

HOPPING GREEN SAMS & SMITH

PROFESSIONAL ASSOCIATION

ATTORNEYS AND COUNSELORS

123 SOUTH CALHOUN STREET

POST OFFICE BOX 6526

TALLAHASSEE, FLORIDA 32314

(850) 222-7500

FAX (850) 224-8551

FAX (850) 425-3415

www.hgss.com

JAMES S. ALVES
BRIAN H. BIBEAU
ROCHELLE A. BIRNBAUM
RICHARD S. BRIGHTMAN
KEVIN B. COVINGTON
PETER C. CUNNINGHAM
RALPH A. DEMEO
JODY L. FINKLEA
WILLIAM H. GREEN
WADE L. HOPPING
GARY K. HUNTER, JR.
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RICHARD D. MELSON
ANGELA R. MORRISON
SHANNON L. NOVEY

ERIC T. OLSEN
GARY V. PERKO
MICHAEL P. PETROVICH
DAVID L. POWELL
JOHN K. POWELL
WILLIAM D. PRESTON
CAROLYN S. RAEPPLE
DOUGLAS S. ROBERTS
D. KENT SAFRIET
GARY P. SAMS
TIMOTHY G. SCHOENWALDER
ROBERT P. SMITH
DAN R. STENGLE
CHERYL G. STUART
W. STEVE SYKES
OF COUNSEL
ELIZABETH C. BOWMAN

Writer's Direct Dial No.
(850) 425-2313

December 5, 2000

BY HAND DELIVERY

Blanca Bayó
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: City Gas -- Docket No. 000768-GU

Dear Ms. Bayó:

Enclosed for filing on behalf of City Gas Company of Florida are the original and fifteen copies of its Response to the Staff's Engineering Report.

If you have any questions regarding this filing, please call.

Very truly yours,

Richard D. Melson

ORIGINAL

RECEIVED-FPSC
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ELIZABETH C. BOWMAN

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FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following by
Hand Delivery this 5th day of December, 2000:

Marlene Stern
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Norman H. Horton
Messer, Caparello & Self, P.A.
P.O. Box 1876
Tallahassee, FL 32301



Attorney

ORIGINAL

Summary

The Engineer's report is comprised of three sections, (1) the common plant analysis, (2) the proposed construction budget and (3) the Clewiston expansion. The engineering evaluation of the City Gas construction budget and common plant allocation resulted in a recommended \$591,197 projected test year reduction for common plant and a \$2,032,158 reduction in budgeted additions. Although the engineering report includes recommendations for the base year and base year + 1, we are only addressing the reductions that affect rate base in the projected test year in this summary analysis.

		Rate Base As Filed	Staff Proposed Adjustments	Company Proposed Adjustments
(1)	Common Plant	8,942,385	(591,197)	36,922
(2)	Construction Budget	27,630,724	(2,032,158)	(368,300)
(3)	Clewiston Expansion	17,648,800	0	0
	Total	Not Meaningful	(2,623,355)	(331,378)

Common Plant

The common plant adjustment recommended by the Engineer is due largely to the weighted average calculation that he is proposing for account 391 and the three factor methodology proposed for accounts 392, 393, 394, 397 and 398. The Company disagrees with the Engineer's calculation for both these items for the following reasons:

1. The weighted average proposed for account 391 includes the Medley Office and there is no furniture in this facility, as Medley was sold in 1997.
2. The Engineer disagrees with the Company's three factor calculation based on his understanding that it is different from the factor that was approved in the Company's last rate case. In that case, Staff agreed with the Company's three factors. However, the final order mistakenly identified the three factors used by the Company as payroll, gross plant and number of employees. The actual factors used were payroll, gross plant and number of customers. The

Engineer's report in the last case agreed with our factors and did not recommend changes thereto. Since the Company used the same methodology in this case, the Company's methodology is consistent with the prior case, and the Engineer erroneously recommended the changes based on the error in the final order in the last case. In conclusion, the Engineer's adjustments related to changing the third factor to number of employees are not appropriate.

See the table at Attachment A for a detailed response to the Common Plant section of the Engineer's report.

Construction Budget

The construction budget adjustments recommended by the Engineer are due largely to his proposal to remove two Brevard County projects because the Company requested that the customers' names and other pertinent data be kept confidential. All information concerning these projects has since been provided in response to Staff's requests for production of documents.

The Engineer's report also recommends applying a common plant allocation factor to all budget additions that have non-utility usage. The Company disagrees with this recommendation because all budget additions included in plant in the rate case filing have already been subjected to the common plant allocation. In many cases, the Engineer determines that all 2001 additions are utility-only additions, and as a result, should be 100% included in rate base. However, we subjected them to the common plant allocation, consistent with the methodology used in the last case. See the table at Attachment B for a detailed response to the Construction Budget section of the Engineer's report.

