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Public Service Commission

June 4, 2013

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Floyd Self, Esquire
Gonzalez Saggio & Harlan LLP
3411 Capital Medical Blvd.
Tallahassee, FL 32308

STAFF'S FIRST DATA REQUEST

RE: Docket No. 130089-GU – Joint petition for approval of natural gas transportation service agreement between Florida City Gas and Miami-Dade County, through Miami-Dade Water and Sewer Department.

Dear Mr. Self

By this letter, the Commission staff requests that Florida City Gas provide responses to the following data requests.

Bypass Alternative Items (Sections 1.0 through 5.0, below):

1.0 Introductory Remarks

Petitioners' Exhibit C, pages 1-4 of 77 provide a schedule of capital and annual costs and cost amortization schedules for the Orr and Hialeah plants. Hereafter, these pages will be referred to as the "Bypass Summary Analysis" (BSA). Staff requests that the petitioners submit a revised BSA with consideration of responses to staff questions as listed in Sections 2.0, 3.0, and 4.0, below. Section 2.0 contains questions asking for clarification of some line items in the current BSA presentation. Section 3.0 contains questions asking for clarification of apparent differences in the supporting information presented elsewhere in petitioners' Exhibit C relative to the BSA. Section 4.0 contains questions asking for clarification regarding why supporting information presented in petitioners' Exhibit C was not included in the BSA. Section 5.0 contains the request for the revised BSA.

2.0 Questions Pertaining to the Current BSA

2.1 Please refer to page 1 of the BSA. Please explain how the \$427,000 estimated cost of the FGT tie in to the Hialeah plant was determined; also, please explain whether or not the site-specific circumstances associated with the FGT tie-ins for the Orr and Hialeah plants are sufficiently different such that a different amount potentially should be shown for the Hialeah plant rather than the same amount estimated for the Orr plant.

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- 2.2 Please refer to page 1 of the BSA. Please explain how the \$23,000 and \$54,000 estimated labor costs shown for the Orr and Hialeah plants, respectively, were determined.
- 2.3 Please refer to page 1 of the BSA. Please explain how the \$200,000 and \$175,000 estimated costs of the metering and regulating (M&R) stations ("Valves & Fittings" line per Exhibit C pages 5-6 of 77) for the Orr and Hialeah plants, respectively, were determined; also, please see related Question 3.4, below.
- 2.4 Please refer to page 1 of the BSA. Please explain why no estimated costs were included for the "Contingency (15% of direct)" line item.
- 2.5 Please refer to page 2 of the BSA. Please describe the elements that comprise the "one call" annual expenses ("all inclusive" per Exhibit C pages 5-6 of 77) estimated to be \$270,000 (\$18,000/year for 15 years) and \$450,000 (\$30,000/year for 15 years) for the Orr and Hialeah plants, respectively; also, please see related Question 3.6, below.
- 3.0 Questions Pertaining to Exhibit C Differences Relative to the BSA
- 3.1 Please refer to Exhibit C page 7 of 77. Please confirm whether the historical annual gas consumption volumes of 3,469,000 (Orr) and 2,727,911 (Hialeah) are the source of the gas volumes used on pages 2, 3, and 4 of the BSA. If so, please explain how these historical volumes were derived and why they differ from the historical volumes presented in Exhibit B page 4 of 4.
- 3.2 Please refer to Exhibit C page 8 of 77. Please confirm whether the 'Price Request Proposal' from PDI, Inc. contains two distinct quotes for materials and installation of the pipeline to the Hialeah plant based on two different proposed routes. If so, please explain why the NW 72nd Ave & 68th St route was chosen as the alternative to be included in the BSA; also please see related Question 3.8 below to determine whether or not it actually was the intent to choose the NW 36th St route for inclusion in the BSA.
- 3.3 Please refer to Exhibit C page 8 of 77. Please explain how the \$110,000 cost estimate for materials/installation of the pipeline to the Orr plant was derived.
- 3.4 Please refer to Exhibit C pages 10 and 28 of 77 and to related Question 2.3, above. Please explain why the estimated M&R station cost estimates of \$200,000 and \$175,000 for the Orr and Hialeah plants, respectively, were included in the BSA rather than the \$250,000 and \$200,000 estimates shown on Exhibit C page 28 of 77; also, please explain why estimates of the following costs related to M&R station construction and installation were not included in the BSA:
 - (a) \$30,000 to \$40,000 per skid at the Orr plant, if applicable (*i.e.*, if a second meter run is required since there are two meters at the Orr plant),
 - (b) \$6,000 of freight costs associated with each M&R unit,
 - (c) Site-specific preparation work including offloading the skid(s), mounting to a concrete pad, construction of the concrete pad(s), fencing, gravel, and grounding of the skid(s), etc.,
 - (d) \$10,000 to \$15,000 of site-specific electrical work, and
 - (e) Odorization costs, if applicable.

