

In re: Petition of Miami-Dade County through the  
Miami-Dade Water and Sewer Department  
for Approval of Special Gas Transportation  
Service Agreement with Florida FCG

COMMISSION  
Docket No. 090539-~~64~~ CLERK

**REDACTED**

**MIAMI-DADE WATER AND SEWER DEPARTMENT'S  
RESPONSES TO PSC STAFF'S FIRST REQUEST FOR  
PRODUCTION OF DOCUMENTS TO MIAMI-DADE WATER AND  
SEWER DEPARTMENT (NOS. 1-3)**

Miami-Dade Water and Sewer Department ("MDWASD" or "Miami-Dade") hereby files its Responses to PSC Staff's First Request For Production of Documents to Miami-Dade Water and Sewer Department (Nos. 1-3) as follows:

DOCUMENTS REQUESTED

1. Please provide any documents supporting or explaining MDWASD's response to Staff's Interrogatory No. 1.

RESPONSE

Responsive documents are included in Attachment 1.

2. If MDWASD's response to Staff's Interrogatory No. 2 is affirmative, please provide any supporting data and/or documents.

COM \_\_\_\_\_  
APA \_\_\_\_\_  
ECH T \_\_\_\_\_  
GCL \_\_\_\_\_  
RAD \_\_\_\_\_  
SSC \_\_\_\_\_  
ADM \_\_\_\_\_  
OPC \_\_\_\_\_  
CLK \_\_\_\_\_

RESPONSE

No responsive documents.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

3. Please provide any documents supporting or explaining MDWASD's response to Staff's Interrogatory No. 6.

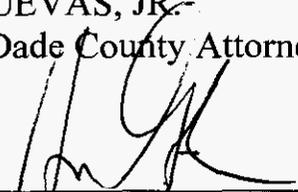
**RESPONSE**

Responsive documents are included in Attachment 2.

Discovery, investigation and review are on going. As such, the County reserves the right, but does not assume the obligation, to supplement, revise and/or correct its responses to these Requests through deposition testimony, amended responses, or otherwise.

Respectfully submitted,

R. A. CUEVAS, JR.  
Miami-Dade County Attorney

By: 

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing  
was delivered by U.S. Mail and/or electronic mail this 7<sup>th</sup> day of  
July, 2010 to:

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By:   
Henry N. Gillman  
Assistant County Attorney

**ATTACHMENT 1**

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FDI

 COPY

**CERTIFICATES  
& REG. RPT.**

**APRIL 14, 1998**

**PERC APPROVAL**

**FOR YOUR INFORMATION**

Pursuant to § 157.205 of the Commission's regulations, FGT filed on January 20, 1998 for authorization to construct a tap, meter station and short lateral to allow Metropolitan Dade County, a political subdivision of the State of Florida ("County") to receive natural gas for their Orr Plant Meter Station.

- CP98-192-000: To construct a tap, meter station and short lateral to allow for delivery to County at the Orr Plant Meter Station.

On January 27, 1998, the Notice was published in the Federal Register. March 13, 1998 was the 45-day for filing interventions and/or protests. One timely protest was filed by Commission Staff on or before the March 13, 1998 deadline. The protest was withdrawn by the Commission Staff pursuant to their April 10, 1998 Withdrawal and therefore, the Orr Plant Meter Station was deemed approved.

Upon receipt of all necessary environmental clearances, permits, and approvals FGT can construct the tap, meter station and short lateral to connect to County's Orr Plant.

**NOTE:** City Gas/NUI filed timely protests in Docket Nos. CP98-191 and CP98-193 and therefore, the Preston and South Dade Meter Station have not been approved. The 30-day withdrawal period ends on April 16, 1998 and unless City Gas/NUI file withdrawals on or before April 16, 1998, these two projects will become Section 7(c) filings and the Commission will process these projects accordingly and issue a letter order on their findings.

FERC 0 61, 148

UNITED STATES OF AMERICA 85

FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: James J. Hoecker, Chairman;  
Vicky A. Bailey, William L. Massey,  
Linda Breathitt, and Curt H, bert, Jr.

Florida Gas Transmission Company ) Docket Nos. CP98-191-000  
and CP98-193-000  
(Not consolidated)

ORDER DENYING PROTESTS AND AUTHORIZING CONSTRUCTION

(Issued October 29, 1998)

On January 20, 1998, Florida Gas Transmission Company (FGT) filed separate prior notice requests in Docket No. CP98-191-000 and CP98-193-000, pursuant to its Subpart F, Part 157 blanket certificate and section 157.212 of the Commission's Regulations, to construct, own and operate certain facilities to provide transportation services to waste treatment plants in Metropolitan Dade County, Florida. For the reasons discussed and as conditioned below, we will grant the requested authorizations.

Background and Proposal

Section 157.212 of the Commission's Regulations authorizes a Part 157, Subpart F blanket certificate holder, among other things, to construct and operate new delivery points and appurtenant facilities unless protests are filed within 45 days of the issuance of the notice of the request. If a protest is not withdrawn within 30 days (reconciliation period) after the end of the 45-day notice period, the prior notice request is treated as a case-specific NGA section 7(c) application. (See 18 C.F.R. 0 157.205(g).) The Commission Staff and NUI Corporation, City Gas Company of Florida Division (NUI), filed timely protests to the prior notice requests in Docket Nos CP98-191-000 and CP98-193-000. Subsequently, Staff filed notices of withdrawal of its protests in Docket Nos. CP98-191-000 and CP98-193-000 within the reconciliation period on March 12, 1998. Because NUI's protests were not withdrawn within the reconciliation period, the prior notice requests were converted automatically to a traditional NGA section 7 application on March 17, 1998, pursuant to section 157.205(g) of the Regulations.

In Docket No. CP98-191-000, FGT proposed to construct,  
Page 1

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operate and own (1) the Hialeah-Preston Meter Station, (2) electronic flow measurement (EFM) facilities, and (3) a 2-inch diameter, 50-foot lateral in Metropolitan Dade County, Florida. The proposed facilities, which would be located at Mile Post 3.3 on FGT's existing 12-inch Miami Lateral, would be used to provide

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direct natural gas transportation service to the County's Hialeah-Preston Water Treatment Plant (Hialeah Plant) in Dade County. The facilities will deliver up to 817 MMBtu per day and up to 298,205 MMBtu per year to the County at the water treatment plant. FGT estimates that the cost of the facilities will be \$151,000 and states that the County has elected to reimburse FGT for the costs and expenses directly and indirectly incurred by FGT relating to the proposed construction.

In Docket No. CP98-193-000, FGT seeks authorization to construct and operate the Miami Dade-South Meter Station, EFM facilities, and a 2-inch diameter, 5000-foot lateral in Dade County. The proposed facilities would provide direct natural gas transportation service to the County's Miami Dade South Water Treatment Plant (Dade Plant). The facilities would be located near Mile Post 12.4 on FGT's existing 24-inch Turkey Point Lateral. The proposed facilities would deliver up to 550 MMBtu per day and up to 200,750 MMBtu per year to the County at the water treatment plant. FGT estimates that the facilities would cost \$586,000 and states that the County has elected to reimburse FGT for the costs and expenses directly and indirectly incurred by FGT relating to the proposed construction.

FGT will transport for, and deliver to the County, at the proposed meter stations, the indicated volumes of 817 MMBtu and 550 MMBtu respectively under FGT's blanket transportation certificate issued in Docket No. CP89-555-000. 1/ FGT states that the proposed activities are not prohibited by its existing tariff and that it has sufficient capacity to continue all services without detriment or disadvantage to FGT's other customers.

#### Notice and Responsive Pleadings

Notice of the prior notice request in Docket No. CP98-191-000 was issued on January 29, 1998, and published in the Federal Register on February 4, 1998, (63 Fed. Reg. 5,794). Notice of the prior notice request in Docket No. CP98-193-000 was also issued on January 29, 1998, and published in the Federal Register on February 4, 1998, (63 Fed. Reg. 5,795). In addition to the protests filed by NUI in Docket Nos. CP98-191-000 and CP98-193-000, timely, uncontested motions to intervene were filed by NUI and Public Service Commission of the State of Florida (FPSC). Timely, unopposed motions to intervene are granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure. 18 C.F.R. D 385.214 (1995).

- 1/ See Florida Gas Transmission Company, 51 FERC o 61,309 (1990).

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In its protests, NUI alleges that the proposed construction of facilities will result in an illegal bypass. NUI also claims that FGT's applications are patently defective and should be summarily rejected or, in the alternative, requests that the Commission compel FGT to respond to NUI's data requests and establish an evidentiary hearing. NUI also asks that the Commission hold the application in abeyance until a proper party requests a traditional NGA section 7(c) certificate of public convenience and necessity to transport gas in interstate commerce. Further, NUI contends that FGT has illegally waived certain tariff requirements to construct facilities for the County in a discriminatory manner.

#### Discussion

##### A. Jurisdiction, defective filing and procedural motions

The metering facilities proposed to be constructed and operated in Docket Nos. CP98-191-000 and CP98-193-000 will be used by FGT to transport natural gas in interstate commerce, subject to the jurisdiction of the Commission. As such, their construction and operation are subject to the requirements of section 7(c) of the NGA.

NUI alleges that FGT's applications are patently defective, because they do not provide any information regarding the construction and operation of the facilities necessary to link FGT's proposed facilities to the Dade County Plants to be served. NUI states that the lack of adequate information in both proceedings raises questions about the adequacy, safety, and routing of the connecting transportation links. NUI alleges that the party that undertakes the construction and operation of the connecting facilities in both proceedings will be engaged in the transportation of gas in interstate commerce, and will become a natural gas company, subject to the Commission's jurisdiction under section 1(b) of the NGA. 2/

- 2/ NUI cites Volkswagen of America, Inc., 42 FERC 61,397 (1988). In that case, it states, the Commission issued an order, declaring that a pipeline transporting gas solely within the Commonwealth of Pennsylvania for delivery to an end user was nonetheless involved in the transportation of gas in interstate commerce, because the gas to be transported would be delivered from outside Pennsylvania. NUI also cites (without elaboration) Midwest Ventures I,

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For these reasons, NUI urges the Commission to reject summarily FGT's applications, or, in the alternative, to establish discovery procedures and an evidentiary hearing to identify and address the material factual issues related to these essential links. NUI request that the Commission compel FGT and Dade County to respond to its data request and hold FGT's application in abeyance pending the filing of a certificate application by the appropriate party under section 7 of the NGA.