Clewiston Expansion

The Company disagrees with the Staff's engineering report and its conclusions concerning the Clewiston Expansion Project.

It appears that project information provided to the engineering staff was misinterpreted, or used incorrectly when evaluating the project. For example, the report assumes that the construction of Phase II will follow the completion of Phase I, when in fact the two phases will proceed in parallel. Similarly, the report projects a construction timetable based on the use of one construction crew, when in fact multiple crews will be employed.

The company respectfully offers the restatement of the project and its progress to date in redline format at Attachment C. A clean copy is included at Attachment D. Appended to Attachment C are several supporting documents reflecting the company's plans to substantially complete the project in the projected test year. Note that we have not suggested changes to the Engineer's findings and conclusions. Our changes reflect only a correction of the facts in the report.

City Gas Company of Florida
Common Plant Analysis
Base Year Adjustments

Account	Description	Staff Proposed Adjustments	Reason	Company Response	Company Proposed Adjustments
374	Land & Land Rights	None	N/A		N/A
375	Structure & Improv.	None	N/A		N/A
389	Land & Land Rights	None	N/A		N/A
390	Structure & Improv.	None	N/A		N/A
387	Other Dist. Equipment	(5,842.00)	Items not used and useful	Agree with Finding	(5,842.00)
391	Office furniture & Equipment	(62,745.00)	Rockledge Office percentage used to calculate the weighted average decreased from 84% to 72% to agree with the % used in the last rate case, as there has been no change in usage.	We agree with the Rockledge Office calculation. However, the Medley Office was mistakenly included in the weighted average calculation and there is no office furniture in this location, as the Medley office was sold in 1997. Removing Medley from the calculation results in a weighted average of 63%.	376,470.00
392	Transportation Equipment	(37,602.40)	The FPSC Engineer is recommending a three factor based upon payroll, gross plant and # of employees which is incorrectly identified in the final order from the 1996 rate case as the three factor use by the company in the 1996 case.	Three factor based upon payroll, gross plant and # of customers were used in the 1996 rate case and the staff accepted this methodology. The final order mistakenly identified the company three factor as payroll, gross plant and # of employees. There were no recommended adjustments based on the three factor methodology used in the last case. Therefore, the company did use the three factors approved in the last case. As a result no adjustment is necessary.	0.00 (1)
393	Stores Equipment	(1,110.00)	Same as account 392	Same as account 392	0.00 (1)
394	Tools, Shop & Garage Equip	(33,692.00)	Same as account 392	Same as account 392	0.00 (1)
395	Laboratory Equipment	None	N/A		N/A
397	Communication Equipment	(59,145.00)	Same as account 392	Same as account 392	0.00 (1)
398	Miscellaneous Equipment	(2,482.60)	Same as account 392	Same as account 392	0.00 (1)
Total Recommended Adj.		(202,619.00)			370,628.00

(1) - An error was found in the three factor calculation used by the Engineer. Using the Engineer's numbers, the % allocated to non utility should have been 20%. The staff adjustments included above for accounts 392, 393, 394, 397 and 398 are based on the correct calculation.

ATTACHMENT A

City Gas Company of Florida
Common Plant Analysis
Base Year + 1 Adjustments

Account	Description	Staff Proposed Adjustments	Reason	Company Response	Company Proposed Adjustments
374	Land & Land Rights	None	N/A	N/A	N/A
375	Structure & Improv.	5,293.00	933 Building on site inspection indicates that the utility allocation should be 82% instead of 81% filed.	Agree with Finding	5,293.00
389	Land & Land Rights	1,000.00	For the Hialeah General Office, the on site inspection indicates that the utility allocation should be 70.5% instead of 70% filed. No changes recommended to other items in account 389.	Agree with Finding	1,000.00
390	Structure & Improv.	2,401.00	For the Hialeah 933 Building, the on site inspection indicates that the utility allocation should be 82% instead of 81% filed.	Agree with Finding	2,401.00
387	Other Dist. Equipment	(5,842.00)	Items not used and useful	Agree with Finding	(5,842.00)
391	Office furniture & Equipment	(324,945.00)	Rockledge Office percentage used to calculate the weighted average decreased from 84% to 72%.	We agree with the Rockledge Office calculation. However, the Medley Office was mistakenly included in the weighted average calculation and there is no office furniture in this location, as the Medley office was sold in 1997. Removing Medley from the calculation results in a weighted average of 63%.	36,104.43
392	Transportation Equipment	(137,452.00)	The FPSC Engineer is recommending a three factor based upon payroll, gross plant and # of employees which is incorrectly identified in the final order from the 1996 rate case as the three factor use by the company in the 1996 case.	Three factor based upon payroll, gross plant and # of customers were used in the 1996 rate case and the staff accepted this methodology. The final order mistakenly identified the company three factor as payroll, gross plant and # of employees. There were no recommended adjustments based on the three factor methodology used in the last case. Therefore, the company did use the three factors approved in the last case. As a result no adjustment is necessary.	0.00
393	Stores Equipment	(688.00)	Same as account 392	Same as account 392	0.00
394	Tools, Shop & Garage Equip	(34,112.00)	Same as account 392	Same as account 392	0.00
395	Laboratory Equipment	None	N/A	N/A	
397	Communication Equipment	(58,981.00)	Same as account 392	Same as account 392	0.00
398	Miscellaneous Equipment	(4,375.00)	Same as account 392	Same as account 392	0.00
Total Recommended Adj.		(557,701.00)			38,956.43

