

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of Special Gas Transportation Service agreement with Florida City Gas by Miami-Dade County through Miami-Dade Water and Sewer Department

Docket No. 090539-GU-011 Date filed: November 8, 2011

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Confidentiality X Confidentiality filed by GFC

FLORIDA CITY GAS' REQUEST FOR CONFIDENTIAL CLASSIFICATION

For EN 08266-11 which is in locked format. You must be authorized to view Florida City Gas

Florida City Gas ("FCG" or "Company"), by and through its undersigned counsel, and pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby files this request for confidential classification for the cost of service analysis and bypass analysis documents which constitute Exhibit "D" to the Settlement Petition being filed today that are a part of the proposed settlement agreement package between the parties. In support of this Revised Request, FCG states as follows:

1. On June 1, 2011, the parties reached a resolution of the issues in this docket and requested that the hearing scheduled to begin on June 1, 2011, be abated pending the opportunity for the parties to write up the necessary documentation reflecting their settlement.

2. Two of the documents associated with the settlement documents are the cost of service analysis (two pages) and the Miami-Dade Water and Sewer Department bypass analysis (six pages). The cost of service analysis contains FCG's proprietary analysis supporting the specific contract rates that FCG has agreed to for service to the MDWASD. This rate analysis involves volume specific rates based upon the terms and conditions of service to MDWASD.

The MDWASD bypass analysis incorporates a detailed standalone analysis of the cost to serve MDWASD's Hialeah and Alexander Orr plants if MDWASD was to bypass FCG and serve those two plants directly. These documents together constitute commercially sensitive and

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valuable information – if other customers had access to this information FCG would be at a competitive disadvantage in seeking to negotiation contract specific rates

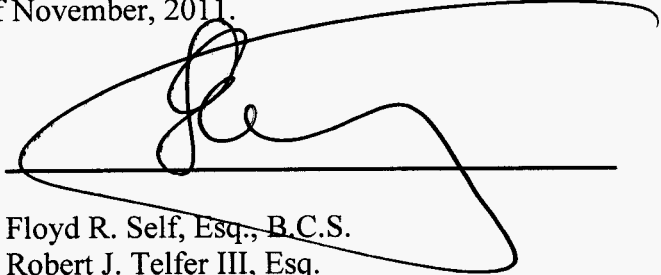
3. The confidential portions of the cost of service analysis and the bypass analysis being provided to the Commission fall within the statutory definitions of trade secrets, information concerning contractual data, and competitive information, the disclosure of which would cause harm to FCG and its ratepayers, and therefore constitutes proprietary confidential business information entitled to protection under section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

3. Attached to this Request is an envelope marked “CONFIDENTIAL” containing one copy of the highlighted confidential information being provided. Two public, redacted versions of the confidential information are also provided with this Request.

4. Attachment 1 to this Request consists of a chart, which specifically sets forth a line-by-line justification for maintaining specific information in the cost of service analysis and bypass analysis. To be clear, this information has not been released to the public, and is treated by FCG as private, confidential information, the release of which could have an adverse impact on the business operations and future contract rate negotiations. The subject information is therefore proprietary confidential business information and is entitled to protection under Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

5. Pursuant to Section 366.093(4), Florida Statutes, and Rule 25-22.006(9), Florida Administrative Code, FCG requests that the information described above as proprietary confidential business information be protected from disclosure for a period of at least 18 months and all information be returned to FCG as soon as the information is no longer necessary for the Commission to conduct its business.

Respectfully submitted this 8<sup>th</sup> day of November, 2011.

A large, stylized handwritten signature in black ink, appearing to read 'F. Self', is written over a horizontal line. The signature is highly cursive and loops back under the line.