We reject NUI's requests for summary disposition. 3/ Only the metering facilities that will be constructed on the Miami and Turkey Point Laterals are the subject of our review in these proceedings. It is at these meter stations that Dade County will receive and take title to the gas as an end user. To the extent the connecting facilities (1) will be constructed by Dade County and used solely to provide fuel for its water treatment plants for use and consumption entirely within the water treatment plants, (2) will be located wholly in the State of Florida, and (3) not be used by FGT or Dade County to transport natural gas for, or sell natural gas to, any third party, the connecting facilities will be nonjurisdictional. 4/

Since the connecting facilities will be nonjurisdictional, we will deny NUI's motion to hold FGT's applications in abeyance pending the filing of a certificate application for these facilities. 5/ we will also deny NUI's requests for an

- 3/ According to Rule 217 of the Rules of Practice and Procedures (18 C.F.R. a 385.217), summary disposition is appropriate where "there is no genuine issue of fact material to the decision of the proceeding or part of a proceeding."
- 4/ See, e.g., Canal Electric Company and Montaup Electric Company, 71 FERC 61,073 at 61,251 (1995)(finding nonjurisdictional approximately 4600 feet of 18-inch-diameter natural gas pipeline, constructed for the sole purpose of receiving supplies of natural gas solely for use as fuel, that (1) is located wholly within the state of Massachusetts, (2) will not be used to transport natural gas for -- or sell natural gas to -- any third parties, and (3) will not be used to perform service in interstate commerce). See also Jersey Central Power & Light Company, 9 FPC 717, 718 (1950); Transcontinental Gas Pipe Line Corporation, 33 FPC 818, 819 (1965); and Natural Gas Pipeline Company of America, 40 FERC 61,119 at 61,325 (1987).
- 5/ In this regard, we note that reliance on the cases cited in (continued...)

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evidentiary hearing for the same reason. An evidentiary trial-type hearing is necessary only where material issues of fact are in dispute that cannot be resolved on the basis of the written record. 6/ There are no material issues of fact in this proceeding that cannot be resolved on the basis of the existing record. Moreover, where the Commission's policy requirements are met, the Commission will approve a bypass without an evidentiary hearing. 7/ We also deny NUI's request for consolidation of the above referenced proceedings. The record, as it presently stands, is complete so that we are able to decide all substantive issues raised in these proceedings.

B. Unauthorized waiver of tariff

NUI alleges that FGT has, without authority, waived the requirements of its tariff and is proposing to construct the proposed metering facilities on behalf of Dade County in a discriminatory manner. According to NUI, the tariff requires that:

(1) "the Shipper [shall] contribute an aid-to-construction amount to Transporter (FGT), which is equal to the cost of the additional

5/ (...continued)

NUI's motion is misplaced. Volkswagen, supra, involved a pipeline subsidiary of an end user which the Commission found would be transporting gas in interstate commerce, although at no fee, on behalf of the end user. In that case, the Commission had been asked to find that the subsidiary was a "intrastate" pipeline. The Commission declined to do so, finding that the pipeline never provided any intrastate service. As in the Volkswagen case, the Commission in Midcoast Ventures, supra, also held that the petitioning company could not qualify as an "intrastate pipeline" within the meaning of section 2(16) of the NGPA without doing any intrastate business in the state where it claims intrastate status. Neither of those cases involved an end user constructing and operating a pipeline solely for its own benefit.

6/ See, e.g., Southern Union Gas Co. v. FERC, 840 F.2d 964, 970 (D.C. Cir. 1988); Cerro Wire & Cable Co. v. FERC, 677 F.2d 124 (D.C. Cir. 1982); Citizens for Allegan County, Inc. v. FPC, 414 F.2d 1125, 1128 (D.C. Cir. 1969); Destin Pipeline Company, L.L.C., 83 FERC 61,308, mimeo, at pp. 3-4 (1998).

7/ See, e.g., Northern Natural Gas Company, 74 FERC 3 61,172 at 61,605 (1996).

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facilities, including all costs involved in filing applications, pursuing said approvals and in obtaining all licenses and permits required for the services or construction . . . . [8/]," and

(2) "shippers, whether new or existing, shall bear all costs and expenses attributable to the construction of any lateral pipelines or expansions of existing lateral pipelines." 9/ (Emphasis supplied in NUI's comments.)

NUI contends that FGT has not exacted the necessary commitment for cost reimbursement from Dade County. Nor, it maintains, has FGT provided notice on its electronic bulletin board (EBB) of any construction subsidy associated with the proposed metering facilities given to Dade County as required by its tariff. 10/ NUI contends that by failing to obtain commitment from Dade County for full reimbursement of all costs associated with the facilities and further failing to post requisite notice on its EBB, FGT has unilaterally waived the terms of its tariff on a discriminatory basis in violation of Commission regulations. NUI states that at a minimum, the Commission should reject FGT's bypass applications and conduct further investigation and an evidentiary hearing to insure that FGT's other customers are protected from any shortfall in reimbursement by the County to FGT and direct FGT to comply with its tariff requirements.

We do not agree that FGT has waived the requirements of its tariff and is proposing to construct facilities for the County in a discriminatory manner. NUI cites the FGT Tariff General Terms and Conditions as requiring the shipper to contribute an aid-to-construction amount equal to the cost of the facilities and further points to pages 2 and 3 of the construction contract between FGT and Dade County as evidence of no obligation on the part of the County to pay the entire cost of the facilities. However, contrary to NUI's allegations, the referenced section of the construction contract relate to reimbursement of the cost incurred in project planning and not the construction costs. Page 4 of FGT's construction contract with Dade County provides that the Dade County will reimburse FGT a total of \$922,000 for the construction of the metering facilities with an additional

8/ FGT Tariff, General Terms and Conditions, Section 21 D1.

9/ FGT Tariff, General Terms and Conditions, Section 21 D2.

10/ FGT Tariff, General Terms and Conditions, Section 21 D3.

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contingency fund of \$100,000 established to be used to cover any additional contingencies which may arise with respect to the construction of the facilities. This shows compliance with the tariff. Accordingly, we reject NUI's arguments.

C. Bypass

NUI believes that FGT's proposal in Docket No. CP98-191-000 to bypass NUI should be rejected because it will have an adverse impact on consumers in the State of Florida. 11/ NUI contends that the State of Florida may lose tax revenues as a result of the bypass. NUI also states that since the revenues generated from Dade County and other large customers are included within the NUI's base rates, the shortfall in revenues resulting from the proposed bypass will have a substantial impact on NUI's ability to earn its authorized rate of return and could accelerate its need to file a petition seeking rate relief with the FPSC.

NUI indicates that to the extent that it is able to recover the revenue shortfall resulting from the proposed bypass, the rates to NUI's other customers would increase and may seriously impact the competitive position of natural gas vis-a-vis alternate fuels. NUI states that such a result would undermine public policy of the State of Florida, which fosters natural gas usage.

NUI states that with regard to the PGA rate (which is designed to recover both variable and fixed costs from its sales customers), consumers in its territory could be further harmed by the potential bypass since there will be fewer customers absorbing the same amount of fixed costs and since the bypass may extinguish any available state remedies which could allow for the recovery of such costs from Dade County. This result, NUI states, is neither required nor permitted by the public convenience and necessity, and is completely inconsistent with the Commission's responsibility to provide consumers with a complete and effective bond of protection from excessive rates and charges. 12/

NUI states that in other cases the Commission has rejected claims that bypass will increase costs to LDC customers based on its finding that state utility authorities may mitigate the

11/ NUI does not allege that the proposed metering facilities in Docket No. CP98-193-000 will result in a bypass.

12/ Citing Atlantic Refining Co. v. Public Service Commission of the State of New York, 360 U.S. 378 (1959).

adverse customer impacts associated with bypass by assigning financial responsibility to LDC shareholders or requiring end users that bypass an LDC to pay a fee if they return to the LDC's system. NUI asserts that the Commission's suggested remedies are insufficient in this case for both legal and factual reasons. Specifically, NUI states that as to the Commission's suggestion of a "buyback" charge, there is no evidence which suggests that Dade County will ever return to the NUI Gas system once FGT is permitted to carry out its proposed bypass. Further, it states, the Commission's suggestion that LDC shareholders are required to bear a portion of the revenue loss associated with bypass is contrary to well-established case law. 13/ According to NUI, the case law holds that state regulatory authorities may not require LDC shareholders to absorb costs passed through to the LDC as a consequence of the Commission's decisions.

We find unpersuasive NUI's contention that the State of Florida may lose tax revenues as a result of the bypass. NUI provides no evidence to substantiate that argument. Secondly, even if true, NUI does not quantify the amount of lost tax revenues, nor indicate how much (if any) additional tax revenues will be collected (and counterbalanced by the State of Florida) from FGT's servicing other end users or water treatment plant customers.

We also reject NUI's cost-shifting argument, consistent with our position in other cases in which the Commission has approved bypass applications. 14/ The Commission's bypass policy is to allow competition between LDCs and interstate pipelines where there is no reasonable indication that the proposed service is the result of any anticompetitive or unduly discriminatory behavior. This policy is based on a belief that on a national level, natural gas consumers are better served by a competitive natural gas market which encourages improved services at lower costs. 15/ The Commission strives to honor the end-user's decision as to whether it is economical to undertake direct

- 13/ Citing *Nantahala Power and Light Company v. Thornburg*, 476 U.S. 953 (1986); and *Mississippi Power and Light Company v. Mississippi*, 108 S.Ct. 2428 (1988).
- 14/ See, e.g., *Williams Natural Gas Company*, 81 FERC m 61,301 at 62,412 (1998); *Northern Natural Gas Company*, supra, 74 FERC at 61,604; *Texas Gas Transmission Corporation*, 68 FERC 6 61,063 at 61,216 (1994); *Paiute Pipeline Company*, 68 FERC 0 61,064 at 61,220 (1994).
- 15/ See, e.g., *Paiute*, supra; and *Northern Natural Gas Company*, 46 FERC h 61,270 (1989).

service from a pipeline supplier. This allows all participants in the natural gas market greater access to the market. The Commission has stated that it is not willing to shield LDCs from the effects of competitive forces because it believes that, in the final analysis, all consumers will benefit from the Commission's pro-competitive policies. 16/ The Commission has stated previously that "our ultimate task in authorizing construction or transportation with bypass implications is to assure that the competitive processes operate fairly." 17/ Also, the Commission has said it will not second guess an end-user's cost benefit analysis about its decision to achieve a more economical price for its gas from new suppliers or other third-party sources. 18/

NUI also contends that the proposed bypass would lead to the wasteful duplication of facilities. 19/ It states that while the Commission and the Courts have rejected this argument in cases where the costs of the new facilities are to be paid by the new pipeline customers, 20/ these decisions improperly focus on the proposed new facilities and lose sight of the fact that LDC facilities and firm service obligations may be needlessly stranded as a consequence. NUI concludes that the proposed bypass would result in the stranding of facilities and service obligations that are currently employed by NUI to serve Dade County.

