

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Peoples Gas System.	DOCKET NO. 20200051-GU
In re: Petition for approval of 2020 depreciation study by Peoples Gas System.	DOCKET NO. 20200166-GU
	DATED: September 28, 2020

COMMISSION STAFF’S PREHEARING STATEMENT

Pursuant to Order No. PSC-2020-0198-PCO-GU, filed June 22, 2020, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

Witness	Subject Matter	Issue #
Direct		
Intesar Terkawi	Staff audit reports	8,18, 28, 31, 36, 40-41
Rhonda L. Hicks	Summary of customer complaints	4

2. All Known Exhibits

Witness	Proffered By	Exhibit No.	Description	Issue #
Direct				
Intesar Terkawi	Commission Staff	IT-1	Auditor's Report - Rate Case	8,18, 28, 31, 36, 40-41
Rhonda L. Hicks	Commission Staff	RLH-1	List of Service Complaints	4
Rhonda L. Hicks	Commission Staff	RLH-2	List of Billing Complaints	4
Rhonda L. Hicks	Commission Staff	RLH-3	List of Warm Transfer Complaints	4

3. Staff’s Statement of Basic Position

Staff’s positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff’s final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

4. Staff's Position on the Issues

ISSUE 1: Is PGS's projected test period of the twelve months ending December 31, 2021, appropriate?

POSITION: Staff has no position at this time.

ISSUE 2: Are PGS's forecasts of customer and therms by rate class for the projected test year ending December 31, 2021 appropriate? If not, what adjustments should be made?

POSITION: Staff has no position at this time.

ISSUE 3: Are PGS's estimated revenues from sales of gas by rate class at present rates for the projected test year appropriate? If not, what adjustments should be made?

POSITION: Staff has no position at this time.

ISSUE 4: Is the quality of service provided by PGS adequate?

POSITION: Staff has no position at this time.

ISSUE 5: Should the Commission establish an annual depreciation rate applicable to PGS's liquefied natural gas storage, renewable natural gas and compressor equipment assets?

POSITION: Staff has no position at this time.

ISSUE 6: What are the appropriate depreciation parameters, resulting rates, reserve allocation, and amortization schedules?

POSITION: Staff has no position at this time.

ISSUE 7: What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?

POSITION: Staff has no position at this time.

ISSUE 8: Has PGS made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation, and Working Capital?

POSITION: Staff has no position at this time.

ISSUE 9: Should any adjustments be made to the amounts included in the projected test year for acquisition adjustment and accumulated amortization of acquisition adjustment?

POSITION: Staff has no position at this time.

ISSUE 10: What is the appropriate level of CWIP to include in the projected test year?

POSITION: Staff has no position at this time.

ISSUE 11: What is the appropriate level of Gas Plant Accumulated Depreciation and Amortization for the projected test year?

POSITION: Staff has no position at this time.

ISSUE 12: What are the appropriate amounts of plant in service and accumulated depreciation to be included in the projected test year for PGS's Cast Iron/Bare Steel program?

POSITION: Staff has no position at this time.

ISSUE 13: Is PGS's proposed LNG facility reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed LNG facility?

POSITION: Staff has no position at this time.

ISSUE 14: Is PGS's proposed Jacksonville expansion project reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed Jacksonville expansion project?

POSITION: Staff has no position at this time.

ISSUE 15: Is PGS's proposed Panama City expansion project reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed Panama City expansion project?

POSITION: Staff has no position at this time.

ISSUE 16: Is PGS's proposed Southwest Florida Expansion project reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed Southwest Florida Expansion project?

POSITION: Staff has no position at this time.

ISSUE 17: What is the appropriate level of plant in service for the projected test year?

POSITION: Staff has no position at this time.

ISSUE 18: Have under recoveries and over recoveries related to the Purchased Gas Adjustment, Energy Conservation Cost Recovery, and Cast Iron/Bare Steel Rider been appropriately reflected in the Working Capital Allowance?

POSITION: Staff has no position at this time.

ISSUE 19: What is the appropriate level of working capital for the projected test year?

POSITION: Staff has no position at this time.

ISSUE 20: What is the appropriate level of rate base for the projected test year?

POSITION: Staff has no position at this time.

ISSUE 21: What is the appropriate amount of accumulated deferred taxes to include in the projected test year capital structure?

POSITION: Staff has no position at this time.

