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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In The Matter of	:	DOCKET NO. 910220-GU
	:	
Notice of change of owner-	:	
ship of assets of MILLER	:	<u>MIAMI SERVICE HEARING</u>
GAS COMPANY by CITY GAS	:	
COMPANY OF FLORIDA.	:	

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**RECEIVED**  
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MAY 21 1991

Florida Public Service Commission

Holiday Inn  
Alhambra Room  
1350 South Dixie Highway  
Coral Gables, Florida 33146

Wednesday, May 16, 1991

Met pursuant to notice at 10:30 a.m.

BEFORE: COMMISSIONER BETTY EASLEY

APPEARANCES:

JAMES D. BEASLEY, Ausley, McMullen, McGehee,  
Carothers, Proctor, Post Office Box 391, Tallahassee,  
Florida 32302, Telephone No. (904) 224-9115, appearing  
on behalf of City Gas Company of Florida.

ROBERT V. ELIAS, Florida Public Service  
Commission, Division of Legal Affairs, 101 East Gaines  
Street, Tallahassee, Florida 32399, Telephone No.  
(904) 487-2740, appearing on behalf of the Commission  
Staff.

DOCUMENT NO. 05086-91
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REPORTED BY: JOY KELLY, CSR, RPR  
Official Commission Reporter

I N D E XWITNESSESName:Page No.

ROBERT C. READY  
Direct Statement

7

CERTIFICATE OF REPORTER

10

EXHIBITSNumber:Identified Admitted

1 (Ready) Letter to Mr. Langer  
from Garrett Sloan

2 (Beasley) Affidavit of Notice

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P R O C E E D I N G S

(Hearing convened at 10:35 a.m.)

COMMISSIONER EASLEY: We'll call the hearing to order. Mr. Elias, would you read the notice, please.

MR. ELIAS: Notice issued by the Clerk's Office advising that a public hearing will be held in Docket 910220-GU, "Notice of Change of Ownership of Assets of Miller Gas Company by City Gas Company of Florida," and advises that a public hearing will be held on 10:30 a.m. on May 16th, 1991, at the Holiday Inn at 1350 South Dixie Highway, Coral Gables, Florida. The notice advises that the hearing will commence at 10:30 a.m. and that customers who wish to present testimony are urged to appear promptly at the beginning of the hearing since the hearing may be adjourned early if no witnesses are present to testify.

COMMISSIONER EASLEY: Thank you. We'll take appearances of counsel, please.

MR. BEASLEY: Commissioner, I'm James D. Beasley, with the law firm of Ausley, McMullen, McGehee, Carothers and Proctor, Post Office Box 391, Tallahassee, Florida 32302, representing City Gas Company of Florida.

COMMISSIONER EASLEY: Thank you.

1 MR. ELIAS: I'm Robert V. Elias, 101 East  
2 Gaines Street, on behalf of the Commission Staff.

3 COMMISSIONER EASLEY: Thank you. And I'm  
4 Commissioner Betty Easley. I am the panel for today.

5 This will be an opportunity for public  
6 comment. The technical part of the hearing and the  
7 final agenda will be held June 11th in Tallahassee,  
8 with the order to be issued on July 1st.

9 We have a fairly formal proceeding even  
10 though it is a public hearing. In order for any public  
11 witnesses' comments to be placed in the official  
12 record, it is necessary for us to have a court reporter  
13 and it is necessary for us to swear witnesses in.

14 I understand we have one public witness, is  
15 that the case?

16 MR. BEASLEY: That's correct.

17 COMMISSIONER EASLEY: All right. Sir, if you  
18 would, I'll ask you to come to the podium, and swear  
19 you in and then you can make your statement. I  
20 understand the company, by the way, has waived making  
21 an opening statement, is that correct, Mr. Beasley?

22 MR. BEASLEY: That's correct, Commissioner.

23 I would like to offer into the record of this  
24 proceeding an affidavit of Mr. Wutzler regarding a  
25 separate notice that was sent out to all former Miller

1 Gas customers, if I might. And I will do that after  
2 Mr. Ready's comments.

3 COMMISSIONER EASLEY: All right, sir.  
4 (Witness sworn.)

5 COMMISSIONER EASLEY: Would you state your  
6 name and address for the record?

7 WITNESS READY: My name is Robert C. Ready,  
8 15400 Southwest 85th Avenue, Miami, Florida. I am the  
9 Assistant Director for Operations and Maintenance of  
10 the Miami-Dade Water and Sewer Authority Department.