We do not agree. We reiterate that in a competitive environment there simply is no guarantee that any customer will always remain a customer. The Commission's bypass policy, which has received judicial approval, 21/ recognizes that the NGA does

16/ See, e.g., Northwest Pipeline Corporation, 52 FERC C 61,053 at 61,226 - 61,227 (1990), reh'g denied, 54 FERC 61,191 (1991).

17/ Id. at 61,227.

18/ See Northern, supra, 74 FERC b 61,172 (1996).

19/ Citing Kansas Power and Light Co. v. FERC, 891 F.2d 939, 943 (D.C. Cir. 1989), wherein the court recognized that one of the purposes of Section 7 of the Natural Gas Act is to prevent wasteful duplication.

20/ See, e.g., Cascade Natural Gas Corp. v. FERC, 955 F.2d 1412, 1425 (10th Cir. 1992).

21/ See, e.g., Cascade Natural Gas Corporation v. FERC, 955 F.2d (continued...)

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not guarantee that current service relationships will remain unchanged. Further, we find speculative the argument that the proposed bypass would result in the stranding of facilities and service obligations that are currently employed by NUI to serve Dade County.

In any event, concern about "duplicative" pipeline facilities where their costs would be passed on to consumers is not as acute where the end-use customer has agreed to pay for the construction of the bypass facilities. 22/ In this proceeding, Dade County has agreed to reimburse FGT for costs FGT will incur in constructing the proposed facilities.

NUI additionally states that if the Commission approves FGT's bypass application, it should condition the approval in a manner that would partially offset the adverse financial impact on Florida consumers. NUI notes that the Commission, in approving certain bypasses, has exercised its authority under Section 5 of the Natural Gas Act and has required the pipeline, as a condition, to reduce the contract demand volumes of the distribution company that is bypassed. 23/ According to NUI, FGT and Dade County acknowledge that NUI should be entitled to such relief since Dade County has already agreed to contract with FGT for the capacity turned back by NUI.

NUI states that it is seeking only to reduce its FTS-2 capacity entitlements by 860 dth/day, which is equal to the maximum daily transportation entitlement of Dade County at the Hialeah Plant under the service agreement between Dade County and NUI. NUI thus maintains that the contract demand reduction rights accorded bypassed LDCs in other proceedings are equally appropriate here. Further, NUI states that any Commission order issued in these proceedings should require FGT to accept seasonal reductions of 860 dth/day in NUI's FTS-2 firm transportation capacity.

21/ (...continued)

1412, 1425 (10th Cir. 1992); and Michigan Consolidated Gas Company v. FERC, 883 F.2d 117 (D.C. Cir. 1989), cert. denied, 494 U.S. 1079 (1990).

22/ See, e.g., Texas Gas Transmission Corporation, supra, 65 FERC at p. 62,264; Northwest Pipeline Corporation, 54 FERC a 61,191, at 61,576 (1991); and Cascade Natural Gas Corporation v. FERC, 955 F.2d 1412, 1425 (10th Cir. 1992).

23/ See, e.g., Texas Gas Transmission Corp., 65 FERC I 61,275 (1993).

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In instances where a pipeline bypasses an LDC to provide service directly to an end-user, the Commission has stated that

under appropriate circumstances it may require the pipeline to reduce the contract demand volumes of the LDC that is being bypassed, to avoid inequity. To qualify for the CD reduction, the LDC must make a showing that: (1) a nexus exists between the LDC's contract demand on the bypassing pipeline and the LDC's service to the end-user; and (2) there is a connection between the LDC's level of requested reduction in firm CD on the pipeline and the level of service that the pipeline provides the departing end-user. 24/ The CD reduction requirement is necessary to avoid the inequity of allowing a pipeline, in effect, to bill twice for the same contract demand.

Since NUI's contract with Dade County is for interruptible service and its contract with FGT is for firm service, NUI can not show that a nexus exist between its contract demand with FGT and its level of service to Dade County. 25/ Accordingly, NUI's request for contract demand reductions is denied.

D. Environmental Concerns

Our environmental staff reviewed FGT's applications to construct the proposed metering facilities. We find that neither an environmental assessment nor an environmental impact statement is required because the proposed facilities qualify as a categorical exclusion under 18 C.F.R. . 380.4(a)(24).

E. Public Convenience and Necessity

We find that FGT's proposal is required by the public convenience and necessity. FGT's proposal for the construction and operation of the proposed facilities will enhance the economics of Dade County's operations, as well as diversify the County's gas procurement alternatives. FGT's proposal, as well as Dade County's move to replace NUI as a supplier, is consistent with the Commission's goal to foster competition. Upon approval of the subject proposals, NUI will continue to have facilities enabling it to serve Dade County and compete for the County's business.

24/ Paiute Pipeline Company, 69 FERC r 61,247 at 61,946 (1994). See also Texas Gas Transmission Corporation, 68 FERC C 61,063 (1994), Order Requiring Additional Information and Deferring Consideration of Rehearing Issues, 69 FERC D 61,245 (1994).

25/ See Texas Gas Transmission Corporation, 76 FERC r 61,316 at 62,537 (1996).

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Commission's policy not to grant section 7(c) case-specific authority to construct and operate facilities when the applicant can do so under its blanket certificate. 26/ The Commission, therefore, will authorize FGT to construct and operate the subject facilities under its Subpart F, Part 157 blanket certificate.

At a hearing held on October 28, 1998, the Commission on its own motion received and made part of the record in this proceeding all evidence, including the application, supplements, and exhibits thereto, submitted in support of the authorization sought herein, and upon consideration of the record,

The Commission orders:

(A) FGT is authorized to construct and operate the proposed facilities under its Part 157 blanket certificate, as more fully set forth in the applications filed in Docket Nos. CP98-191-000 and CP98-193-000, as supplemented, and this order.

(B) FGT shall notify the Commission's environmental staff by telephone or facsimile of any environmental noncompliance identified by other Federal, state, or local agencies on the same day that such agency notifies FGT. FGT shall file written confirmation of such notification with the Secretary of the Commission within 24 hours.

(C) NUI's protests, and its various motions (including its motions for abeyance, consolidation, summary rejection and establishment of an evidentiary hearing filed in Docket Nos. CP98-191-000 and CP98-193-000) are denied.

By the Commission.

( S E A L )

David P. Boergers,  
Secretary.

26/ See Texas Gas Transmission Corporation, 65 FERC at 62,266; and Tennessee Gas Pipeline Company, 55 FERC 1 61,437 at 62,307 (1991).

## MEMORANDUM

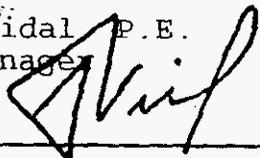
Agenda Item No. 6(A)(12)

TO: Hon. Chairperson and Members  
Board of County Commissioners

DATE: December 16, 1997

SUBJECT: Resolution for Agreement  
with Florida Gas  
Transmission Company for  
Construction Of Natural  
Gas Facilities

FROM: Armando Vidal, P.E.  
County Manager

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the attached resolution authorizing execution of a construction cost reimbursement agreement with Florida Gas Transmission Company (FGT). This agreement will give the Miami-Dade Water and Sewer Department the option to directly connect its Hialeah/Preston and Alexander Orr Water Treatment Plants and the South District Wastewater Treatment Plant to FGT's natural gas transmission system. This agreement will realize an estimated net savings of at least \$475,000 annually, recovering the one-time capital cost in less than four years. Estimated total cost for the three facilities and related tasks is \$1,622,000.

BACKGROUND

FGT operates the sole natural gas transmission main bringing natural gas from other areas into and throughout Florida. The Miami-Dade Water and Sewer Department (MDWASD) presently utilizes natural gas as a fuel for lime kilns at the Alexander Orr and Hialeah/Preston Water Treatment Plants. Distribution is presently provided from FGT's main by City Gas Company. Direct connection to the FGT main will eliminate the fees charged by City Gas for this service. The South District Wastewater Treatment Plant will also benefit from direct connection by using natural gas to supplement existing methane generators. MDWASD estimates annual savings for the two water treatment facilities of at least \$475,000.

Approval and execution of the attached Contract for Construction of Natural Gas Access Facilities will allow FGT to seek federal regulatory approval for the proposed extension of its direct service. Upon receipt of that approval, MDWASD will determine the schedule for construction of the three facilities by FGT. If all three facilities are constructed, the estimated cost will not exceed \$1,122,000. Upon completion of construction, FGT will own the facilities and will continue to maintain and operate them at no cost to Dade County. An additional \$50,000 will be needed for constructing downstream connections within the three plants, and a connecting pipeline of 10,500 feet in length will be constructed at a maximum estimated cost of \$450,000. This construction will be advertised for bids at a later date. The total of all costs is not to exceed \$1,622,000.

Therefore, it is recommended that the Board approve the attached resolution authorizing execution of the Contract for Construction of Natural Gas Access Facilities with Florida Gas Transmission Company.

Attachment

Approved \_\_\_\_\_ Mayor

Veto \_\_\_\_\_

Override \_\_\_\_\_

Agenda Item No. 6(A)(12)  
12-16-97

RESOLUTION NO. R-1502-97

RESOLUTION APPROVING EXECUTION OF AGREEMENT BETWEEN FLORIDA GAS TRANSMISSION COMPANY AND METROPOLITAN DADE COUNTY PROVIDING FOR THE CONSTRUCTION AND OPERATION OF NATURAL GAS ACCESS FACILITIES FOR THE ALEXANDER ORR, HIALEAH AND JOHN E. PRESTON WATER TREATMENT PLANTS AND THE SOUTH DISTRICT WASTEWATER TREATMENT PLANT.

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DADE COUNTY, FLORIDA, that this Board hereby approves execution of an Agreement between Florida Gas Transmission Company and Metropolitan Dade County, in substantially the form attached hereto and made a part hereof; and authorizes the County Manager to execute same for and on behalf of Dade County, Florida.