Floyd R. Self, Esq., B.C.S.  
Robert J. Telfer III, Esq.  
Messer, Caparello & Self, P.A.  
2618 Centennial Place  
Tallahassee, Florida 32308  
Tel. 850-222-0720  
Fax. 850-558-0656

Shannon O. Pierce, Esq.  
AGL Resources Inc.  
Ten Peachtree Place, 15<sup>th</sup> Floor  
Atlanta, GA 30309  
Tel. 404-584-3394

*Counsel for Florida City Gas*

**EXHIBIT "A"**

DOCUMENT	PAGE NO(S).	COLUMNS	LINE NO(S).	STATUTORY JUSTIFICATION
FCG's Confidential Settlement Cost Analysis	1	B, C, and D	15, 16, 17, 18, 19, 20, 24, 25, and 26	These proprietary numbers contain customer-specific information, or information from which customer-specific information may be easily derived. Such customer-specific information is not released to the public and if disclosed, harms ratepayers' rights to privacy. These numbers also, if made public, would negatively impact the competitive interests of the company (and hence ratepayers) in the company's negotiations of other agreements.
FCG's Confidential MDWASD Bypass Analysis	Page 1 of 6	H and I	3, 4, 5, 6, 9, 13, 17, and 21	These proprietary numbers contain customer-specific information, or information from which customer-specific information may be easily derived. Such customer-specific information is not released to the public and if disclosed, harms ratepayers' rights to privacy. These numbers also, if made public, would negatively impact the competitive interests of the company (and hence ratepayers) in the company's negotiations of other agreements.
FCG's Confidential MDWASD Bypass Analysis	Page 5 of 6	E - F	3 - 48	These proprietary numbers contain customer-specific information, or information from which customer-specific information may be easily derived. Such customer-specific information is not released to the public and if disclosed, harms ratepayers' rights to privacy. These numbers also, if made public, would negatively impact the competitive interests of the company (and hence ratepayers) in the company's negotiations of other agreements.

**EXHIBIT "A"**

FCG's Confidential MDWASD Bypass Analysis	Page 6 of 6	E - F	3 - 50	These proprietary numbers contain customer-specific information, or information from which customer-specific information may be easily derived. Such customer-specific information is not released to the public and if disclosed, harms ratepayers' rights to privacy. These numbers also, if made public, would negatively impact the competitive interests of the company (and hence ratepayers) in the company's negotiations of other agreements.
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Exhibit "D"  
Docket No. 090539-GU  
Settlement Incremental Cost Analysis  
Page 1 of 2

The proposed 2011 TSA rates are based on the Company's incremental cost of service to serve the MDWASD Orr and Hialeah plants plus an additional amount to recover FCG's common costs. The incremental cost of service includes recovery of capital costs, return and expenses.

The rate base for the Orr and Hialeah plants is based on the net plant used to serve them as determined from the Company's records. These costs are based on the extensive review of the Company's plant records during the discovery phase of this proceeding. The return allowance was calculated using the approved rate of return from the Company's last rate case. The income tax allowance was calculated using the statutory state and federal income tax rates.

The expense items included in the cost of service include O&M expenses, depreciation expense and taxes other than income taxes. The incremental O&M expenses were determined by a review of the Company's activities for customers such as MDWASD. These expenses include, one call costs; cathodic protection; corrosion inspection; leak survey; inspection, maintenance and repair of meters, regulators, services and mains; repair and maintenance of meter stations, and; customer billing and accounting.

Depreciation expense was calculated using an average rate based on review of actual depreciation expense for the facilities used to serve the Orr and Hialeah plants. The property tax allowance was calculated using the Company's effective property tax rate.

As shown in Table 1 below, the incremental cost of service for the Orr and Hialeah plants was determined to be \$67,868 and \$56,222 respectively. Incremental rates were calculated for each of the proposed tier levels using the incremental costs and representative volumes for each tier level. These incremental rates are then compared to the proposed 2011 TSA tier rates. As shown on lines 24 – 25 in Table 1, the proposed 2011 TSA rates are in excess of the incremental rates at all tier levels. This demonstrates that the proposed 2011 TSA rates comply with both rate requirements of the LES Rate Schedule; (1) the rates recover the incremental costs, (2) plus recovery of some additional amount to cover FCG's common costs.