City Gas Company of Florida
Common Plant Analysis
Projected Test Year Adjustments

Account	Description	Staff Proposed Adjustments	Reason	Company Response	Company Proposed Adjustments
374	Land & Land Rights	None	N/A	N/A	N/A
375	Structure & Improv.	5,285.00	Hialeah 933 Building on site inspection indicates that the utility allocation should be 82% instead of 81% filed	Agree with Finding	5,285.00
389	Land & Land Rights	1,000.00	Hialeah General Office on site inspection indicates that the utility allocation should be 70.5% instead of 70% filed	Agree with Finding	1,000.00
390	Structure & Improv.	None	N/A	N/A	N/A
387	Other Dist. Equipment	(5,842.00)	Items not used and useful	Agree with Finding	(5,842.00)
391	Office furniture & Equipment	(318,033.00)	Rockledge Office percentage used to calculated the weighted average decreased from 84% to 72%.	We agree with the Rockledge Office calculation. However, the Medley Office was mistakenly included in the weighted average calculation and there is no office furniture in this location, as the Medley office was sold in 1997. Removing Medley from the calculation results in a weighted average of 63%.	36,479.00
392	Transportation Equipment	(154,375.00)	The FPSC Engineer is recommending a three factor based upon payroll, gross plant and # of employees which is incorrectly identified in the final order as the three factor use by the company in the 1996 case.	Three factor based upon payroll, gross plant and # of customers were used in the 1996 rate case and the staff accepted this methodology. The final order mistakenly identified the company three factor as payroll, gross plant and # of employees. There were no recommended adjustments based on the three factor methodology used in the last case. Therefore, the company did use the three factors approved in the last case. As a result no adjustment is necessary.	0.00
393	Stores Equipment	(688.00)	Same as account 392	Same as account 392	0.00
394	Tools, Shop & Garage Equip	(44,060.00)	Same as account 392	Same as account 392	0.00
395	Laboratory Equipment	None	N/A		N/A
397	Communication Equipment	(67,553.00)	Same as account 392	Same as account 392	0.00
398	Miscellaneous Equipment	(6,931.00)	Same as account 392	Same as account 392	0.00
Total Recommended Adj.		(591,197.00)			36,922.00

City Gas Company of Florida
 Projected Test Year
 Proposed Construction Budget - Brevard Division

Account	Description	Staff Proposed Adjustments	Reason	Company Response	Company Proposed Adjustments
376	Mains - Brevard	(1,401,000.00)	Need more information about the two projects	Information concerning the Brevard County projects has been provided in response to Request for Production of Documents.	0.00
379	Gate Stations	None	N/A	N/A	None
380	Service Lines	None	N/A	N/A	None
381	Meters	None	N/A	N/A	None
382	Meter Installations	None	N/A	N/A	None
383	Regulators	None	N/A	N/A	None
384	Regulator Installations	None	N/A	N/A	None
385	Industrial M & R	None	N/A	N/A	None
389	Land	None	N/A	N/A	None
390	Structure & Improv. - Brevar	(97,076.00)	The proposed expenditures should be allocated according to the Company's Common Plant Allocation Study.	We agree that the proposed expenditures should be subject to the common plant allocations; however, the proposed expenditures have already been subjected to the common plant allocation in the rate case filing. Therefore, no additional adjustment is necessary.	0.00
391	Office Equipment	(3,752.00)	The proposed expenditures should be allocated according to the Company's Common Plant Allocation Study.	We agree that the proposed expenditures should be subject to the common plant allocations; however, the proposed expenditures have already been subjected to the common plant allocation in the rate case filing. Therefore, no additional adjustment is necessary.	0.00
392	Autos & Trucks	None	N/A	N/A	None
394	Tools & Equipment	(3,040.00)	The portion of the proposed expenditures for the forklift should be allocated to non utility.	We agree that the proposed expenditures should be subject to the common plant allocations; however, the proposed expenditures have already been subjected to the common plant allocation in the rate case filing. Therefore, no additional adjustment is necessary.	
397	Communication Equipment	None	N/A	N/A	None
398	Other	None	N/A	N/A	None
Total Recommended Adj.		(1,504,868.00)			-

