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# Public Service Commission

June 4, 2013

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

## STAFF'S SECOND DATA REQUEST

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

Dear Mr. Self

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

1. Please refer to the Joint Petition, Exhibit E, Page 5 of 10, response to Question 1, in which Jack Langer states, "Based on its long history of kiln operation, WASD does not expect many emergency shutdowns after both kilns are fully repaired and operating (note recent history of Hialeah kiln)." Also, under Question 1, Jack Langer states "WASD anticipates the lime kilns to be operative for many years to come." Given these statements, why have the petitioners included an "out" clause for the take or pay provision to the 2014 TSA (Joint Petition, Exhibit A, Page 5, Article V, Section 3)?
2. Please refer to the Joint Petition, Page 7, Section 12. What are the potential reasons for extended outages of greater than 90 days for purposes of suspension of the take or pay minimum volumes?
3. Please refer to the Joint Petition, Page 7, Section 12. What are potential reasons for extended outages of greater than 90 days for which a suspension of the take or pay minimum volumes could not be exercised?
4. Please refer to the Joint Petition, Exhibit A, Page 5, Section 3, last sentence. If MDWASD advises FCG of a service outage of more than 90 days, thereby suspending the take or pay provisions of the contract, is it correct that the take or pay minimums for service period outages greater than 90 days are adjusted on a pro rata basis for all days of the outage, including the first 90 days?

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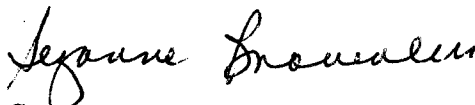
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5. Refer to the Joint Petition, Exhibit D, Confidential FCG Cost Support Documentation, Pages 9-27 and Exhibit A, Page 5, Article V, Section 3. Explain how the projected contributions to FCG common costs under the TSA is sufficient to offset the risk of revenue shortfalls (incremental costs exceeding revenue) due to the potential suspension of the take or pay minimum volumes of natural gas.
6. Please refer to Joint Petition, Exhibit D, Confidential FCG Cost Support Documentation, Pages 4 of 27, lines 5 and 18. Please provide documents showing the development of 2014 Accumulated Depreciation and Incremental O&M expense for each plant.
7. Please refer to Joint Petition, Exhibit D, Confidential FCG Cost Support Documentation, Pages 4 of 27, lines 5 and 18. Please explain the basis for the annual O&M adjustment for 2015 through 2023.
8. Please refer to the Joint Petition, Exhibit A, Page 2, Article 1, Section 1 and Page 4, Article V, Section 1. The Agreement requires FCG to provide natural gas transportation service to MDWASD for a period of 10 years in the maximum quantities as defined.
  - A. Please provide a physical description of the assets which comprise the natural gas distribution service that serves the Alexander Orr and Hialeah plants, including a listing of all such assets, their approximate installation dates, pipeline specifications such as materials, capacity, sizes, and length, as well as other pertinent details of other assets such as valves and meters.
  - B. What is the leak and hazardous event history of the Alexander Orr and Hialeah pipelines during the period 2003-2012?
  - C. Please describe each capital improvement and replacement, the amount and date of each such improvement and replacement, and the associated reasons for such improvement or replacement for the Alexander Orr and Hialeah natural gas transportation facilities during the period 2003-2012.
  - D. Does FCG expect that the Alexander Orr and Hialeah natural gas transportation facilities will require any capital improvements or replacements through 2023? Why?
  - E. If "yes" to D, what are the anticipated capital improvements, anticipated cost of such capital improvements, anticipated dates such capital improvements will be necessary, and anticipated annual expenses related to such capital improvements?
9. What is the impact of the take or pay provision and the associated "out" provision on the calculation of the CRA? Please explain in the instance where: A. MDWASD annual sales are below the take or pay minimum and no "out" provision is requested by MDWASD; and B. MDWASD annual sales are below the take or pay minimum and the "out" provision is requested by MDWASD.
10. Would FCG pursue the 2014 TSA as it is currently structured if FCG's CRA tariff were not in effect? Why?

Please file the original and five copies of the requested information by Friday, July 5, 2013 with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6218 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne Brownless".

Suzanne Brownless  
Senior Attorney

SBr/nah

cc: Office of Commission Clerk ✓