Line No.	Description (a)	Alexander Orr (b)	Hialeah (c)	Source (d)
1	Plant in Service	\$ 1,118,074	\$ 38,354	Revised Staff 83 NBV
2	Accumulated Prov.	(1,378,271)	(27,074)	Revised Staff 83 NBV
3	Net Plant	\$ (260,197)	\$ 11,280	Line 1 + Line 2
4	Appr. Rate of Return	7.36%	7.36%	Approved Rate PSC-04-0128-PPA-GU
5	Return	-	830	Line 3 x Line 4
6	Interest Exp.	-	(326)	Weighted debt cost of 2.89% from PSC-04-0128-PPA-GU
7	Taxable Income	\$ -	\$ 504	
8	Effective Tax Rate	0.3763	0.3763	5.5% State and 34% Federal
9	Income Taxes	\$ -	\$ 304	
10	O&M	\$ 67,868	\$ 53,709	Incremental O&M for each plant
11	Depreciation	-	1,151	Effective rate of 3%
12	Taxes Other	-	228	2.019% effective property tax rate
13	Total Expenses	\$ 67,868	\$ 55,392	Sum of Lines 9 through 12
14	Total Cost of Service	\$ 67,868	\$ 56,222	Line 5 + 13
				Total Volumes
15	Volumes (therms) Low			
16	Volumes (therms) Mid			
17	Volumes (therms) High			
	<u>Incremental Rates</u>			
18	Rate - Tier 1			
19	Rate - Tier 2			
20	Rate - Tier 3			
	<u>2011 TSA Rates</u>			
21	Rate - Tier 1	\$ 0.0284	\$ 0.0350	
22	Rate - Tier 2	\$ 0.0227	\$ 0.0281	
23	Rate - Tier 3	\$ 0.0185	\$ 0.0245	
	<u>Difference</u>			
24	Rate - Tier 1			
25	Rate - Tier 2			
26	Rate - Tier 3			

	A	B	C	D	E	F	G	H	I	J
1		<b>FGT Construction Estimates</b>			<b>TNT Estimates</b>			<b>Standalone Bypass Estimates</b>		
2		<b>Alexander Orr</b>	<b>Hialeah</b>		<b>Alexander Orr</b>	<b>Hialeah</b>		<b>Alexander Orr</b>	<b>Hialeah</b>	
3	Construction Cost	\$ 914,252.00	\$ 3,680,042.00		\$ 610,000.00	\$ 1,145,000.00				
4	Tap Cost				\$ 32,000.00	\$ 32,000.00				
5	Oper., Safety, Regulatory one time estimated costs									
6	<b>Total Const Cost</b>	<b>\$ 914,252.00</b>	<b>\$ 3,680,042.00</b>		<b>\$ 642,000.00</b>	<b>\$ 1,177,000.00</b>				
7										
8	All In Debt Rate	4%	4%		4%	4%		4%	4%	
9	<b>Total Debt</b>	<b>\$ 1,462,803.20</b>	<b>\$ 5,888,067.20</b>		<b>\$ 1,027,200.00</b>	<b>\$ 1,883,200.00</b>				
10										
11	Maintenance Cost				\$ 500,000.00	\$ 500,000.00		\$ 3,036,326.60	\$ 1,518,163.30	
12										
13	<b>Total Costs:</b>	<b>\$ 1,462,803.20</b>	<b>\$ 5,888,067.20</b>		<b>\$ 1,527,200.00</b>	<b>\$ 2,383,200.00</b>				
14										
15	Consumption	120,368,720	81,283,160		120,368,720	81,283,160		120,368,720	81,283,160	
16										
17	<b>By-Pass COS</b>	0.01215	0.07244		0.01269	0.02932				
18										
19	<b>Calculated COS</b>	<b>0.02260</b>	<b>0.02760</b>		<b>0.02260</b>	<b>0.02760</b>		<b>0.02260</b>	<b>0.02760</b>	
20										
21	<b>Difference</b>	<b>(0.01045)</b>	<b>0.04484</b>		<b>(0.00991)</b>	<b>0.00172</b>				



	A	B	C	D
<b>1</b>	<b>Miami Dade Plants - Estimated Operations &amp; Maintenance Expenses</b>			
2	Estimated Avg. Inflation:	1.60%		
3				
4	Estimated Operations & Maintenance total Costs:			130,809
5	Less: One time estimated costs:			(18,500)
6	<b>Estimated annual costs:</b>			<b>112,309</b>
7				
8	<b>Years</b>	<b>Estimated Annual Amt</b>	<b>Estimated Total Expenses</b>	
9	3	112,309.48	336,928.44	
10	6	114,106.43	342,319.30	
11	9	115,932.13	347,796.40	
12	12	117,787.05	353,361.15	
13	15	119,671.64	359,014.92	
14	18	121,586.39	364,759.16	
15	21	123,531.77	370,595.31	
16	24	125,508.28	376,524.83	
17	27	127,516.41	382,549.23	
18	30	129,556.67	388,670.02	
19	36	131,629.58	394,888.74	
20	39	133,735.65	401,206.96	
21	40	135,875.42	135,875.42	
22	<b>Total Oper&amp;Maint:</b>		<b>4,554,489.89</b>	

	A	B	C	D	E	F	G	H
1	Task	Responsible Dept.	Bid Pricing Request	# Professional FTE	Total WorkHours	Total hours	# Skilled FTE	Total Workhours
2	Prepare OPM (One manual to cover all work)	Operations Support	One Time	0	0	0	0	0
3	Prepare Emergency Manual (Plant specific)	Operations Support	One Time	0	0	0	0	0
4	Prepare DIMP Plan	Operations Support	One Time	0	0	0	0	0
5	OQ documented program	Safety & Crisis Management	One Time	0	0	0	0	0
6	Initial Training and Setup of OQ	Safety & Crisis Management	One Time	0	0	0	0	0
7	Establish Public Awareness Program	Regulatory	One Time	0	0	0	0	0
8	Participate in marking out locate requests/ One call	Operations Support - Damage Prevention	Annual	0	0	0	0	0
9	Cathodic protection testing and documentation	Corrosion-Southern	Annual	0	0	0	0	0
10	Atmospheric corrosion inspection and documentation	Corrosion-Southern	Annual	0	0	0	0	0
11	Updates to both OPM and EM	Operations Support	Annual	1	0	16	0	0
12	Leak survey of ROW	Operations Support	Annual	0	0	0	0	0
13	Maintain all records according to code of above inspections	Miami Service Center	Annual	1	0	160	0	0
14	Internal inspection & rebuild of pressure regulators and relief valves	Gas Measurement	Annual	0	0	0	1	32
15	Inspect and lubricate manual valves	Gas Measurement	Annual	0	0	0	1	32
16	Administration of OQ Program	Safety & Crisis Management	Annual	0	0	0	0	0
17	OQ process to maintain records	Safety & Crisis Management	Annual	0	0	0	0	0
18	Evaluator Authorization	Safety & Crisis Management	Annual	0	0	0	0	0
19	Administration of Drug and Alcohol Program	Safety & Crisis Management	Annual	0	0	0	0	0
20	Replace of one set of filters (filters will be supplied)	Gas Measurement	Annual	0	0	0	1	16
21	Maintain Odorant Tank	Gas Measurement	Annual	0	0	0	1	16
22	Visual inspection of above ground facilities	Gas Measurement	Annual	0	0	0	1	16
23	Maintain check measurement equipment/ perform witness testing of CTMeters	Gas Measurement	Annual	0	0	0	1	16
24	Perform general tap heater maintenance	Gas Measurement	Annual	0	0	0	1	16
25	Document Public Awareness Program	Regulatory	Annual	0	0	0	0	0
26	Investigate Leaks	Operations	Continuous					
27	Repair and Maintain Services	Operations	Continuous					
28	Repair and Maintain Mains	Operations	Continuous					
29	Repair and Maintain Meter and Reg Stations	Operations	Continuous					
30								