ATTACHEMENT B

City Gas Company of Florida
 Projected Test Year
 Proposed Construction Budget - Vero Division

Account	Description	Staff Proposed Adjustments	Reason	Company Response	Company Proposed Adjustments
376	Mains	None	N/A	N/A	None
379	Gate Stations	None	N/A	N/A	None
380	Service Lines	None	N/A	N/A	None
381	Meters	None	N/A	N/A	None
382	Meter Installations	None	N/A	N/A	None
383	Regulators	None	N/A	N/A	None
384	Regulator Installations	None	N/A	N/A	None
385	Industrial M & R	None	N/A	N/A	None
389	Land	None	N/A	N/A	None
390	Structure & Improv. - Brevar	None	N/A	N/A	None
391	Office Equipment	None	N/A	N/A	None
392	Autos & Trucks	None	N/A	N/A	None
394	Tools & Equipment	None	N/A	N/A	None
397	Communication Equipment	None	N/A	N/A	None
398	Other	None	N/A	N/A	None
Total Recommended Adj.		-			-

City Gas Company of Florida
 Projected Test Year
 Proposed Construction Budget - Port St. Lucie Division

Account	Description	Staff Proposed Adjustments	Reason	Company Response	Company Proposed Adjustments
376	Mains	None	N/A	N/A	None
379	Gate Stations	None	N/A	N/A	None
380	Service Lines	None	N/A	N/A	None
381	Meters	None	N/A	N/A	None
382	Meter Installations	None	N/A	N/A	None
383	Regulators	None	N/A	N/A	None
384	Regulator Installations	None	N/A	N/A	None
385	Industrial M & R	None	N/A	N/A	None
389	Land	None	N/A	N/A	None
390	Structure & Improv. - Brevar	None	N/A	N/A	None
391	Office Equipment	None	N/A	N/A	None
392	Autos & Trucks	None	N/A	N/A	None
394	Tools & Equipment	None	N/A	N/A	None
397	Communication Equipment	None	N/A	N/A	None
398	Other	None	N/A	N/A	None
Total Recommended Adj.		-			-

City Gas Company of Florida
 Projected Test Year
 Proposed Construction Budget - Miami Division

Account	Description	Staff Proposed Adjustments	Reason	Company Response	Company Proposed Adjustments
376	Mains	(335,000.00)	A review of projects determined that 2 have been canceled and 1 will not get approved by owner.	Agree with findings	(335,000.00)
379	Gate Stations	None	N/A	N/A	None
380	Service Lines	(20,268.00)	A review of projects determined that 2 have been canceled and 1 will not get approved by owner.	Agree with findings	(20,268.00)
381	Meters	(9,066.00)	A review of projects determined that 2 have been canceled and 1 will not get approved by owner.	Agree with findings	(9,066.00)
382	Meter Installations	(600.00)	A review of projects determined that 2 have been canceled and 1 will not get approved by owner.	Agree with findings	(600.00)
383	Regulators	(3,066.00)	A review of projects determined that 2 have been canceled and 1 will not get approved by owner.	Agree with findings	(3,066.00)
384	Regulator Installations	(300.00)	A review of projects determined that 2 have been canceled and 1 will not get approved by owner.	Agree with findings	(300.00)
385	Industrial M & R	None	N/A	N/A	None
389	Land	None	N/A	N/A	None
390	Structure & Improv. - Brevar	(118,710.00)	The proposed expenditures should be allocated according to the Company's Common Plant Allocation Study.	We agree that the proposed expenditures should be subject to the common plant allocations; however, the proposed expenditures have already been subjected to the common plant allocation in the rate case filing. Therefore, no additional adjustment is necessary.	None
391	Office Equipment	None	N/A	N/A	None
392	Autos & Trucks	None	N/A	N/A	None
394	Tools & Equipment	None	N/A	N/A	None
397	Communication Equipment	(29,730.00)	The proposed expenditures should be allocated according to the Company's Common Plant Allocation Study.	We agree that the proposed expenditures should be subject to the common plant allocations; however, the proposed expenditures have already been subjected to the common plant allocation in the rate case filing. Therefore, no additional adjustment is necessary.	None
398	Other	(10,550.00)	The proposed expenditures should be allocated according to the Company's Common Plant Allocation Study.	We agree that the proposed expenditures should be subject to the common plant allocations; however, the proposed expenditures have already been subjected to the common plant allocation in the rate case filing. Therefore, no additional adjustment is necessary.	None
Total Recommended Adj.		(527,290.00)			(368,300.00)