11 COMMISSIONER EASLEY: Thank you, sir. Go  
12 right ahead and make any comment you care to make.

13 WITNESS READY: We are one of the large  
14 customers of Miller Gas Company. We use the gas in our  
15 lime recalcining facility at the Alexander Orr Water  
16 Treatment Plant in South Dade County.

17 What we do is we take calcium carbonate  
18 sludge from the water which is produced in the  
19 treatment process. We put it through a gas-fueled lime  
20 kiln and that converts it to calcium oxide, which  
21 chemical is used in the treatment of water. We are, in  
22 other words, recycling the lime. We use a large  
23 quantity of gas, and the proposed rate change, based on  
24 the quantity of gas we use, would cost us approximately  
25 \$6,000 per month. Our expenses are covered by our

1 water rates. And our water rates have already been set  
2 for the current fiscal year based on the existing gas  
3 rates.

4           So we presented this problem and met with  
5 Mr. Langer of City Gas, and discussed it with him, and  
6 reached an understanding, as I see it, that it would be  
7 acceptable to us -- and we would consider it fair -- if  
8 the change in the gas rates and the conversion to a  
9 contract that would be the same as another contract  
10 that we have already negotiated for our other lime kiln  
11 in Hialeah, would take effect February 1st, 1992. That  
12 would be acceptable to the Water and Sewer Department,  
13 and I believe acceptable to City Gas. And it would  
14 avoid difficulties with the current budget and would  
15 also ameliorate the impact of the change and expenses  
16 on our rates for the coming fiscal year. That I think  
17 would be a reasonable approach. So we wrote a letter  
18 to City Gas Company stating that, and may I present the  
19 letter?

20           COMMISSIONER EASLEY: Yes, please.

21           (Hands document to Commissioner.)

22           COMMISSIONER EASLEY: While you're doing  
23 that, what is your fiscal year, Mr. Ready?

24           WITNESS READY: It ends September 30th,

25           COMMISSIONER EASLEY: Thank you. All right.

1           We'll mark the letter -- I'll give it to you,  
2 Joy. It's a letter dated April 26th, 1991 to Mr. Langer  
3 from Garrett Sloan, the Director of the Miami-Dade Water  
4 and Sewer Authority Department and we'll number this  
5 No. 1.

6           (Exhibit No. 1 marked for identification and  
7 received into evidence.)

8           COMMISSIONER EASLEY: All right. Go ahead,  
9 sir.

10          WITNESS READY: that concludes my remarks.

11          COMMISSIONER EASLEY: All right, sir.

12          Mr. Beasley, do you have any questions?

13          MR. BEASLEY: Commissioner. I have no  
14 questions, I just -- for City Gas I'll confirm that  
15 the company, through Mr. Jack Langer, has received  
16 Mr. Ready's letter and is in agreement with the content  
17 of it. And we think that the request is a reasonable  
18 one and we concur in it.

19          COMMISSIONER EASLEY: Let me ask you a  
20 question about that: Are you talking about deferring  
21 the effective date on all rates to February 1 or just  
22 to Miami-Dade Water Sewer Authority?

23          MR. BEASLEY: Commissioner, just to the  
24 Miami-Dade Water and Sewer Authority. And I think that  
25 would have a beneficial effect to the other customers

1 of Miller Gas because many of them are customers of the  
2 Water and Sewer Authority. But, in light of the  
3 concerns expressed by Mr. Ready and the budgeting  
4 situation that they had, we thought that would be a  
5 reasonable request.

6 COMMISSIONER EASLEY: So the reason for the  
7 question, obviously, is I don't want to put us in the  
8 position of agreeing to something that could be  
9 regarded as discriminatory in any way, but if the other  
10 customers of Miami-Dade Water Authority are going to  
11 benefit because of the rates to the Miami Water  
12 Authority, then I would think it would fall under the  
13 category of -- where discrimination is permitted when  
14 it's in the public good.