The foregoing resolution was offered by Commissioner

**Dr. Barbara M. Carey** who moved its adoption. The motion was seconded by Commissioner **Pedro Reboredo** and upon being put to a vote, the vote was as follows:

Dr. Miriam Alonso	<b>absent</b>	James Burke	<b>aye</b>
Dr. Barbara M. Carey	<b>aye</b>	Miguel Diaz de la Portilla	<b>aye</b>
Betty T. Ferguson	<b>aye</b>	Bruce C. Kaplan	<b>absent</b>
Gwen Margolis	<b>aye</b>	Natacha Seijas Millan	<b>absent</b>
Jimmy L. Morales	<b>absent</b>	Dennis C. Moss	<b>aye</b>
Pedro Reboredo	<b>aye</b>	Katy Sorenson	<b>aye</b>
Javier D. Souto	<b>absent</b>		

The Chairperson thereupon declared the resolution duly passed and adopted this 16th day of December, 1997. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.



DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as  
to form and legal sufficiency. *(Signature)*

By: **KAY SULLIVAN**  
Deputy Clerk

12-16-97  
A-1300 21

CONTRACT FOR CONSTRUCTION OF NATURAL GAS ACCESS FACILITIES

THIS CONTRACT is made and entered into this 18 day of DEC. 1997, by and between FLORIDA GAS TRANSMISSION COMPANY, a Delaware corporation, ("FGT") and METROPOLITAN DADE COUNTY, a political subdivision of the State of Florida ("COUNTY"). The terms "FGT", "COUNTY", and "parties" as used herein include officers, employees, agents, contractors and successors.

WITNESSETH:

WHEREAS, COUNTY wishes to economize by obtaining natural gas for use in its water and wastewater treatment plants directly from FGT's main without recourse to intermediaries for transportation; and

WHEREAS, FGT is willing and able, upon regulatory approval, to construct and operate the facilities necessary to provide such access;

NOW, THEREFORE, in consideration of the mutual agreements and covenants set forth herein, the parties agree as follows:

1. After all preconditions set forth herein are met, FGT or its agent shall construct and operate on COUNTY property the facilities described in Attachments A, B, and C which form part of this agreement ("Facilities"). These Facilities include everything necessary to make possible a flow of natural gas from an FGT main to existing COUNTY-owned property. Attachment A describes the project scope and estimated cost for the Hialeah Preston Water Treatment Plant; Attachment B describes the project scope and estimated cost for the Alexander Orr Water Treatment Plant; Attachment C describes the project scope and estimated cost for the

South District Wastewater Treatment Plant. During and after construction, the Facilities shall remain the property of FGT. COUNTY shall be responsible to effect the actual connection of the FGT Facilities to COUNTY natural gas lines, which will involve provision of adequate downstream pipeline from FGT facilities to burner tips.

2. Upon execution of this Contract, FGT shall promptly undertake to obtain all permits, licenses, authorizations, or certificates required by the Federal Energy Regulatory Commission (FERC) which are necessary before the construction of the Facilities may commence. COUNTY agrees to provide any information within its knowledge which is needed for preparation of any applications for such, and it agrees to support FGT in its efforts to obtain any necessary authorizations. FGT shall use its best efforts to expedite this procedure. COUNTY further agrees to reimburse FGT for all costs and expenses reasonably incurred relating to costs incurred in project planning in the stipulated amount of \$10,000.00 for all three projects described in Attachments A, B and C, no later than 30 days after execution of this agreement.

3. Upon receipt of all necessary FERC and other approvals, waivers, and permits which are satisfactory to FGT and COUNTY, and upon COUNTY notice to proceed on any or all of the facilities. FGT shall commence construction and shall pursue such construction on those facilities for which FGT receives notice to completion. COUNTY reserves the right to review the details of the cost estimates in Attachments A, B, and C, and to obtain its own estimates. FGT reserves the right either to utilize the contractor providing the estimate or to reject any contractor providing an estimate obtained by the COUNTY if in FGT's sole discretion

the estimate is determined to be more than FGT's cost or the contractor or the estimate do not meet FGT's standards. The Project Authority, William M. Brant, P.E., Deputy Director, Miami-Dade Water and Sewer Authority, or his successor or designee, shall confer with the authorized representative(s) of FGT or its agent(s) and/or contractor(s) upon construction schedule(s) and other details.

4. After COUNTY has given written notice to proceed with construction on the facilities described in any or all of Attachments A, B, or C, required in Article 3 above, COUNTY is obligated to proceed to completion under this agreement with respect to the facilities for which notice has been given. However, if COUNTY has not given notice to proceed on facilities described in any or all of Attachments A, B or C, COUNTY may decline to proceed only on those facilities for which notice has not been given only within the following time periods. First, at any time prior to FERC authorization the COUNTY may decline to proceed by giving written notice to FGT. Second, if authorization is granted in an uncontested proceeding automatically after 45 days notice pursuant to 18 C.F.R. § 157.203 and § 157.206, COUNTY may decline to proceed by written notice given to FGT within three months after the expiration of the 45 day time period. Third, if authorization is granted after a contested proceeding, the COUNTY may decline to proceed by written notice given to FGT within 20 days after issuance of a FERC order granting FGT authorization to construct any of the facilities in Attachments A, B or C. If COUNTY declines to proceed, prior to FERC authorization then neither party shall have any further obligations under this Contract, provided, however, COUNTY shall be obligated to pay the costs and expenses provided in Paragraph 2. If COUNTY declines to proceed after FERC authorization, within the time periods set out above,

then neither party shall have any further obligations under this contract; provided, however, COUNTY shall be obligated to pay not only the costs and expenses provided in paragraph 2, but also regulatory expenses stipulated to be in the amount of \$5,000. If COUNTY declines to proceed, payment shall be made within 30 days of notice provided to FGT.

5. COUNTY agrees to reimburse FGT for all costs and expenses incurred directly and indirectly relating to construction of the Facilities, as such Facilities are described in Attachments A, B, and C, as those facilities in Attachments A, B, and C may be modified only for conditions of force majeure or unforeseen circumstances. These costs and expenses include but are not limited to, the cost of permits, materials, installation, surveying, inspection, x-ray, environmental studies, regulatory filings, attorneys' fees, and other expenses or overhead that may be required ("Actual Cost"). To the extent such reimbursement qualifies as a contribution in aid of construction ("CIAC") under § 118(b) of the Internal Revenue Code (as amended by § 824 of the Tax Reform Act of 1986), COUNTY agrees to reimburse or "gross-up" FGT for income taxes incurred by FGT because of the CIAC income. The gross-up requirement will be waived if COUNTY receives a Private Letter Ruling ("PLR") from the Internal Revenue Service stating that FGT's costs in constructing the Facilities do not constitute a CIAC. COUNTY agrees that it will bear all the costs of seeking any such PLR.

The estimated total cost, inclusive of tax impact, of the Facilities is as detailed in the Attachments A, B, and C for a total of \$922,000 and incorporated herein as the "Estimated Cost". COUNTY has approved an additional Contingency Fund of \$100,000 to be used to cover the first \$100,000 of contingencies which may arise with respect to the facilities described in Attachments A and B and a second additional Contingency Fund of \$100,000 to be used to cover

the first \$100,000 of contingencies which may arise with respect to the facilities described in Attachment C and shall pay amounts for such contingencies, if necessary, as described in Article 8 below. Neither the Estimated Cost nor any additional sums to be invoiced to COUNTY includes any profit or markup for the benefit of FGT.

After notice to proceed and prior to the date construction is scheduled to commence, FGT shall notify COUNTY of the construction schedule(s) and shall invoice COUNTY for the Estimated Cost. COUNTY shall pay FGT within thirty (30) days of receipt of any invoice by wire transfer to:

NationsBank-Dallas  
Account # 4140327972  
ABA # 111000025

6. FGT shall be solely responsible for timely obtaining all plan approvals, permits, inspections, or other authorizations by United States, Florida and Dade County authorities which are required for construction and operation of the Facilities. COUNTY shall cooperate in this process.

7. Upon completion of its work as authorized on each of the Facilities described in Attachments A, B and C, FGT shall notify the Project Authority and provide a completion report, stating that the Facilities are ready for safe use. Issuance of that report(s) shall constitute completion of the work covered by this contract.

8. No later than ninety (90) days after issuance of the completion report, FGT shall complete its submission of cost specification to COUNTY and FGT shall refund COUNTY if the actual cost is less than the estimated cost. It is recognized that FGT's Actual Costs may exceed

the Estimated Costs for reasons which either constitute a force majeure or which were not foreseen by FGT. Before proceeding with work expected to exceed the Estimated Costs, FGT shall consult with the Project Authority, who may propose alternatives. COUNTY will pay the costs of extra work orders and/or change orders required by either force majeure or unforeseen circumstances and any other costs or damages incurred because of force majeure or unforeseen circumstances or events. The parties will cooperate to minimize and mitigate such costs or damages.

FGT shall invoice COUNTY for any Actual Costs incurred above the Estimated Costs as soon as practicable either in one invoice or a series of invoices. Along with each invoice FGT shall submit reasonable explanations and justification for additional costs. For any costs over Estimated Costs up to \$100,000, COUNTY shall pay FGT within 30 days from receipt of invoice. For any costs above \$100,000 over Estimated Costs, it is understood that COUNTY will pay such amounts only after approval by the Board of County Commissioners, and such approval may take several months. However, for any time beyond 30 days after receipt of an invoice, interest shall accrue in accordance with Article 9 below and shall be payable to FGT in addition to any invoiced amounts. COUNTY shall pay FGT by wire transfer to the above referenced account.

Adequate documentation in the form of invoices, work orders and receipts for all costs associated with the Facilities shall be available to COUNTY for inspection at FGT's office in Houston, Texas, upon reasonable prior notice during business hours; provided, however, that if COUNTY does not submit a written claim for adjustment or correction within one (1) year

following the date of each completion report, work orders, receipts and payments shall be deemed final and conclusively correct.

9. Any FGT invoice which remains unpaid after 30 days from its receipt shall accrue interest at the lower of the effective prime rate charged by Texas Commerce Bank, N.A., plus two percent, or the maximum allowable interest rate permitted by Texas law for such obligations, subject to proof of such rate. Any refund due COUNTY which remains unpaid 90 days after issuance of the applicable completion report(s) shall accrue interest at one percent per month..

10. If either party disputes any sum due, it will state its dispute in writing. Such statement shall toll the payment due date for sixty (60) days, during which time the parties shall cooperate to resolve the dispute.

