452
 - Inactive > 60 mo. 1,960
 - Not defined 106

2010 CUT 'N CAP - Monthly Moratorium Report

Company MASTER Report
Date January 30, 2012

Submitted by: _____
Contact email: _____
Contact Phone #: _____

Total Service Lines	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
ACTIVE Service Lines	582,895	585,085	585,876	585,299	584,457	583,569	583,504	583,988	583,845	585,629	587,884	591,056	585,260
Inactive (under 60 months)	59,262	58,174	58,017	59,051	60,094	60,857	61,745	76,102	62,041	61,463	59,937	56,049	61,241
Inactive (60 & over months)	9,827	10,044	10,372	10,775	11,131	11,474	11,717	11,991	12,290	12,495	12,720	12,901	11,478
Inactive (unknown)	5,476	5,477	5,476	5,784	5,753	5,763	5,777	5,776	5,778	4,220	4,221	4,219	5,307
Total Service Lines	657,460	658,780	659,741	660,879	661,435	661,783	662,743	677,857	663,954	663,807	664,762	668,225	663,286

Leak Call, Service Lines	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Percent
ACTIVE Service Lines	245	233	249	213	224	230	239	274	297	291	424	230	3,149	0.538%
Inactive (under 60 months)	26	22	36	29	29	18	19	25	17	36	26	20	307	0.538%
Inactive (60 & over months)	5	5	9	3	7	8	6	8	9	10	6	1	77	0.671%
Inactive (unknown)	1	0	0	2	2	3	2	3	3	4	4	5	29	0.546%
Total Service Leak Calls	277	260	294	247	262	259	266	314	326	341	460	256	3,562	0.537%

Reactivations	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Inactive (under 18 months)	723	741	750	685	674	958	733	754	812	743	900	979	9,252
Inactive (18 to 59 months)	499	477	458	352	323	594	364	365	331	387	487	676	5,313
Inactive (over 59 months)	83	95	59	47	43	49	47	59	52	56	83	103	776
Inactive (unknown)	2	2	18	1	-	4	1	2	2	1	1	1	35
Total Reactivates	1,307	1,315	1,285	1,085	1,040	1,605	1,145	1,180	997	1,187	1,471	1,759	15,376

2011 CUT 'N CAP - Monthly Moratorium Report

Company MASTER Report
Date January 30, 2012

Submitted by: _____
Contact email: _____
Contact Phone #: _____

Total Service Lines	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
ACTIVE Service Lines	586,410	587,735	588,190	587,112	586,826	586,426	586,228	586,652	586,884	588,951	590,705	592,128	587,854
Inactive (under 60 months)	57,735	56,889	57,523	68,407	58,844	59,325	59,806	59,627	59,306	58,188	56,897	55,662	59,035
Inactive (60 & over months)	13,083	13,318	13,565	13,886	14,184	14,394	14,597	14,720	14,925	15,040	15,178	15,287	14,348
Inactive (unknown)	10,464	10,464	10,464	10,897	10,897	10,897	10,938	10,938	10,938	10,571	10,571	10,571	10,718
Total Service Lines	667,692	668,406	669,742	680,302	670,750	671,042	671,569	671,837	672,053	672,760	673,351	673,648	671,954

Leak Call, Service Lines	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Percent
ACTIVE Service Lines	194	162	208	202	245	240	206	195	212	219	183	160	2,426	0.413%
Inactive (under 60 months)	28	13	27	19	11	9	15	21	20	16	13	22	214	0.362%
Inactive (60 & over months)	6	3	7	5	4	6	8	8	5	4	3	4	63	0.439%
Inactive (unknown)	3	3	5	8	4	2	4	5	4	3	2	1	44	0.411%
Total Service Leak Calls	231	181	247	234	264	257	233	229	241	242	201	187	2,747	0.409%

Reactivations	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Inactive (under 18 months)	519	479	540	432	483	547	494	571	458	603	569	557	6,252
Inactive (18 to 59 months)	492	467	548	416	455	450	479	493	460	580	637	662	6,139
Inactive (over 59 months)	79	94	112	74	95	117	80	94	93	106	122	118	1,184
Inactive (unknown)	5	4	22	2	2	6	3	3	14	2	2	6	71
Total Reactivates	1,095	1,044	1,222	924	1,035	1,120	1,056	1,161	1,025	1,291	1,330	1,343	13,648