15 MR. BEASLEY: Reasonable justification.

16 COMMISSIONER EASLEY: Yeah. Interesting.

17 Mr. Elias, do you have any questions?

18 MR. ELIAS: No.

19 COMMISSIONER EASLEY: Thank you very much,  
20 sir. I appreciate your being here.

21 WITNESS READY: Thank you.

22 COMMISSIONER EASLEY: Was there anyone else  
23 who wished to be heard?

24 MR. BEASLEY: Commissioner, I would, as I  
25 mentioned earlier, offer as an exhibit, the affidavit



1 of Mr. Jerry Wutzler with the copy of the separate  
2 notice that was furnished to all customers.

3 COMMISSIONER EASLEY: Do you have another  
4 copy for the court reporter?

5 MR. BEASLEY: Yes.

6 (Hands document to Commissioner.)

7 COMMISSIONER EASLEY: All right. The  
8 affidavit of Mr. Wutzler will be marked as Exhibit 2.

9 Affidavit of notice, I guess. Short title.

10 (Exhibit No. 2 marked for identification and  
11 received into evidence.)

12 COMMISSIONER EASLEY: All right. Is there  
13 anything else? Mr. Beasley?

14 MR. BEASLEY: No, ma'am.

15 COMMISSIONER EASLEY: Mr. Elias?

16 MR. ELIAS: We have nothing further.

17 COMMISSIONER EASLEY: And no other customers  
18 wish to be heard? That being the case, this hearing is  
19 adjourned. Thank you very much.

20 (Whereupon, hearing was adjourned at 10:43 a.m.)

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1 F L O R I D A )                    CERTIFICATE OF REPORTER  
2                    :  
3 COUNTY OF LEON)

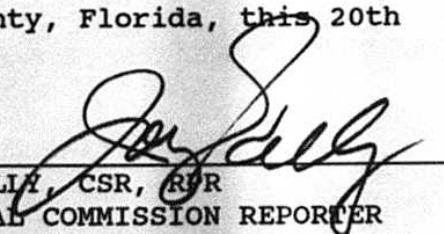
4                    I, JOY KELLY, CSR, RPR, Official Commission  
5 Reporter

6                    DO HEREBY CERTIFY that the Service Hearing, in  
7 the captioned matter, Docket No. 910220-GU, was heard by  
8 the Florida Public Service Commission at the time and  
9 place herein stated; it is further

10                    CERTIFIED that I reported in shorthand the  
11 proceedings held at such time and place; that the same has  
12 been transcribed under my direct supervision, and that  
13 this transcript, consisting of 10 pages, constitutes a  
14 true and accurate transcription of my notes of said  
15 proceedings; it is further

16                    CERTIFIED that I am neither of counsel nor  
17 related to the parties in said cause and have no interest,  
18 financial or otherwise, in the outcome of this docket.

19                    IN WITNESS WHEREOF, I have hereunto set my  
20 hand at Tallahassee, Leon County, Florida, this 20th  
21 day of May, A.D., 1991.

22                      
23 JOY KELLY, CSR, RPR  
24 OFFICIAL COMMISSION REPORTER  
25 FPSC Bureau of Reporting  
Fletcher Building, Room 264  
101 East Gaines Street  
Tallahassee, Florida 32301-0871  
Telephone No. (904) 488-5980

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 910220-EX EXHIBIT NO. 1  
COMPANY: Waller Gas/Ready  
WITNESS: 5/16/91  
DATE: \_\_\_\_\_



MIAMI-DADE WATER AND SEWER AUTHORITY DEPARTMENT

P. O. BOX 330316  
MIAMI, FLORIDA 33233-0316

# 1  
Main Office  
3575 S. LeJeune Road  
Telephone 665-7471

April 26, 1991

Mr. Jack Langer, President and CEO  
City Gas Company of Florida  
955 East 25th Street  
Hialeah, Florida 33013-3498

Re: Natural Gas Rates

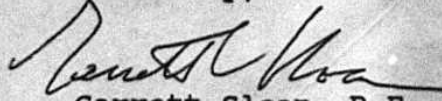
Dear Mr. Langer:

This will confirm our earlier discussions about City Gas' large volume interruptible rate IL, and its applicability to our operations. The Miami-Dade Water and Sewer Authority Department (WASAD) operates the Alexander Orr, Jr. Water Treatment Plant in Dade County, which formerly obtained its natural gas supply from Miller Gas before City Gas acquired the system. The Board of County Commissioners of Dade County recently approved a contract for natural gas service at City Gas' IL rate for another water treatment plant operated by WASAD in Hialeah.