- 1) Account 376 – Mains
- 2) Account 380 – Service Lines
- 3) Account 381 – Meters
- 4) Account 382 – Meter Installations
- 5) Account 383 – Regulator
- 6) Account 384 – Regulator Installations
- 7) Account 390 – General Plant Structures
- 8) Account 397 – Communications Equipment
- 9) Account 398 – Other

Clewiston Expansion Project
(Central Florida Pipeline)
Projected Test Year

NUI/City Gas Company is proposing to construct a natural gas pipeline estimated to be approximately 150~~to 195~~ miles long, consisting of three phases, including mains, laterals and service lines. The company has proposed installations of Phases I & II within the projected test year at a cost of current reconnaissance level estimated cost is \$38,510,000. Exhibit 13. Gas will be supplied by \$17,648,800. Florida Gas Transmission (FGT) will supply gas at a pressure range of 1100 to 720 psig. The pipeline may have a maximum operating pressure of 720 psig.

The Company has retained Captec Engineering Inc., to complete a route selection, and estimated cost study. This has been accomplished. The study shows the pipeline to be 12 to 6 inch diameter welded steel pipe. The service laterals and lines are to be 6 and 4 inch welded steel pipe or 4 and 2 inch high density polyethylene (HDPE) pipe.

The pipeline will run through Palm Beach, Hendry, and Lee Counties and be constructed in three phases. Exhibit 14.

Phase I – ~~Approximately 37 miles with~~ Approximately 71.6 miles of mains, laterals and service lines of various lengths; from Ronald Reagan Turnpike in West Palm Beach to South Bay. See Pipe Segment & Size Schedule.

Phase II – ~~Approximately 31 miles with~~ Approximately 33.6 miles of mains, laterals and service lines of various lengths; from South Bay to County Road 833. See Pipe Segment & Size Schedule.

Phase III – ~~Approximately 42 miles with laterals~~ Approximately 42.2 miles of mains and service lines of various lengths; from Country Road 833 to Fort Myers Shores.

Attachment C

The engineering study estimates that for the entire project it will be necessary to obtain ~~a total of 17~~ permits from 15 various agencies, with an average permitting line of ~~75 days to 105 days each.~~ ~~If all permitting were done at once, it might be accomplished in a total~~45 days.

Attachment C

Page 67

October 31, 2000

Re: NUI/City Gas Company of Florida
Rate Case, Docket Number 000768-GU

~~Permit applications began in October 2000 and will continue with the appropriate agencies through the first two phases of the proposed pipeline (into July of 2001.) See supporting Permit Status Report. Per the project schedule, continuous over lap is built into the project to ensure project of 120 days. Exhibit 15. Some overlap with engineering design time could be feasible performance.~~
We have been advised, to date, one permit has been applied for but not finalized with the Florida Department of Transportation (FDOT). We have reviewed a copy of the permit. See supporting permit status report.

It should be noted that engineering design time for the project is estimated to be four to six months from notice to proceed. Estimated construction time for all segments and customers is ~~286 to 583 weeks. Exhibit 13.33 weeks (8 months).~~
See supporting Phase I & II Project Schedule.

The Company has identified a total of 14 potential commercial/industrial customers for the entire project. Exhibit 13. Phase I apparently has 9 of these potential customers. According to the engineering study, there are no significant future loads for the area West of Clewiston (Phase ~~I and~~ & II) and the Fort Myers/Cape Coral area is planned to be served by a new lateral off of FGT. Exhibit 16. It, therefore, appears at the present time that this pipeline is being constructed to primarily serve commercial/industrial customers.

Staff has not seen or reviewed any signed contracts with any of the proposed customers. (Post the engineers report staff has been provided detailed information and letter agreements.)

The project critical path schedule for Phase I shows a start date of October 1, 2000 and a completion date of ~~November 12, 2001. We are not aware of any other Schedules—Exhibit 17. October 15, 2001.~~ See supporting Phase I & II Project Schedule.