- 3.5 Please refer to Exhibit C page 24 of 77. Please explain the nature of the work that would be performed by sub-consultant NOVA.
- 3.6 Please refer to Exhibit C pages 40-47 of 77 and to related Question 2.5, above. Please explain whether the proposed FGT/MDWASD service agreement for the Orr plant M&R station is related to the 'all inclusive' maintenance costs of \$18,000 per year included in the BSA. If the services to be provided by FGT under Article 3 of the proposed service agreement (Exhibit C pages 42-43 of 77) differ from those services associated with the maintenance costs shown in the BSA, please provide an estimate of the annual costs that MDWASD would pay FGT under the proposed service agreement for the Orr plant.
- 3.7 Please refer to Exhibit C pages 40-47 of 77. Please explain whether the 'all inclusive' maintenance costs of \$30,000 per year shown in the BSA for the Hialeah plant are related to a proposed service agreement covering the Hialeah plant M&R station that is similar to the proposed agreement provided for the Orr plant as identified in Question 3.6 above. If a proposed service agreement for the Hialeah plant would entail services that differ from those services associated with the maintenance costs shown in the BSA, please provide an estimate of the annual costs that MDWASD would pay FGT under such a proposed service agreement for the Hialeah plant.
- 3.8 Please refer to Exhibit C pages 49 and 8-9 of 77 and to related Question 3.2 above. Please explain why the cost estimates provided by AECOM and sub-contractors for the Hialeah plant pipeline support work were prepared based on the proposed NW 36th St route when the PDI pipeline materials and installation cost estimates based on the proposed NW 72nd Ave & 68th St route were chosen for inclusion in the BSA; also, please explain and provide an estimate of any significant differences in the AECOM/sub-contractor cost estimates that would result if AECOM had prepared the estimates based on the proposed NW 72nd Ave & 68th St route, or in the alternative, please adjust the BSA for purposes of consistency to reflect the PDI cost estimates for the proposed NW 36th St route.
- 4.0 Questions Pertaining to Exhibit C Materials Omitted from the BSA
- 4.1 Please refer to Exhibit C pages 11-27 of 77. Please include the estimated costs of \$182,922 for engineering design, support, and survey work provided by HDR and sub-contractors for the Orr plant in the BSA; or, in the alternative, please explain why these estimated costs should not be included in the BSA.
- 4.2 Please refer to Exhibit C pages 48-77 of 77. Please include the estimated costs of \$589,831 for engineering design, support, and survey work provided by AECOM and sub-contractors for the Hialeah plant in the BSA, reflecting any adjustments that might be necessary based on responses to Question 3.8 above; or, in the alternative, please explain why these estimated costs should not be included in the BSA.
- 5.0 Request for a Revised Bypass Summary Analysis
- 5.1 Please provide a revised BSA that takes into consideration petitioners' responses to the questions in Sections 2.0 through 4.0, above.

- 5.2 Please provide an electronic copy of the revised BSA in Excel format, with all formulas active and unlocked.

Please file the original and five copies of the requested information by Wednesday, July 3, 2013 with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6218 if you have any questions.

Sincerely,



Suzanne Brownless
Senior Attorney

SBr/nah

cc: Office of Commission Clerk ✓