	I	J	K	L	M	N	O
1	Drive Time	# Vehicles	Mileage	Overnight Total	OC Amount \$	Total Cost	Comments
2	0	0	0	0	\$ 4,000	\$ 4,000	\$4000 Per Ben Ward
3	0	0	0	0	\$ 4,000	\$ 4,000	\$4000 Per Ben Ward
4	0	0	0	0	\$ 2,500	\$ 2,500	Per Rick Lonn - SHRIMP
5	0	0	0	0	\$ 1,000	\$ 1,000	Estimate per Veriforce (Ron Foster assisted)
6	0	0	0	0	\$ 3,000	\$ 3,000	Estimate per Veriforce (Ron Foster assisted)
7	0	0	0	0	\$ 4,000	\$ 4,000	Estimate per Ben Ward
8	0	0	0	0	\$ 4,107	\$ 3,675	Estimate per Kyle (input from Rick Lonn). Total Miami Tickets/Total Miles (30/mile)*Miles of
9	0	0	0	0	\$ 4,000	\$ 4,000	Per Keith McDonald
10	0	0	0	0	\$ -	\$ -	Covered in the Corrosion Inspection and Leak Survey
11	0	0	0	0	\$ -	\$ 1,194	Estimate per Kyle w/conversations with Ben
12	0	0	0	0	\$ 2,500	\$ 2,500	Quote from Larry Smallwood - Southern Cross
13	0	0	0	0	\$ -	\$ 11,941	Estimate per Kyle
14	8	1	480	0	\$ -	\$ 2,348	Estimate per Ben Ward
15	8	1	480	0	\$ -	\$ 2,348	Estimate per Kyle
16	0	0	0	0	\$ 9,125	\$ 9,125	Took 1/2 of Veriforce Estimate
17	0	0	0	0	\$ 550	\$ 550	Estimate per Veriforce (Ron Foster assisted)
18	0	0	0	0	\$ 375	\$ 375	Estimate per Veriforce (Ron Foster assisted)
19	0	0	0	0	\$ 8,250	\$ 8,250	Estimate per Veriforce (Ron Foster assisted)
20	4	1	240	0		\$ 1,174	Estimate per Kyle
21	4	1	240	0			Four trips / 4- (1/2) days
22	4	1	240	0		\$ 1,174	Estimate per Kyle
23	2	1	240	0		\$ 1,078	Estimate per Kyle
24	2	1	240	0		\$ 1,078	Estimate per Kyle
25	0	0	0	0	\$ 15,000	\$ 15,000	Estimate Per Rick Lonn
26						\$ 6,000	Per Tommy Sipsy
27						\$ 10,000	Per Tommy Sipsy
28						\$ 16,000	Per Tommy Sipsy
29						\$ 14,500	Per Tommy Sipsy
30						\$ 130,809	

	A	B	C	D	E	F	G	H
1	<b>Hialeah Water Treatment Plant Bypass Estimate</b>							
2	<b>Item</b>	<b>Element</b>	<b>Quantity</b>	<b>Unit</b>	<b>Rate</b>	<b>Total</b>	<b>FGT Total</b>	<b>TNT Total</b>
3	1	<b>Consultants</b>						
4	1.1	<b>NDE Contractor</b>						
5	1.11	X-Rays	5	EA				
6	1.2	<b>Environmental</b>						
7	1.21	Environmental Consultant and Contamination Disposal	1	EA				
8	1.3	<b>Engineering Design</b>						
9	1.31	Engineering	1	EA				
10	2	<b>Materials, including freight and tax</b>						
11	2.1	<b>Pipe</b>						
12	2.11	4" STL FBE	3,000	LF				
13	2.12	4" STL TC	9,000	LF				
14	2.2	<b>Valves &amp; Actuators</b>						
15	2.21	4" STL Valves	5	EA				
16	2.3	<b>Fittings</b>						
17	2.31	Misc Fittings Allowance	1	EA				
18	2.4	<b>Miscellaneous Materials</b>						
19	2.41	Pipe markers allowance	50	EA				
20	2.42	Insulators	1	EA				
21	3	<b>Construction</b>						\$ 1,145,000
22	3.1	<b>Permitting</b>						
23	3.11	Environmental - Canal Crossings	2.00	EA				
24	3.2	<b>Construction</b>						
25	3.21	MAIN-4 STEEL >3000 FT APPROACH OR NEW BUSINESS	3,000	LF				
26	3.22	MAIN-4 STEEL >3000 FT UNDER PAVEMENT	8,000	LF				
27	3.23	Canal Bore	1,000	LF				
28	3.24	Tap of FGT Line	1	EA				\$ 32,000
29	3.25	New Tap Station (Per South Miami AFE)	1	EA				
30	3.26	Required SCADA Equipment	1	EA				
31	3.27	Corrosion	1	EA				
32	3.28	Silt Fence	1,000	LF				
33	3.29	End User Regulator Station	1	EA				
34	3.30	Odorizer + Tank+ Odorant	1	EA				
35	3.31	Asphalt Patching	5,000	SQ Ft				
36	3.32	Sod	1,000	SQ Ft				
37	3.33	Sand	20	Ton				
38	3.34	Sidewalk Replacement	3,000	SQ Ft				
40	4	<b>Labor Cost</b>	\$ 138,978					
41	4.1	OHAG 7.56%						
42	4.2	Direct Internal Labor						
43	5	<b>Finance Cost</b>	\$ 26,230					
44	5.1	AFUDC 8.53%						
45		Life of Project		4 months				
46								
47	<b>Total Based on +/- 30%</b>						\$ 3,680,042	\$ 1,177,000
48								