11. COUNTY agrees to provide necessary space and grant to FGT any and all suitable easements necessary for and/or incidental to construction, placement, operation, maintenance and removal of the Facilities upon its property, together with reasonable rights of ingress and egress. COUNTY will provide a 50 by 50 feet site for the meter station adjacent to FGT's lateral. COUNTY will install any and all equipment, including compression and regulators, as needed to protect its facilities downstream of FGT's Facilities.

12. FGT agrees to operate and maintain the Facilities in safe, serviceable condition at no cost to COUNTY for so long as COUNTY wishes to continue their use, and to assure that COUNTY access is not obstructed.

13. The parties are each responsible to take reasonably necessary measures to insure and protect their own property and personnel from damage and injury during and after construction. They intend to endeavor in good faith to amicably resolve any damage claims which may arise, with recourse to litigation only as a last resort. COUNTY's liability for its negligence is limited as provided in Section 768.28 Florida Statutes- COUNTY shall not be held liable to pay a personal injury or property damage claim or judgment by any one person which exceeds the sum of \$100,000, or any claim or judgments or portions thereof, which, when totaled with all other claims or judgments arising out of the same incident or occurrence, exceeds the sum of \$200,000, and COUNTY is not liable for payment of any prejudgment interest or punitive damages.

14. FGT will purchase an Owner's Protective Liability Insurance ("OPLI") Policy in the amount One Million Dollars (\$1,000,000) per occurrence, combined single limit, for bodily injury (including death) and property damage claims arising under, or in the performance or non-performance of construction under this Agreement. The OPLI Policy shall be primary over any other form of insurance coverage maintained by or behalf of FGT, its parent, its subsidiaries or affiliated entities and each of their officers, directors, employees, agents and contractors, and to any indemnity-related obligation(s) of either Party. Upon receipt of an invoice from FGT, COUNTY shall reimburse FGT for each premium assessment or deductible on or before the Past Due After Date. Failure of COUNTY to so reimburse FGT shall constitute an Event of Default under this Agreement; since the OPLI Policy is on an "occurrence" basis, such insurance shall be maintained, and COUNTY's reimbursement obligation shall continue during the construction period. After issuance of the completion report(s), COUNTY may at its sole discretion require

FGT to purchase a liability policy in the amount of \$1,000,000 per occurrence, combined single limit, for bodily injury (including death) and property damage claims arising from the operation of the facilities, subject to the terms of this section, for so long as the Facilities remain in use. COUNTY shall reimburse FGT for all premiums paid by FGT within 30 days of receipt of an invoice.

15. SUBJECT TO THE LIMITATION OF SECTION 768.28 OF THE FLORIDA STATUTES, COUNTY SHALL INDEMNIFY AND HOLD FGT HARMLESS FROM ALL LIABILITIES, LOSSES, CLAIMS, EXPENSES, SUITS, ACTIONS, COSTS, AND DAMAGES, INCLUDING ENVIRONMENTAL LIABILITY, (AND INCLUDING ATTORNEYS' FEES, EXPENSES, AND COURT COSTS) ON ANY ACTIONS INCLUDING INJURY TO AND DEATH OF PERSONS, EXCEPTING ANY INSURED BY FGT, ARISING FROM ANY ACT, INCLUDING NEGLIGENCE OR ACCIDENT, IN CONNECTION WITH THE CONSTRUCTION, INSTALLATION, OPERATION, AND MAINTENANCE OF THE FACILITIES, PROVIDED, HOWEVER, THAT COUNTY SHALL NOT BE RESPONSIBLE FOR THE GROSS NEGLIGENCE OF FGT.

IN NO EVENT SHALL FGT BE LIABLE TO COUNTY FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL OR INDIRECT LOSSES OR DAMAGES (IN TORT, CONTRACT OR OTHERWISE) UNDER OR IN RESPECT OF THIS AGREEMENT OR FOR ANY FAILURE OF PERFORMANCE RELATED HERETO HOWSOEVER CAUSED, WHETHER OR NOT ARISING FROM FGT'S SOLE, JOINT, OR CONCURRENT NEGLIGENCE.

16. EXCEPT FOR THE USE OF SECTION 768.28 OF THE FLORIDA STATUTES IN SECTIONS 13 AND 15 ABOVE, THIS AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS EXCLUDING ANY CONFLICT OF LAW RULES THAT MAY REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

17. In the event FGT is required to provide contract demand reduction option rights to a customer of FGT as a result of an order from the Federal Energy Regulatory Commission ("FERC") authorizing the construction of the Facilities, or is otherwise negatively impacted in such order, COUNTY agrees to execute a firm transportation agreement (for service under the applicable rate schedule); effective on the effective date of the reduction of contract demand by such customer, containing a Maximum Daily Transportation Quantity ("MDTQ") equivalent to the MDTQ reduced by FGT's customer. The term shall be for a primary term equal to the term remaining on such customer's service agreement on the effective date of such reduction, plus the secondary term of such reducing customer's service agreement; provided, however, if the secondary term contains the Right of First Refusal, COUNTY may elect to replace such secondary term with the 10-year Rollover Option contained in Section 20 of FGT's FERC Gas Tariff.

In the event the FERC issues an order authorizing construction of the Facilities with conditions unacceptable to FGT or COUNTY or without resolving the issue of reduction rights, FGT shall have the right to refuse to accept such certificate and FGT (or COUNTY within 15

days of issuance of said order) may terminate this Agreement without any costs or penalties, except for the costs specified in Sections 2 and 4.

18. This Contract shall come into effect upon its execution by the County Manager of COUNTY subsequent to adoption by the Board of County Commissioners of a resolution authorizing that action. It shall be governed by the laws of the State of Florida.

19. This Agreement and the Exhibits attached hereto contain the entire agreement between the Parties and there are no representations, understandings or agreements, oral or written, between the Parties which are not included herein.

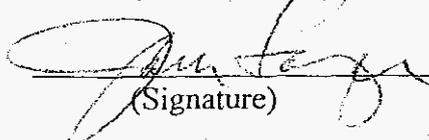
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers.

WITNESSES:

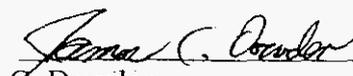
FLORIDA GAS TRANSMISSION COMPANY

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

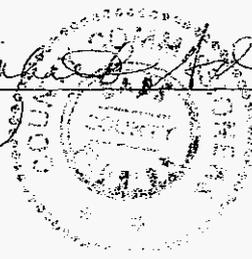
  
(Signature)

Jack Langer  
(Printed Name)

By:   
James C. Dowden  
Regional Vice President, Marketing

ATTEST: Harvey Ruvin  
Clerk of the Board

METROPOLITAN DADE COUNTY

By:   
\_\_\_\_\_

Deputy Clerk

Armando Vidal, P. E.  
County Manager

Approved for form and legal sufficiency:

  
Assistant County Attorney

# ATTACHMENT A

## **Preston Plant**

### PROJECT SCOPE

#### **I. PROJECT DESCRIPTION**

This project involves the installation of a two inch tap at or near M.P. 3.3 on the 12" Miami Lateral in Section 20, T-53-S, R-41-E. From the tap to the meter station, 50 feet of two inch lateral will be installed. The meter station will be designed to regulate and measure a maximum volume of 70 MCFH.

#### **II. METER STATION DESIGN CONDITIONS**

	<b>Design</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Normal</b>
Upstream Pressure (PSIG)	824	824	400	400
Inlet Volume (MCF/H)	70	70	10	N/A
Temperature (F)	80	100	30	

The volume will be a continuous load.

Delivery Pressure - Prevalent pressure in the south end of Mainline.

Ambient Temperature - 40 to 100 Degrees F.

Gas Specific Gravity - 0.595

Gas BTU - 1040

The meter station is being designed for non-interruptible flow with a bypass around the meter run. The measurement and pipeline facilities are being designed with a 0.5 design factor in a Class 3 location.

#### **III. MEASUREMENT EQUIPMENT**

The measurement facility will consist of one 3" Turbine Meter and a tee-type strainer will be installed upstream of the meter. Meter isolation valves will consist of two 3-inch, class 150 full opening ball valves. A 2-inch bypass line will be installed to provide non-interruptible service during routine maintenance and repair procedures.

#### IV. PRESSURE CONTROL

Pressure control will consist of two-stage regulation with a 2 inch relief valve.

##### A. First Stage Regulator

The first stage of regulation will consist of two 2 x 1 Mooney regulators with a pilot spring range of 200 - 500 PSIG. The cages will have a 50% capacity and will provide 95 MCF with an inlet of 400 PSIG and an outlet of 300 PSIG.

##### B. Second Stage Regulator

The second stage of regulation will consist of two 2 x 1 Mooney Regulators with a pilot spring range of 50 - 180 PSIG. The cages will have a 50% capacity and will provide 98 MCF with an inlet of 300 PSIG and an outlet of 100 PSIG.

##### C. Relief Valve

- Required Capacity 135 MCFH.
- Install 2 inch Mooney Relief Valve set at 110 PSIG - capacity - 181 MCFH.

The meter, regulators, and relief valve will be assembled with piping and valves on a skid at the meter station site.

#### V. TAP AND 2 INCH PIPELINE INSTALLATION

A 2 inch hot tap on the 12 inch Miami Lateral and a 12 inch full saddle, 2 3/8 O.D. x .250 W.T. x 6 inch long pipe nipple, and a two inch 600 RFFE x WE ball or gate valve with extra heavy bore, extended stem, and tarset coating will be installed. The 2 inch pipeline from tap to meter run will consist of 2 3/8 O.D. x .219 W.T. API 5L or Stock Gas Transmission Specification Grade B SMLS pipe coated with 16 mils of fusion bonded epoxy and 40 mils of Powercrete coatings.

## **VI. EFM COMMUNICATION AND ELECTRICAL INSTALLATION**

The measuring instrument will be a Daniel Industries Solar Flow Plus RTU configured for a single rotary meter application using the Enron standard software package. Pressure and temperature data will be transmitted to the Daniel RTU by a Rosemount model 1151 GP low power pressure transmitter and a Rosemount model 444 low power temperature transmitter, each equipped with internally mounted transient protectors. A battery supply/charger system and DC distribution system will be installed for 120 VAC input from the local electrical power distribution company to provide 12 VDC output to the Daniel RTU and 24 VDC input output to the rotary meter's pulsar. The battery/charger system will provide continuous electrical service upon loss of external electrical power.