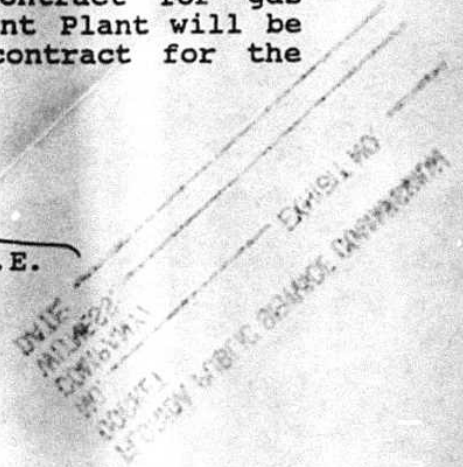
WASAD has reviewed City Gas' request that the Florida Public Service Commission (FPSC) authorize City Gas to apply its regular rates and charges in a uniform manner to customers formerly served by Miller Gas, and to apply its IL rate to the Alexander Orr, Jr. Water Treatment Plant. This would increase WASAD's cost for gas by approximately \$6,000 per month. WASAD's rates to its water customers are determined by its costs and these rates are fixed for the current budget year. The budget and rates for next year are currently being prepared.

WASAD requests that the proposed change be postponed to February 1, 1992 to ameliorate the impact on water rates. Based on our meeting of April 25, 1991 it is our understanding that this proposal is mutually acceptable, subject to Public Service Commission approval, and that the current contract for gas service to the Alexander Orr, Jr. Water Treatment Plant will be changed at that time to be similar to our contract for the Hialeah Water Treatment Plant.

Sincerely,

  
Garrett Sloan, P.E.  
Director

GS/RCR/1a  
042591



FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 910220-GW EXHIBIT NO. 2  
COMPANY: MG Blue Bell  
WITNESS: 3/16/51  
DATE



...with respect to the ...  
...of the ...  
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...of the ...  
...of the ...

COMMISSION OF PUBLIC UTILITIES )  
DIVISION OF REGULATION )


VERIFIED

A F F I D A V I T

STATE OF FLORIDA    )  
                          )  
COUNTY OF DADE     )

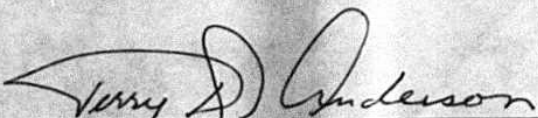
My name is Jerry A. Wutzler. I am employed by City Gas Company of Florida as Vice President and CFO.

Attached hereto as Exhibit "A" is a copy of the Notice to Customers which, under my supervision and direction, was sent by U. S. Mail to all former Miller Gas Company residential and commercial customers on April 11, 1991. The single interruptible customer formerly served by Miller Gas was furnished a copy of the Notice to Customers (Exhibit "A") via U. S. Mail on April 15, 1991. These notices were sent to former Miller Gas customers as a separate mailing not associated with any billing.

  
\_\_\_\_\_  
JERRY A. WUTZLER  
Vice President and CFO

SWORN and subscribed to before me this 15th day of May, 1991



  
\_\_\_\_\_  
NOTARY PUBLIC, State of Florida  
at Large

Notary Public, State of Florida  
My Commission Expires  Commission Expires Jan. 29, 1995  
Bonded Through Tray Fahn's Insurance Inc.

FILE  
MAY 22 1991  
COUNTY OF DADE  
NOTARY PUBLIC, RESERVE COUNTY

**In Re: Petition of  
City Gas Company of Florida  
for Application of City Gas'  
Commission-Approved Tariff for  
Customers Formerly Served by  
Miller Gas Company  
FPSC DOCKET NO. 910220-GU  
NOTICE OF INTERIM RATE INCREASE**

April 1991

On February 19, 1991, City Gas Company of Florida ("City Gas") acquired the natural gas assets and service areas of Miller Gas Company ("Miller"). City Gas notified the Florida Public Service Commission ("FPSC") of the change in ownership on February 25, 1991, and also petitioned the FPSC for authority to apply City Gas' rates and charges and other tariff provisions regarding the terms and conditions of natural gas service in its future dealings with the former Miller Gas customers.