	A	B	C	D	E	F	G	H	
1	<b>Alexander Orr Water Treatment Plant Bypass Estimate</b>								
2	<b>Item</b>	<b>Element</b>	<b>Quantity</b>	<b>Unit</b>	<b>Rate</b>	<b>Total</b>	<b>FGT Total</b>	<b>TNT Total</b>	
3	<b>1</b>	<b>Consultants</b>							
4	1.1	<b>NDE Contractor</b>							
5	1.11	X-Rays	\$ 5	DAYS					
6	<b>1.2</b>	<b>Environmental</b>							
7	1.21	Environmental Consultant and Contamination Disposal		1	EA		\$ 16,800		
8	<b>1.3</b>	<b>Engineering Design</b>							
9	1.31	Engineering - Direct Salaries			EA		\$ 3,000		
10	1.32	Engineering			EA		\$ 14,000		
11	1.33	Engineering As Built Drawings			EA		\$ 3,018		
12	1.34	Engineering		1	EA				
13	<b>2</b>	<b>Materials</b>					\$ 177,450		
14	<b>2.1</b>	<b>Pipe</b>							
15	2.11	4" STL FBE		1,300	LF				
16	2.12	4" STL TC		2,300	LF				
17	<b>2.2</b>	<b>Valves &amp; Actuators</b>							
18	2.21	4" STL Valves		3	EA				
19	<b>2.3</b>	<b>Fittings</b>							
20	2.31	Misc Fittings Allowance		1	EA				
21	<b>2.4</b>	<b>Miscellaneous Materials</b>							
22	2.41	Pipe markers allowance		5	EA				
23	<b>3</b>	<b>Construction</b>							
24	<b>3.1</b>	<b>Construction</b>					\$ 106,600	\$ 610,000	
25	3.11	MAIN-4 STEEL >3000 FT APPROACH OR NEW BUSINESS		1,000	LF				
26	3.12	MAIN-4 STEEL >3000 FT UNDER PAVEMENT		2,600	LF				
27	3.13	Tap of FGT Line		1	EA			\$ 32,000	
28	3.14	New Tap Station (Per South Miami AFE)		1	EA				
29	3.15	Required SCADA Equipment		1	EA				
30	3.16	Corrosion		1	EA				
31	3.17	Silt Fence		500	LF				
32	3.18	Odorizer + Tank+Odorant		1	EA				
33	3.19	Asphalt Patching		2,000	LF				
34	3.20	Sod		1,000	SQ ft				
35	3.21	Sand		20	SQ ft				
37	<b>4</b>	<b>Labor Cost</b>	\$ 73,823				\$ 279,000		
38	4.1	OHAG 7.56%							
39	4.2	Direct Internal Labor							
40	<b>5</b>	<b>Finance Cost</b>	\$ 6,526						
41	5.1	AFUDC 8.53%		0.71%					
42		Life of Project		2	months				
43	<b>6</b>	<b>FGT Taxes, FGT Overhead, Gross-up</b>							
44	6.1	Tax-Material					\$ 13,144		
45	6.2	Overhead - FGT					\$ 26,325		
46	6.3	Tax Gross-up					\$ 210,981		
47	6.4	Contingency					\$ 63,934		
48									
49	<b>Total Based on +/- 30%</b>							\$ 914,252	642,000
50									