ISSUE 22: What is the appropriate amount and cost rate for short-term debt to include in the projected test year capital structure?

POSITION: Staff has no position at this time.

ISSUE 23: What is the appropriate amount and cost rate for long-term debt to include in the projected test year capital structure?

POSITION: Staff has no position at this time.

ISSUE 24: What is the appropriate authorized return on equity (ROE) to use in establishing PGS's projected test year revenue requirement?

POSITION: Staff has no position at this time.

ISSUE 25: Has PGS made the appropriate adjustments to remove all non-utility investments from the common equity balance?

POSITION: Staff has no position at this time.

ISSUE 26: What is the appropriate weighted average cost of capital to use in establishing PGS's projected test year revenue requirement?

POSITION: Staff has no position at this time.

ISSUE 27: Should a parent company debt adjustment be made per Rule 25-14.004, Florida Administrative Code, and if so, what is the amount of the adjustment?

POSITION: Staff has no position at this time.

ISSUE 28: Has PGS properly removed Purchased Gas Adjustment, Cast Iron/Bare Steel Rider and Energy Conservation Cost Recovery Revenues, Expenses, and Taxes-Other from the projected test year?

POSITION: Staff has no position at this time.

ISSUE 29: What is the appropriate amount of miscellaneous revenues?

POSITION: Staff has no position at this time.

ISSUE 30: Is PGS's projected Total Operating Revenues for the projected test year appropriate (fallout issue)?

POSITION: Staff has no position at this time.

ISSUE 31: Has PGS made the appropriate adjustments to remove all non-utility activities from operation expenses, including depreciation and amortization expense?

POSITION: Staff has no position at this time.

ISSUE 32: Should an adjustment be made to Bad Debt Expense and for Bad Debt in the Revenue Expansion Factor?

POSITION: Staff has no position at this time.

ISSUE 33: Should the projected test year O&M expenses be adjusted to reflect changes to the non-labor trend factors for inflation and customer growth?

POSITION: Staff has no position at this time.

ISSUE 34: Should an adjustment be made to the number of added positions in the projected test year?

POSITION: Staff has no position at this time.

ISSUE 35: What is the appropriate amount of salaries and benefits to include in the projected test year?

POSITION: Staff has no position at this time.

ISSUE 36: Are there membership dues expense that should be adjusted in the projected test year ?

POSITION: Staff has no position at this time.

ISSUE 37: What is the appropriate amount for Miami LNG O&M storage expense in the projected test year ?

POSITION: Staff has no position at this time.

ISSUE 38: Are all costs related to PGS's provision of LNG services to end users properly allocated?

POSITION: Staff has no position at this time.

ISSUE 39: What is the appropriate amount for LNG/RNG consulting expense in the projected test year?

POSITION: Staff has no position at this time.

ISSUE 40: What is the appropriate amount of expense in the projected test year for additional economic development initiatives?

POSITION: Staff has no position at this time.

ISSUE 41: What is the appropriate amount of expenses in the projected test year for additional advertising and marketing expense?

POSITION: Staff has no position at this time.

ISSUE 42: What is the appropriate amount of projected test year TIMP Pipeline Reassessment and Risk Analysis expense and is reserve accounting treatment appropriate?

POSITION: Staff has no position at this time.

ISSUE 43: Are there other projected test year operating expenses that should be adjusted, such as engineering services, engineering training, or others?

POSITION: Staff has no position at this time.

ISSUE 44: Over what time period should operating costs associated with the implementation of a new Work Asset Management system be amortized and recovered?

POSITION: Staff has no position at this time.

ISSUE 45: What is the appropriate amount of added expenses in the projected test year for other employee-related expense, such as operation employees' expenses and materials costs, additional A&G employee expenses, and increased allocations from Shared Services due to additional employees ?

POSITION: Staff has no position at this time.

ISSUE 46: What is the appropriate annual storm damage accrual and cap?

POSITION: Staff has no position at this time.

ISSUE 47: What is the appropriate annual Manufactured Gas Plant environmental remediation amortization expense?

POSITION: Staff has no position at this time.

ISSUE 48: Should an adjustment be made to Rate Case Expense for the projected test year and what is the appropriate amortization period?

POSITION: Staff has no position at this time.

ISSUE 49: What is the appropriate amount of projected test year O&M expenses (fall-out issue)?

POSITION: Staff has no position at this time.