City Gas stated in its Petition that the rates and charges of City Gas and the former rates of Miller Gas were very similar. Miller Gas had received FPSC approval to file a request for a rate increase at the time City Gas acquired Miller Gas' natural gas operations. (Docket No. 900900-GU).

On April 2, 1991, the FPSC voted to approve City Gas' Petition on an interim basis with respect to all bills for meter readings taken on and after May 2, 1991.

Set forth below are the FPSC approved rates and charges for City Gas compared with the rates and charges last approved by the FPSC for Miller Gas customers, before taxes:

RATE SCHEDULE	Miller Gas	City Gas	Difference
<b>Residential</b>			
Customer Charge (Monthly)	\$6.00	\$6.00	0
Energy Charge	\$0.34170	\$0.35244	\$0.01074
Energy Conservation	0	\$0.05439	\$0.05439
Purchased Gas Adjustment	\$0.23558	\$0.23558	0
<b>Commercial</b>			
Customer Charge (Monthly)	\$12.00	\$12.00	0
Energy Charge	\$0.19980	\$0.17770	\$0.02190
Energy Conservation	0	\$0.01552	\$0.01552
Purchased Gas Adjustment	\$0.23558	\$0.23558	0
<b>Interruptible Large Volume</b>			
Customer Charge (Monthly)	\$20.00	\$150.00	\$130.00
Energy Charge	\$0.075	\$0.09451	\$0.01951
Energy Conservation	0	0	0
Purchased Gas Adjustment	\$0.23558	\$0.23558	0

Front side

Set forth below is a comparison of typical monthly bills using the Commission-approved City Gas rates versus the old Miller Gas rates. These amounts include gas costs and related factors. City Gas charges each of its customers an Energy Conservation Cost Recovery (ECCR) factor. These factors have been included and shown separately in the typical bill amounts shown below for City Gas. In actual bills, the ECCR charge is included in the Energy Charge.

Typical Monthly therm usage	Interruptible		
	Residential 25	Commercial 800	Large Volume 80,000
<b>MILLER GAS</b>			
Customer Charge	\$ 6.00	\$ 12.00	\$ 20.00
Energy Charge	\$ 8.54	\$159.68	\$ 6,000.00
ECCR Charge	\$ .00	\$ .00	\$ .00
PGA	\$ 5.88	\$188.46	\$18,846.40
Total	\$20.42	\$360.14	\$24,866.40
<b>CITY GAS (Combined)</b>			
Customer Charge	\$ 6.00	\$ 12.00	\$ 150.00
Energy Charge	\$ 8.81	\$142.16	\$ 7,560.80
ECCR Charge	\$ 1.36	\$ 12.42	\$ .00
PGA	\$ 5.88	\$188.46	\$18,846.40
Total	\$22.05	\$355.04	\$28,557.20

The ECCR charge allows residential customers to participate in City Gas' conservation programs at a cost of approximately 4 cents a day (using the currently approved cost recovery factor).

A service hearing on the Company's request is scheduled at 10:30 a.m. on Thursday, May 16, 1991, in the Alhambra Room of the Holiday Inn, 1350 South Dixie Highway, Coral Gables, Florida, 33146. Persons who wish to testify are urged to appear at the beginning of the hearing since the hearing may be adjourned early if no witnesses are present to testify.

On June 11, 1991, at its regularly scheduled Agenda Conference commencing at 9:30 a.m. in Room 106 of the Fletcher Building, 101 East Gaines Street, Tallahassee, Florida, 32399-0870, the FPSC will consider granting permanent approval of the application of City Gas' rates and charges for calculating bills of former Miller Gas customers. Any person whose substantial interests are affected by such permanent approval may file a petition for a formal proceeding, as provided for in Rule 25-22.036(4), Fla. Admin. Code, in the form provided by Rule 25-22.036 (7) (a) (d) (e), Fla. Admin. Code. This petition must be received by the Director, Division of Records and Reporting, at his office at 101 East Gaines Street, Tallahassee, Florida, 32399-0870, by the close of business on May 2, 1991. In the absence of such a petition, the action to be taken by the Commission at its June 11, 1991, Agenda Conference in this matter will be final agency action as of the date of issuance of the order commemorating such action.

Back side