Gas Control and Gas Measurement Accounting will be provided a dial up telephone modem to monitor the station volume.

External electrical power and telephone communication lines will be required on site.

## **VII. RIGHT OF WAY**

The meter station surface site will be acquired by Preston Plant. FGT will acquire the R/W for the 2 inch hot tap and 2" lateral.

## **VIII. ENVIRONMENTAL**

FGT will acquire all environmental permits. Permits required for this project are a Coastal Zone Permit, a Cultural Resources Permit, and a U.S. Fish and Wildlife Permit.

## **IX. CIVIL WORK**

FGT will need to provide a 6 foot security fence around the meter station site. FGT will provide normal excavation, backfill, concrete piers, blocks, and 4" of crushed rock.

**ESTIMATED COST IS \$151,000 (Inclusive of 32.62% tax gross-up).**

# ATTACHMENT B

## **Orr Plant**

### PROJECT SCOPE

#### **I. PROJECT DESCRIPTION**

This project involves the installation of a two inch tap on the 18 inch Mainline at M.P. 917.6 in Section 28, T-54-S, R-40-E. From the tap to the meter station, 555 feet two inch lateral will be installed. The meter station will be designed to regulate and measure a maximum volume of 70 MCFH.

#### **II. METER STATION DESIGN CONDITIONS**

	<b>Design</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Normal</b>
Upstream Pressure (PSIG)	722	722	400	400
Inlet Volume (MCF/H)	70	70	10	N/A
Temperature (F)	80	100	30	

The volume will be a continuous load.

Delivery Pressure - Prevalent pressure in the south end of Mainline.

Ambient Temperature - 40 to 100 Degrees F.

Gas Specific Gravity - 0.595

Gas BTU - 1040

The meter station is being designed for non-interruptible flow with a bypass around the meter run. The measurement and pipeline facilities are being designed with a 0.5 design factor in a Class 3 location.

#### **III. MEASUREMENT EQUIPMENT**

The measurement facility will consist of one 3" Turbine Meter and a tee-type strainer will be installed upstream of the meter. Meter isolation valves will consist of two 3-inch, class 150 full opening ball valves. A 2-inch bypass line will be installed to provide non-interruptible service during routine maintenance and repair procedures.

#### IV. PRESSURE CONTROL

Pressure control will consist of two-stage regulation with a 2 inch relief valve.

##### A. First Stage Regulator

The first stage of regulation will consist of two 2 x 1 Mooney regulators with a pilot spring range of 200 - 500 PSIG. The cages will have a 50% capacity and will provide 95 MCF with an inlet of 400 PSIG and an outlet of 300 PSIG.

##### B. Second Stage Regulator

The second stage of regulation will consist of two 2 x 1 Mooney Regulators with a pilot spring range of 50 - 180 PSIG. The cages will have a 50% capacity and will provide 98 MCF with an inlet of 300 PSIG and an outlet of 100 PSIG.

##### C. Relief Valve

- Required Capacity 135 MCFH.
- Install 12 inch Mooney Relief Valve set at 110 PSIG - capacity - 181 MCFH.

The meter, regulators, and relief valve will be assembled with piping and valves on a skid at the meter station site.

#### V. TAP AND 2 INCH PIPELINE INSTALLATION

6800 SW 87 Ave. (Galloway Road) is the address of the 2 inch hot tap on the 18 inch Mainline. This tap will be on the blowdown stack at M/L valve 20.10. A 6 inch full saddle, 2 3/8 O.D. x .250 W.T. x 6 inch long pipe nipple, and a two inch 600 RFFE x WE ball or gate valve with extra heavy bore, extended stem, and tarset coating. The 2 inch pipeline from tap to meter run will consist of 2 3/8 O.D. x .188 W.T. API 5L or Stock Gas Transmission Specification Grade B SMLS pipe coated with 16 mils of fusion bonded epoxy and 40 mils of Powercrete coatings. Most of the 200 feet of this lateral will be installed by a directional drill.

## **VI. EFM COMMUNICATION AND ELECTRICAL INSTALLATION**

The measuring instrument will be a Daniel Industries Solar Flow Plus RTU configured for a single rotary meter application using the Enron standard software package. Pressure and temperature data will be transmitted to the Daniel RTU by a Rosemount model 1151 GP low power pressure transmitter and a Rosemount model 444 low power temperature transmitter, each equipped with internally mounted transient protectors. A battery supply/charger system and DC distribution system will be installed for 120 VAC input from the local electrical power distribution company to provide 12 VDC output to the Daniel RTU and 24 VDC input output to the rotary meter's pulsar. The battery/charger system will provide continuous electrical service upon loss of external electrical power.

Gas Control and Gas Measurement Accounting will be provided a dial up telephone modem to monitor the station volume.

External electrical power and telephone communication lines will be required on site.

## **VII. RIGHT OF WAY**

The meter station surface site will be acquired by Orr Plant. FGT will acquire the R/W for the 2 inch hot tap and 2" lateral.

## **VIII. ENVIRONMENTAL**

FGT will acquire all environmental permits. Permits required for this project are a Coastal Zone Permit, a Cultural Resources Permit, and a U.S. Fish and Wildlife Permit.

## **IX. CIVIL WORK**

Orr Plant will need to provide a 6 foot security fence around the meter station site. FGT will provide normal excavation, backfill, concrete piers, and blocks.

**ESTIMATED COST IS \$185,000 (Inclusive of 32.62% tax gross-up).**

# ATTACHMENT C

## **Miami Dade - South**

### PROJECT SCOPE

#### **I. PROJECT DESCRIPTION**

This project involves the installation of a two inch tap on the 24 inch Turkey Point Lateral at M.P. 12.4 in Section 20, T-56-S, R-40-E. From the tap to the meter station, 5,000 feet two inch lateral will be installed. The meter station will be designed to regulate and measure a maximum volume of 33 MCFH.

#### **II. METER STATION DESIGN CONDITIONS**

	<b>Design</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Normal</b>
Upstream Pressure (PSIG)	722	722	400	400
Inlet Volume (MCF/H)	33	33	10	N/A
Temperature (F)	80	100	30	80

The volume will be a continuous load.

Delivery Pressure - Prevalent pressure in the FGT Turkey Point Lateral.

Ambient Temperature - 40 to 100 Degrees F.

Gas Specific Gravity - 0.595

Gas BTU - 1040

The meter station is being designed for non-interruptible flow with a bypass around the meter run. The measurement and pipeline facilities are being designed with a 0.5 design factor in a Class 3 location.

#### **III. MEASUREMENT EQUIPMENT**

The measurement facility will consist of one 7M175 Rotary Meter and a tee-type strainer will be installed upstream of the meter. Meter isolation valves will consist of two 4-inch, class 150 full opening ball valves. A 2-inch bypass line will be installed to provide non-interruptible service during routine maintenance and repair procedures.

#### IV. PRESSURE CONTROL

Pressure control will consist of two-stage regulation with a 2 inch relief valve.

##### A. First Stage Regulator

The first stage of regulation will consist of two 2 x 1 Mooney regulators with a pilot spring range of 200 - 500 PSIG. The cages will have a 30% capacity and will provide 57 MCF with an inlet of 400 PSIG and an outlet of 300 PSIG.

##### B. Second Stage Regulator

The second stage of regulation will consist of two 2 x 1 Mooney Regulators with a pilot spring range of 50 - 180 PSIG. The cages will have a 50% capacity and will provide 80 MCF with an inlet of 300 PSIG and an outlet of 100 PSIG.

##### C. Relief Valve

- Required Capacity 145 MCFH.
- Install 12 inch Mooney Relief Valve set at 110 PSIG - capacity - 181 MCFH.

The meter, regulators, and relief valve will be assembled with piping and valves on a skid at the meter station site.

#### V. TAP AND 2 INCH PIPELINE INSTALLATION

SW 97 Ave. crosses Canal C-1 at the site of the 2 inch hot tap on the 24 inch Turkey Point Lateral for this project. A 24 inch full saddle, 2 3/8 O.D. x .250 W.T. x 6 inch long pipe nipple, and a two inch 600 RFFE x WE ball or gate valve with extra heavy bore, extended stem, and taret coating. The 2 inch pipeline from tap to meter run will consist of 2 3/8 O.D. x .188 W.T. API 5L or Stock Gas Transmission Specification Grade B SMLS pipe coated with 16 mils of fusion bonded epoxy and 40 mils of Powercrete coatings. Most of the 800 feet of this lateral will be installed by a directional drill.

## **VI. EFM COMMUNICATION AND ELECTRICAL INSTALLATION**

The measuring instrument will be a Daniel Industries Solar Flow Plus RTU configured for a single rotary meter application using the Enron standard software package. Pressure and temperature data will be transmitted to the Daniel RTU by a Rosemount model 1151 GP low power pressure transmitter and a Rosemount model 444 low power temperature transmitter, each equipped with internally mounted transient protectors. A battery supply/charger system and DC distribution system will be installed for 120 VAC input from the local electrical power distribution company to provide 12 VDC output to the Daniel RTU and 24 VDC input output to the rotary meter's pulsar. The battery/charger system will provide continuous electrical service upon loss of external electrical power.

Gas Control and Gas Measurement Accounting will be provided a dial up telephone modem to monitor the station volume.

External electrical power and telephone communication lines will be required on site.

## **VII. RIGHT OF WAY**

The meter station surface site will be acquired by Miami Dade - South. FGT will acquire the R/W for the 2 inch hot tap and 2" lateral.

## **VIII. ENVIRONMENTAL**

FGT will acquire all environmental permits. Permits required for this project are a Coastal Zone Permit, a Cultural Resources Permit, and a U.S. Fish and Wildlife Permit.

## **IX. CIVIL WORK**

Miami Dade - South will need to provide a 6 foot security fence around the meter station site. FGT will provide normal excavation, backfill, concrete piers, and blocks.

**ESTIMATED COST IS \$586,000 (Inclusive of 32.62% tax gross-up).**

# MEMORANDUM

Agenda Item No. 6(P)(1)

TO: Hon. Chairperson and Members  
Board of County Commissioners

DATE: October 19, 1999

FROM:   
M. R. Spierheim  
County Manager

SUBJECT: Resolution  
Retroactively  
Approving Execution  
of Agreement between  
NUI Corp. and  
Miami-Dade County

## RECOMMENDATION

It is recommended that the Board approve the attached resolution retroactively approving the waiver of formal bid procedures and provisions of Administrative Order 3-2, and authorizing the execution of an agreement between NUI Corporation, represented by City Gas Company of Florida, a division of NUI Corporation, ("CITY GAS") and Miami-Dade County for pipeline transportation service of natural gas to two water treatment plants and one wastewater treatment plant. This Agreement will save the Miami-Dade Water and Sewer Department ("WASD") approximately [REDACTED] over the next ten years.

## BACKGROUND

On November 4, 1997 the Board approved the original transportation agreement with City Gas, which reduced the price WASD paid for the commodity of natural gas. This reduced price has already saved WASD a total of \$1,658,560.00 since that time. However, the cost of transporting the gas through City Gas pipelines was unchanged. WASD therefore began negotiations with City Gas and has successfully negotiated a substantial reduction of current transportation rates. This has resulted in [REDACTED] savings to WASD to date. The new Agreement reduces the transportation rates by almost [REDACTED] percent and freezes the new rates for ten (10) years, at a total additional savings to WASD of at least [REDACTED]. In addition, City Gas will construct an access line to the South District Wastewater Treatment Plant, at a cost of [REDACTED] enabling WASD to save additional energy costs and saving WASD construction costs of [REDACTED].

Since 1960, the Alexander Orr (Orr) and Hialeah/Preston (Hialeah) Water Treatment Plants have been producing their own lime using natural gas fuel. Until 1997 the sole supplier of natural gas was City Gas. As a result of deregulation of the gas industry, WASD could now bid for natural gas and as a result awarded a contract for the commodity of natural gas to Natural Gas Clearinghouse and contracted separately with City Gas, as a sole source, for transportation from the supply main through their pipes to the WASD's plants. Despite WASD being City Gas' largest customer, City Gas would not discount their standard transportation rates. Consequently, in December 1997, the Board approved an agreement

Honorable Chairperson and Members  
Board of County Commissioners  
Page 2

with Florida Gas Transmission Company ("FGT") for construction of facilities for direct access to the statewide distribution system, by-passing City Gas. Due to the imminent loss of business, City Gas agreed in June 1998 to a substantial reduction of their charges to WASD.

New rates which save WASD almost [REDACTED] became effective July 1, 1998 and WASD has already realized [REDACTED] in savings to date. In consideration for City Gas agreement to freeze these rates for ten years, WASD agrees to continue to use City Gas' pipelines for this period. Construction of natural gas access facilities at the South District Wastewater Treatment Plant will be undertaken following execution of this agreement.

Savings:

1. The historical gas consumption for the Orr and Hialeah Plants has been approximately 7,300,000 therms per year. The agreement states that there will be no transportation charge for any gas consumed above 7,900,000 therms per year. An analysis is shown below:

Former Rate:

7,300,000 therms X [REDACTED]  
(City Gas' standard existing rate) - \$ [REDACTED]/yr.

New Rate as of July 1, 1998:

7,300,000 therms X [REDACTED] .018  
(weighted average of Orr & Hialeah) - \$ [REDACTED]/yr.

Annual Savings

Meter charge eliminated [REDACTED] 0  
\$ [REDACTED]/yr.

2. The \$1,622,0009.00 authorized for construction of new facilities will not be needed.

3. The South District Wastewater Treatment Plant should realize a savings of about \$75,000 annually by partially substituting natural gas for electricity as fuel for its generators. The [REDACTED] which MDWASD will pay City Gas to construct connecting facilities is [REDACTED] less than the price WASD agreed to pay Florida Gas Transmission.

Therefore, it is in the best interest of the County to approve the attached resolution.

Attachments

\_\_\_\_\_  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Mayor

Agenda Item No. 6(P)(1)(A)  
1-19-99

OFFICIAL FILE COPY  
CLERK OF THE BOARD  
OF COUNTY COMMISSIONERS  
DADE COUNTY, FLORIDA

RESOLUTION NO. R-1143-99

RESOLUTION RETROACTIVELY AUTHORIZING WAIVER OF FORMAL BID PROCEDURES AND PROVISIONS OF ADMINISTRATIVE ORDER 3-2; AND AUTHORIZING RETROACTIVE EXECUTION OF AN AGREEMENT BETWEEN MIAMI-DADE COUNTY, FLORIDA AND NUI CORPORATION FOR PIPELINE TRANSPORTATION SERVICES OF NATURAL GAS TO THE ALEXANDER ORR AND HIALEAH/PRESTON WATER TREATMENT PLANTS, AND FOR CONSTRUCTION OF ACCESS FACILITIES AND SUBSEQUENT TRANSPORTATION OF NATURAL GAS TO THE SOUTH DISTRICT WASTEWATER TREATMENT PLANT

3/1

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board finds that it is in the best interest of Miami-Dade County to waive formal bid procedures and to retroactively approve the execution of the Transportation Service Agreement, effective July 1, 1998, between NUI Corporation, represented by City Gas Company of Florida, a division of NUI Corporation, and Miami-Dade County, in substantially the form attached hereto and made a part hereof; formal bidding being waived in this instance pursuant to Section IV F of Administrative Order 3-2 and Section 4.03(D) of the Home Rule Charter by two-thirds (2/3) vote of the Board members present; and authorizes the County Manager to execute same for and on behalf of Miami-Dade County.

The foregoing resolution was offered by Commissioner

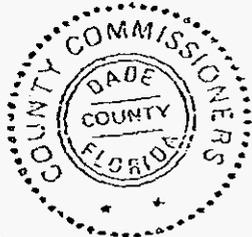
Dr. Barbara M. Carey-Shuler who moved its adoption. The

motion was seconded by Commissioner ~~Gwen Margolis~~

and upon being put to a vote, the vote was as follows:

Dr. Miriam Alonso	aye	Bruno A. Barreiro	aye
Dr. Barbara M. Carey-Shuler	aye	Miguel Díaz de la Portilla	aye
Betty T. Ferguson	absent	Gwen Margolis	aye
Natacha Seijas Millán	absent	Jimmy L. Morales	absent
Dennis C. Moss	aye	Pedro Reboledo	absent
Dorrian D. Rolle	aye	Katy Sorenson	aye
	Javier D. Souto	aye	

The Chairperson thereupon declared the resolution duly passed and adopted this 19th day of October, 1999. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.



MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS  
  
HARVEY RUVIN, CLERK

Approved by County Attorney as  
to form and legal sufficiency.

*[Handwritten signature]*

By: KAY SULLIVAN  
Deputy Clerk

NATURAL GAS  
TRANSPORTATION SERVICE AGREEMENT  
BETWEEN  
NUI CORPORATION  
AND  
MIAMI-DADE COUNTY

Account Nos. 211-0756225-011, 211-0756239-011,  
211-0754412-011

THIS AGREEMENT made and entered into as of this 29 day of Oct., 1999, by and between NUI Corporation, a New Jersey Corporation, hereinafter referred to as "Company", represented by City Gas Company of Florida, and MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as "Customer".

WITNESSETH:

WHEREAS, Company's Natural Gas Tariff (Tariff) establishes transportation service to be provided pursuant to Rate Schedule having certain specific terms of applicability; and

WHEREAS, Customer has requested that Company render natural gas transportation service to Customer in accordance with the terms and conditions of this Agreement and Company has agreed to transport Customer's gas,

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the parties agree as follows:

ARTICLE I

TERM OF AGREEMENT

1. Subject to all other provisions, conditions, and limitations hereof, this Agreement shall become effective as of July 1, 1998, and shall continue in full force and effect for ten (10) years,

at which time the Agreement shall terminate. Company agrees, upon written request from Customer received by Company not less than 90 days prior to the termination date of this Agreement, to review the terms and conditions of the Agreement for the purpose of renewal for a like term. The renewal is contingent upon the Company and Customer mutually agreeing in writing to the terms and conditions for the renewal term. This Agreement supersedes and renders null and void the previous CI-LVT Transportation Service Agreement between the Company and Customer made and entered into as of November 1, 1997.

## ARTICLE II

### APPLICABILITY OF TARIFF

1. Based upon governing applicability provisions, the parties hereby confirm that Customer qualifies for the Contract Interruptible Large Volume Transportation Service (CI-LVT) Rate Schedule.

2. Except to the extent expressly modified by the terms of this Agreement, all service rendered by Company under this Agreement shall be provided pursuant to the terms and conditions of Company's Tariff, which is incorporated fully herein by reference, as filed with and approved by the Florida Public Service Commission.

3. Pursuant to the Affidavits of Alternate Fuel Price attached hereto, the rates for transportation of natural gas to Customer's listed facilities shall be as set forth in Article VII of this Agreement.

## ARTICLE III

## POINTS OF RECEIPT AND DELIVERY

Customer shall arrange for the delivery of all gas to be transported by Company hereunder to take place at those interconnections between Company and Florida Gas Transmission Company (FGT) heretofore determined (Point(s) of Receipt) in Miami, FL and Hialeah, FL. All such gas received by Company shall be redelivered to Customer at those interconnections between the distribution system of Company and the facilities of Customer heretofore determined (Point(s) of Delivery).

## ARTICLE IV

### OBLIGATIONS AND REPRESENTATIONS OF CUSTOMER

1. Customer represents that it meets all qualifications for Contract Interruptible Large Volume Transportation Service.
2. Customer agrees to comply with all terms and conditions of this Agreement and the Company's Tariff as approved by the Florida Public Service Commission, which terms and conditions are incorporated by reference, and the applicable Rate Schedule as the same may be amended or modified from time to time.
3. Customer warrants that it will, at the time of delivery of gas to Company for transportation hereunder, have good and merchantable title to the gas free and clear of all liens, encumbrances and adverse claims. Customer agrees to provide Company with any documentation which may be requested in writing by Company to evidence Customer's title to the gas transported. Company reserves the right, without penalty or liability, to refuse transportation of any gas in the event Customer fails to provide such documentation upon Company's written request.

4. Company understands that Customer warrants only its title to the natural gas at the Points of Receipt. Customer's contracted supplier of natural gas is responsible to warrant that all gas delivered to Company for transportation hereunder shall be of a merchantable quality and shall conform to the quality requirements set forth in the tariff of FGT as filed with and approved by the Federal Energy Regulatory Commission.