~~It is Staff's understanding that no detailed project engineering has been started and no contractor has been selected and awarded the construction contract. The project critical path schedule for Phase II shows a start date of January 1, 2001 and a completion date of September 15, 2001. See supporting Phase I & II Project Schedule.~~

The Company's ~~2001 projected budget for Phase I shows project costs starting in September 2000 and finishing in May 2001. Exhibit 18. critical path, detailed surveying and engineering efforts began in October 2000 following the Company's preliminary engineering and budgeting analysis for this project.~~

~~The Company's 2001 projected budget for Phase I shows project costs starting in September 2000 and finishing in May 2001. Exhibit 18.~~

Attachment C

The consulting engineering schedule shows the project starting in October, 2000 and construction completing on November, October 15, 2001. Two monthsweeks after the end of the Company's 2001 fiscal year. The engineering schedule shows deliverables starting in November, 2000 with construction starting in March, 2001 and finishing in November, October, 2001.
2001.

Staff Findings:

PHASE I - PIPE LENGTHS PER SIZE

Segment ID	Begin	Node	End	Pipeline Size (type)	Segment Length (miles)
12-INCH STEEL PIPE DISTRIBUTION					
441.1	A		B	12" Steel	13.75 miles
441.2	B		C	12" Steel	5.10 miles
441.3	C		D	12" Steel	6.00 miles
441.4	D		E	12" Steel	<u>6.00 miles</u>
SUBTOTAL				12" Steel	30.85 miles
8-INCH STEEL PIPE DISTRIBUTION					
80.1	E		P	8" Steel	3.85 miles
80.2	P		F	8" Steel	2.60 miles
80.3	F		H	8" Steel	<u>1.80 miles</u>
SUBTOTAL				8" Steel	8.25 miles
6-INCH STEEL PIPE SERVICE					
27.1	G		H	6" Steel	<u>5.80 miles</u>
SUBTOTAL				6" Steel	5.80 miles
4-INCH STEEL PIPE SERVICE					
Customer 1	H		1	4" Steel	<u>2.45 miles</u>
SUBTOTAL				4" Steel	2.45 miles
2-HDPE SERVICE BRANCHES					
98.4	S		R	2-HDPE	5.10 miles
Customer 3	O		3	2-HDPE	4.50 miles
Customer 2	S		2	2-HDPE	1.95 miles
Customer 9				2-HDPE	0.35 miles
Customer 10				2-HDPE	0.10 miles
Customer 11	E		11	2-HDPE	1.95 miles
Customer 12	E		12	2-HDPE	<u>0.20 miles</u>
SUBTOTAL				2-HDPE	14.15 miles
4-HDPE SERVICE BRANCHES					
880.1	N		O	4-HDPE	4.00 miles
HATTON	D		S	4-HDPE	5.35 miles
98.1	B		N	4-HDPE	0.25 miles
Customer 4	R		4	4-HDPE	0.25 miles
Customer 8	E		8	4-HDPE	<u>0.25 miles</u>
SUBTOTAL				4-HDPE	10.10 miles
PHASE I TOTALS					71.60 miles