ISSUE 50: What is the appropriate amount of depreciation expense to be removed in the projected test year for PGS's Cast Iron/Bare Steel program?

POSITION: Staff has no position at this time.

ISSUE 52: What is the appropriate amount of Depreciation and Amortization Expense for the projected test year?

POSITION: Staff has no position at this time.

ISSUE 52: What is the appropriate amount of projected test year Taxes Other than Income (fall-out issue)?

POSITION: Staff has no position at this time.

ISSUE 53: What is the appropriate amount of projected test year Income Tax Expense (fall-out issue)?

POSITION: Staff has no position at this time.

ISSUE 54: What is the appropriate amount of Total Operation Expenses for the projected test year (fall-out issue)?

POSITION: Staff has no position at this time.

ISSUE 55: What is the appropriate amount of Net Operating Income for the projected test year (fall-out issue)?

POSITION: Staff has no position at this time.

ISSUE 56: What is the appropriate revenue expansion factor and the appropriate net operating income multiplier (fall-out issue)?

POSITION: Staff has no position at this time.

ISSUE 57: What is the appropriate annual operating revenue increase for the projected test year (fall-out issue)?

POSITION: Staff has no position at this time.

ISSUE 58: Is PGS's proposed cost of service study appropriate?

POSITION: Staff has no position at this time.

ISSUE 59: What are the appropriate customer charges

POSITION: Staff has no position at this time.

ISSUE 60: What is the appropriate class revenue allocation?

POSITION: Staff has no position at this time.

ISSUE 61: What are the appropriate per therm distribution charges?

POSITION: Staff has no position at this time.

ISSUE 62: What are the appropriate miscellaneous service charges (account opening charge, meter turn on charges, meter reconnection charges, trip charge/collection at customer premises, temporary meter turn off charge)?

POSITION: Staff has no position at this time.

ISSUE 63: Is PGS's proposed revision to its Maximum Allowable Construction Cost from four to 10 times the estimated annual revenue reasonable?

POSITION: Staff has no position at this time.

ISSUE 64: Are PGS's proposed revisions to its counties and communities tariff maps representative of the company's service territory?

POSITION: Staff has no position at this time.

ISSUE 65: Is PGS's proposed new Virtual Pipeline Natural Gas Service (VPNGS) rate schedule appropriate?

POSITION: Staff has no position at this time.

ISSUE 66: Are PGS's proposed revisions to its Renewable Natural Gas (RNG) rate schedule appropriate?

POSITION: Staff has no position at this time.

ISSUE 67: Is PGS's proposal to remove its Natural Gas Vehicle Service-1 (NGVS-1) rate schedule appropriate?

POSITION: Staff has no position at this time.

ISSUE 68: Are PGS's proposed revision to its Natural Gas Vehicle Service-2 (NGVS-2) rate schedule appropriate?

POSITION: Staff has no position at this time.

ISSUE 69: Are PGS's proposed revisions to its Individual Transportation Service Rider (Rider ITS) appropriate?

POSITION: Staff has no position at this time.

ISSUE 70: What is the appropriate effective date of PGS's revised rates and charges?

POSITION: Staff has no position at this time.

ISSUE 71: Should PGS be required to notify the Commission within 90 days after the date of the final order in this docket, that it has adjusted its books and records for all applicable accounts as a result of the Commission's findings in this rate case?

POSITION: Staff has no position at this time.

ISSUE 72: Should this docket be closed?

POSITION: Staff has no position at this time.

5. Stipulated Issues

There are no stipulated issues at this time.

6. Pending Motions

Commission staff has no pending motions.

7. Pending Confidentiality Claims or Requests

Commission staff has no pending confidentiality claims or requests.

8. Objections to Witness Qualifications as an Expert

Commission staff has no objections to witness qualifications as an expert.

9. Compliance with Order No. PSC-2020-0198-PCO-GU

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 28th day of September, 2020.

/s/ Kurt Schrader

KURT SCHRADER

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DOCKET NO. 20200051-GU

In re: Petition for approval of 2020 depreciation study by Peoples Gas System.

DOCKET NO. 20200166-GU

DATED: September 28, 2020

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that STAFF'S PREHEARING STATEMENT has been filed with the Office of Commission Clerk and that a true copy has been furnished to the following by electronic mail this 28th day of September, 2020:

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CERTIFICATE OF SERVICE
DOCKET NO. 20200051-GU AND 202000166-GU
PAGE 2

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