#### ARTICLE V

#### QUANTITY

1. Customer and Company agree that as of the Effective Date of this Agreement, the initial maximum annual contract quantity of gas (MACQ) that the company is obligated to deliver to Customer under this Agreement in any contract year is:

Alexander Orr Water Treatment Plant  
6800 S.W. 87<sup>th</sup> Avenue  
Miami, FL 33173

4,200,000 therms

Hialeah Lime Recalcination Facility  
700 W. 2<sup>nd</sup> Avenue  
Hialeah, FL 33010

3,300,000 therms

South District Wastewater Treatment Plant  
 8950 S.W. 232 Street  
 Miami, FL 33170

400,000 therms

2. Company may, from time to time, make deliveries to Customer in excess of the above stated MACQ's. However, if Customer desires to increase the MACQ for any facility, Customer will provide Company with a written request. Within ninety (90) days of the date of such request, Company shall provide Customer with proposed terms and conditions under which Company will be willing to increase MACQ. Such terms shall include, but not be limited to, Customer's willingness to pay an appropriate contribution to the cost of construction of additional facilities.

3. Customer hereby agrees to tender for transportation on the Company systems during each annual period a volume of gas equal to or greater than the minimum annual volume of 1,250,000 therms per year.

4. The maximum daily contract quantity of gas (MDCQ) Customer may have delivered to Company at the Points of Receipt, in the aggregate, for transportation by Company hereunder shall be 24,500 therms. During the term of this Agreement, Customer may increase the MDCQ and/or the maximum deliveries designated herein for each point of receipt only with the prior consent of the Company, and only upon such prior notice as the Company may require under the circumstances.

8950 SW 232 St  
 Miami, FL 33170

or 575,000 T/P/M = 10,100 T/P/Day      Allowed using 24,500 T/P/Day  
 To be used →

24,500	19,200	5,300
19,200	5,300	14,900
5,300		14,900 T/P/M
		12
		1,908,000
		+ 27%
		2,481,660

5

• or 595K x 12 = 7,000,000 T/P/M

• 5,300 T/P/Day = 331 T/P/Day (16 lbs/day)

ARTICLE VI

PARAMETERS OF SERVICE

Company does not warrant that transportation service will be available hereunder at all times and under all conditions.

ARTICLE VII

RATES AND CHARGES FOR SERVICE

1. For the term of this Agreement, Customer shall pay Company each month the following transportation charges for services rendered under this Agreement. The rates set forth below are subject to the tax and other adjustment terms of Company's Tariff, as applicable to Customer.

<u>Facility</u>	<u>Rate per Therm</u>	<u>MACQ</u>
Alexander Orr Water Treatment Plant	██████████	4,200,000
Hialeah Water Treatment	██████████	3,300,000
South District Wastewater Treatment Plant	██████████	400,000

2. There shall be no charge for each therm transported to each facility in excess of the maximum annual contact quantity of gas (MACQ) as set forth in Paragraph 1 of this Article in any contract year, provided that any transportation service in excess of the MACQ figures set forth above in any contract year do not require Company to construct additional facilities to provide such service to Customer. The terms and conditions with respect to any increase in the initial MACQ and

41,200,000  
3,300,000  
400,000  
45,100,000

construction of associated additional facilities are subject to the terms of Paragraph 2 or Article V of this Agreement.

## ARTICLE VIII

### MEASUREMENT

1. Company agrees to install and maintain facilities necessary to deliver and accurately measure the gas to Customer at the Points of Delivery.

2. Quantities of gas delivered to the Company's distribution system at the Points of Receipt for the account of Customer shall be measured by FGT. All charges billed to Customer hereunder shall be based on the measurements made at the Points of Delivery. Measurement shall include temperature-correcting devices installed and maintained by Company to ensure proper billing of gas, corrected to 60 degrees Fahrenheit, at no cost to Customer.

3. Customer may, with the prior written consent of Company, which shall not be unreasonably withheld, and at no cost to Company, install check-measuring devices at the Points of Delivery.

## ARTICLE IX

### FULL REQUIREMENTS

It is understood and agreed that Company's rendering of gas transportation service under the terms and conditions of this Service Agreement is in consideration of Customer's agreement to utilize exclusively such services for all pipeline-transported natural gas consumed at the Customer's facilities located as listed in Article V herein, from the Effective Date hereof and during the Term of this Agreement and any renewals hereof. Accordingly, Customer agrees that Customer will not,

for the term of this Agreement and any renewals hereof, displace any service provided under this Agreement with service from any third party. However, nothing herein shall prohibit Customer from extracting and consuming landfill gas at Customer's facilities.

ARTICLE X

FACILITIES

1. All facilities required to provide service under this Agreement shall be designed, constructed, installed, operated, maintained, and owned by Company.

2. Customer agrees to pay Company a one time "Aid to Construction" charge of \$ [REDACTED] for Company to design, construct, own, maintain, and operate natural gas service to Miami-Dade South District Wastewater Treatment Plant, 8950 S.W. 232 Street, Miami, FL, 33170, sufficient in size to meet Customer-specified demand of 400,000 therms maximum annual quantity (MACQ). Company agrees to run gas line(s) to point(s) of use within this plant as determined by the Customer, which shall constitute Point(s) of Delivery. Customer shall reimburse Company, prior to the commencement of service, in the amount of \$ [REDACTED] per meter for any telemetry equipment required to be installed at this plant.

ARTICLE XI

NOMINATIONS AND NOTICE

1. Customer, or its agent supplier, shall make all nominations of service (advice regarding the next months-anticipated consumption) on Company's system hereunder on the appropriate form provided by Company. Customer, or its agent, shall submit any new nomination for service a minimum of ten working days prior to the commencement of the transportation service, and shall

submit a request for a change to an existing nomination a minimum of three working days prior to the date the change is to become effective.

2. Customer or its agent, not the Company, shall be responsible for making all transportation agreements and nominations to all third parties upstream of company's Points of Receipt. Customer may use a broker for this purpose. If Customer utilizes a broker to make such transportation arrangements and nominations on the interstate system that is upstream of Company's system, Customer shall identify the broker initially and upon a change.

3. All nominations and adjustments to nominations shall be directed to:

Manager, Gas Control  
NUI Corporation  
One Elizabethtown Plaza  
Union, NJ 07083  
FAX: (908) 527-9478

Any service inquiries or correspondence regarding the administration of nominations shall be directed to:

Kim T. Verran  
Territory Manager  
NUI/City Gas Company of Florida  
One Elizabethtown Plaza  
Union, NJ 07083  
Phone/Fax: (908) 289-5000 Ext. 5705/ (908) 289-1370

OR

Donna Becker  
Key Accounts Manager  
NUI/City Gas Company of Florida  
One Elizabethtown Plaza  
Union, NJ 07083  
Phone/Fax: (908)289-5000 Ext. 5705/(908) 289-1370

4. All payments shall be directed to:

NUI/City Gas Company of Florida  
955 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3498

5. Miami-Dade Water and Sewer Department  
Mr. Tom Segars, Superintendent  
Water Production Division  
P. O. Box 110006  
Hialeah, FL 33011  
Phone: (305) 888-2522  
Fax: (305) 889-0156

#### ARTICLE XII

#### FORCE MAJEURE

Neither Company, nor Customer or its agents, shall be liable for damages to the other for any act, omission, or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rules and people, civil disturbances, explosions, temporary failure of gas supply, temporary failure of firm transportation arrangements, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, acts of third parties, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party, and which by the exercise of due

diligence such party is unable to prevent or overcome.

Such cause or contingencies affecting the performance by Company, Third Party Supplier, or Customer, however, shall not relieve Company or Customer of liability in the event of its concurrent negligence, or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch. In any event, the liability of Customer for damages shall be limited as provided in Section 768.28, Florida Statutes.

### ARTICLE XIII

#### MISCELLANEOUS

1. The captions in this Agreement are for the convenience of the parties in identification of the provisions hereof and shall not constitute a part of the Agreement, nor be considered interpretive thereof.

2. This Agreement shall be binding upon and insure of the benefit of the respective successors and assigns of the parties; provided, however, neither party may make an assignment hereunder without having first obtained the prior written consent of the other party. Such consent shall not be unreasonably withheld. If either party does not provide such consent within sixty (60) days after receipt of the other party's notification of assignment, failure to reply shall be deemed as consent. Any notification of assignment or consent to assignment shall be made by registered mail.

3. The interpretation and performance of this Agreement shall be governed by the laws of the State of Florida. Venue for any civil action arising out of this Agreement shall be Miami-Dade County, Florida.

4. This Agreement shall be subject to all of the rules and regulations of any duly

constituted federal or state regulatory authorities having jurisdiction hereof. Company and Customer shall comply at all times with applicable federal, state, municipal, and other laws, ordinances and regulations.

5. This Agreement contains the entire understanding of the parties with respect to the matters contained herein and may be modified only in writing duly executed by authorized representatives of the parties.

SIGNATURE PAGE FOLLOWS

In witness whereof, MIAMI-DADE COUNTY and NUI CORPORATION, represented by CITY GAS COMPANY OF FLORIDA, by and through their duly authorized officers, have executed this Agreement as of the date first written above.

(SEAL)

NUI CORPORATION

By: CITY GAS COMPANY OF FLORIDA, a Division of NUI Corporation

By: Joyce M. Fajon  
Joyce M. Fajon  
Assistant Secretary

By: [Signature]  
Richard Oruber  
Vice-President, Marketing

ATTEST:

MIAMI-DADE, a political subdivision of the State of Florida

Harvey Ruvlin

By Its Board of County Commissioners

Clerk of the Board

By: [Signature]  
Deputy Clerk

By: [Signature]  
Mr. Merrett R. Stierheim  
County Manager

Approved as to form and legal sufficiency.



By: [Signature]  
Assistant County Attorney

**ATTACHMENT 2**

Unit	Journal ID	Date	Year	Period	Account	Fund	Sum Amount	Posted
WASD1	GL111	3/31/2010	2010	6	381307	EW110	(██████████)	4/2/2010
WASD1	GL112	3/31/2010	2010	6	381307	EW110	(██████████)	4/2/2010
WASD1	GL113	3/31/2010	2010	6	381307	EW110	(██████████)	4/2/2010
WASD1	GL114	3/31/2010	2010	6	381307	EW110	(██████████)	4/2/2010
WASD1	GL115	3/31/2010	2010	6	381307	EW110	(██████████)	4/2/2010
WASD1	GL109	5/31/2010	2010	8	381307	EW110	(██████████)	6/4/2010
WASD1	AP00165173	6/9/2010	2010	9	381307	EW110	(██████████)	6/9/2010
WASD1	AP00166007	6/25/2010	2010	9	381307	EW110	(██████████)	6/25/2010

Amount "escrowed" - Florida City Gas

(██████████)