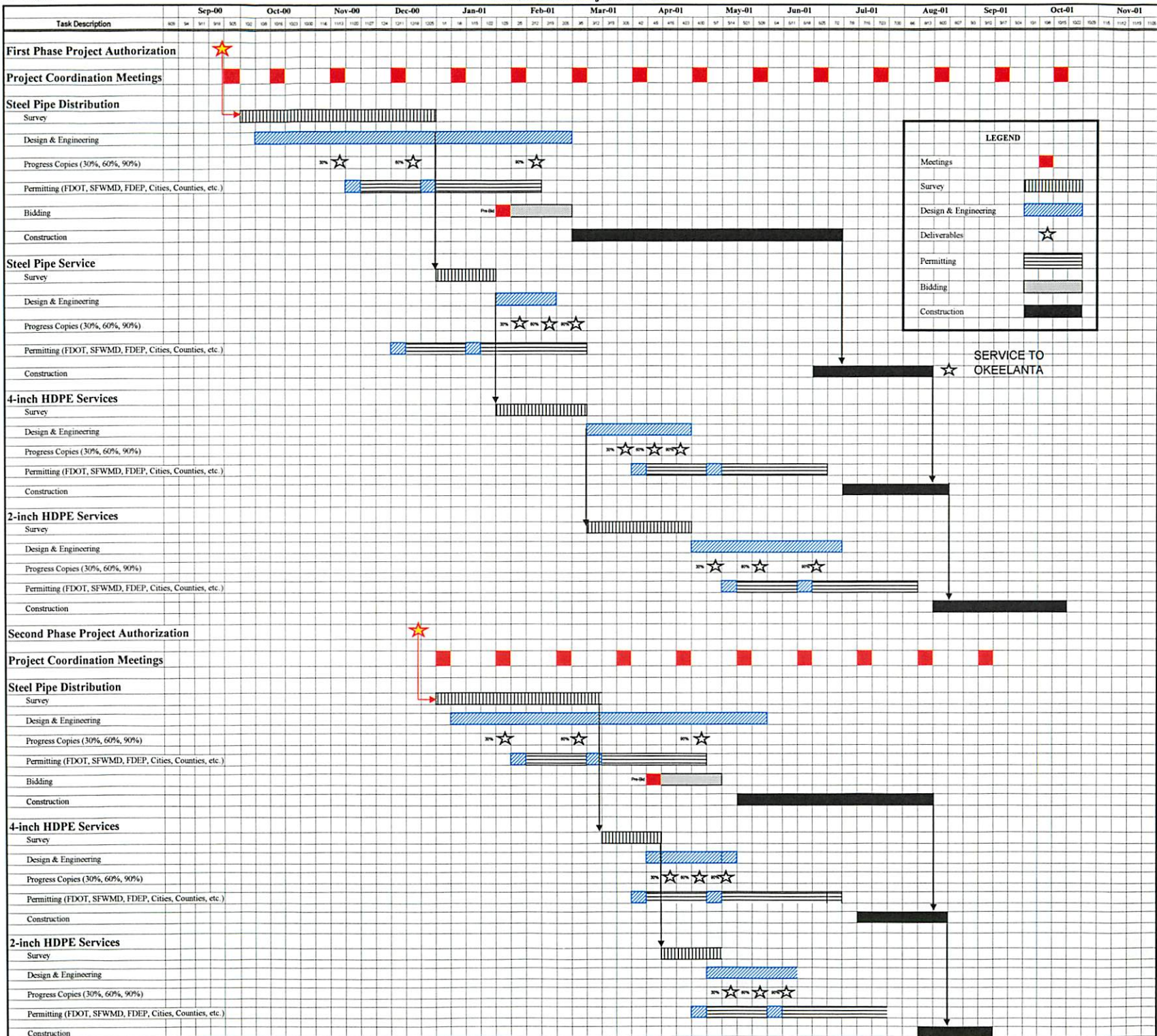
PHASE II - PIPE LENGTHS PER SIZE

Segment ID	Begin	Node	End	Pipeline Size (type)	Segment Length (miles)
8" Steel					
80.4	H		I	8" Steel	6.40 miles
80.5	I		J	8" Steel	7.15 miles
80.6	J		K	8" Steel	2.80 miles
80.7	K		L	8" Steel	<u>13.00 miles</u>
SUBTOTAL				8" Steel	29.35 miles
4" HDPE					
7	Evercane Sugar			4" HDPE	2.25 miles
5	Clewiston - US Sugar			<u>4" HDPE</u>	<u>0.50 miles</u>
SUBTOTAL				4" HDPE	2.75 miles
2" HDPE					
833.1		L	M	2" HDPE	1.00 miles
6	Southern Gardens Citrus			<u>2" HDPE</u>	<u>0.50 miles</u>
SUBTOTAL				2" HDPE	1.50 miles
PHASE II TOTALS					33.60 miles
PHASE I TOTALS					71.60 miles
PHASE II TOTALS					33.60 miles
COMBINED TOTALS					<u>105.20 miles</u>

Permit Status Report – Phase I

Permits Required	Status	Estimated Duration	Projected Approval Date
FDOT Dist 4 Permit	Submitted 11-15-00	60 days	1-15-01
FEC RR Crossing Permit	Sent 10-30-00	45 days	12-15-00
Palm Beach Co. Utility Construction Permit	Send by 11-30-00	30 days	1-3-01
Wellington Utility Construction Permit	No permit if alignment stays out of Village. Send by 11-30-00 for coordination & information.	30 days	N / A
Royal Palm Beach Utility Construction Permit	No permit if alignment stays out of Village. Send by 11-30-00 for coordination & information.	30 days	N / A
Belle Glade Utility Construction Permit	Met with City 10-23-00. Send by 11-15-00 coordination only	30 days	1-15-01
South Bay Utility Construction Permit	Met with City 10-23-00. Send by 11-30-00	30 days	1-15-01
SFWMD Crossing Permit	Met with SFWMD 9-15-00. Send by 11-30-00	60-90 days	2-15-01
SFWMD ROW Permit	Met with SFWMD 10-3-00. Send by 11-30-00	60-90 days	2-15-01
ACOE Permit	Send by 11-30-00	30 days	FYI Package Only – same as SFWMD Crossing Permit
FDEP Permit	Send by 11-30-00	30 days	FYI Package Only – same as SFWMD Crossing Permit
Local Water Districts Permit	Send by 12-15-00	45 days	2-1-01
Indian Trails Water Control District	Send by 12-15-00	45 days	2-1-01
US Sugar RR Crossing Permit	Sent 10-30-00	45 days	12-15-00
Lake Worth Drainage District	Applied for at Board Meeting 11-15-00	30 days	12-15-00

Phase I and II Project Schedule



Re: NUI/City Gas Company of Florida
Rate Case, Docket Number 000768-GU

- 1) Account 376 – Mains
- 2) Account 380 – Service Lines
- 3) Account 381 – Meters
- 4) Account 382 – Meter Installations
- 5) Account 383 – Regulator
- 6) Account 384 – Regulator Installations
- 7) Account 390 – General Plant Structures
- 8) Account 397 – Communications Equipment
- 9) Account 398 – Other

Clewiston Expansion Project
(Central Florida Pipeline)
Projected Test Year

NUI/City Gas Company is proposing to construct a natural gas pipeline estimated to be approximately 150 miles long, consisting of three phases, including mains, laterals and service lines. The company has proposed installations of Phases I & II within the projected test year at a cost of \$17,648,800. Florida Gas Transmission (FGT) will supply gas at a pressure range of 1100 to 720 psig. The pipeline may have a maximum operating pressure of 720 psig.

The Company has retained Captec Engineering Inc., to complete a route selection, and estimated cost study. This has been accomplished. The study shows the pipeline to be 12 to 6 inch diameter welded steel pipe. The service laterals and lines are to be 6 and 4 inch welded steel pipe or 4 and 2 inch high density polyethylene (HDPE) pipe.

The pipeline will run through Palm Beach, Hendry, and Lee Counties and be constructed in three phases. Exhibit 14.

Phase I – Approximately 71.6 miles of mains, laterals and service lines of various lengths; from Ronald Reagan Turnpike in West Palm Beach to South Bay. See Pipe Segment & Size Schedule.

Phase II – Approximately 33.6 miles of mains, laterals and service lines of various lengths; from South Bay to County Road 833. See Pipe Segment & Size Schedule.

Phase III – Approximately 42.2 miles of mains and service lines of various lengths; from Country Road 833 to Fort Myers Shores.

The engineering study estimates that for the entire project it will be necessary to obtain permits from 15 various agencies, with an average permitting line of 45 days.

Attachment D

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October 31, 2000

Re: NUI/City Gas Company of Florida
Rate Case, Docket Number 000768-GU

Permit applications began in October 2000 and will continue with the appropriate agencies through the first two phases of the proposed pipeline (into July of 2001.) See supporting Permit Status Report. Per the project schedule, continuous over lap is built into the project to ensure project performance. We have been advised, to date, one permit has been applied for but not finalized with the Florida Department of Transportation (FDOT). We have reviewed a copy of the permit. See supporting permit status report.

It should be noted that engineering design time for the project is estimated to be four to six months from notice to proceed. Estimated construction time for all segments and customers is 33 weeks (8 months). See supporting Phase I & II Project Schedule.

The Company has identified a total of 14 potential commercial/industrial customers for the entire project. Exhibit 13. Phase I apparently has 9 of these potential customers. According to the engineering study, there are no significant future loads for the area West of Clewiston (Phase I & II) and the Fort Myers/Cape Coral area is planned to be served by a new lateral off of FGT. Exhibit 16. It, therefore, appears at the present time that this pipeline is being constructed to primarily serve commercial/industrial customers.

Staff has not seen or reviewed any signed contracts with any of the proposed customers. (Post the engineers report staff has been provided detailed information and letter agreements.)

The project critical path schedule for Phase I shows a start date of October 1, 2000 and a completion date of October 15, 2001. See supporting Phase I & II Project Schedule.

The project critical path schedule for Phase II shows a start date of January 1, 2001 and a completion date of September 15, 2001. See supporting Phase I & II Project Schedule.

The Company's critical path, detailed surveying and engineering efforts began in October 2000 following the Company's preliminary engineering and budgeting analysis for this project.

The consulting engineering schedule shows the project starting in October 2000 and construction completing on October 15, 2001. Two weeks after the end of the Company's 2001 fiscal year. The engineering schedule shows deliverables starting in November 2000 with construction starting in March 2001 and finishing in October 2001.

Staff Findings:
