



July 19, 2013

BY E-Filing

Ms. Ann Cole, Commission Clerk
Office of Commission Clerk
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 130089-GU, FCG Responses, Staff's Third Set of Data Requests

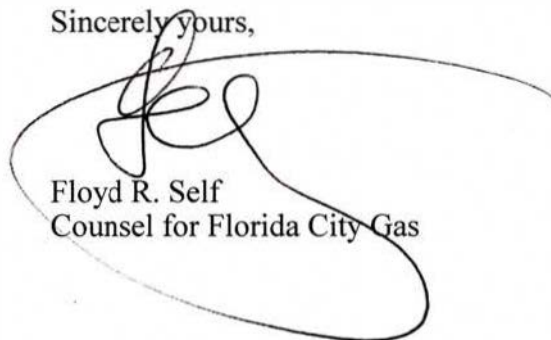
Dear Ms. Cole:

Enclosed for electronic filing on behalf of Florida City Gas are the Responses of Florida City Gas to Staff's Third Set of Data Requests.

Please let me know if there are any further requirements.

Thank you for your assistance with this filing.

Sincerely yours,



Floyd R. Self
Counsel for Florida City Gas

FRS/bhs
Enclosures

cc: Elizabeth Wade, Esq.
Henry Gillman, Esq.
Suzanne Brownless, Esq.

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Staff 3-1: Please refer to FCG's response to Staff's DR 2-8B.

- a. Please clarify whether FCG has identified all leak repairs from 2003 through 2012 for the pipelines serving the Alexander Orr and Hialeah plants.
- b. What was the nature of the equipment failure associated with the Alexander Orr leak completed on September 29, 2011, and what was the expense to repair the equipment failure?
- c. Are repair expenses similar to those incurred to repair the Alexander Orr leak completed on September 29, 2011 incorporated into the O&M expenses identified in Confidential Exhibit D to the Joint Petition?

FCG RESPONSES:

- a. The response to 2-8B provided the available data, which only goes back to 2009.
- b. The equipment failure was a class 3 leak upstream of the meter. The repair cost was approximately \$782.90.
- c. Yes. An estimate for similar repair expenses that would be considered in the normal course of business during the year was included. See further the response to Staff's Third Data Request 3-2(f).

The responses to (a)-(b) were prepared by or under the supervision of Ms. Carolyn Bermudez, Director, Regional Operations, Florida City Gas.

The response to (c) was prepared by or under the supervision of Ronald D. Hanson, Manager, Regulatory Analysis, AGL Resources Inc.

Staff DR 3-2: Please refer to FCG's response to Staff's DR 2-8C.

- a. What is the cost of meter changes required due to periodic testing for the Alexander Orr and Hialeah plants from 2003 through 2012?
- b. What was the cost of the 2010 to 2012 four inch main relocation for the main referenced in the response serving the Hialeah Plant?
- c. Approximately what portion of the capacity of the 4 inch main along West 4th Avenue serving the Hialeah Plant is used to serve the Hialeah plant?
- d. What was the date and approximate cost of the valve box changed on a valve along the four inch main serving the Hialeah Plant on NW 62nd Street, just west of NW 38th Avenue?
- e. Approximately what portion of the capacity of the 4 inch main on NW 62nd Street serving the Hialeah Plant is used to serve the Hialeah plant?
- f. Does FCG's incremental cost analysis presented in Confidential Exhibit D to the Joint Petition incorporate the expenses associated with the capital costs similar to those identified in FCG's response to Staff's DR 3-2a,b, and d if such costs were to be incurred during the 2014-2023 period? If so, please explain. If not, why not?

FCG RESPONSES:

- a. FCG only has data back to 2009, which reflects that there were no meter changes due to the periodic testing of the meters. The maintenance work performed on those meters is reflected in Exhibit 2-8B provided in FCG's responses to Staff's Second Set of Data Requests.
- b. Approximately \$635,500.
- c. According to our system model, on average, 26% of the flow in the 4" pipe along West 4th Avenue is used by the Hialeah Plant.
- d. The valve box was changed on 10/05/05 at an approximate cost of \$300.
- e. According to our system model, on average, 84% of the flow in the 4" pipe along NW 62nd Street is used by the Hialeah Plant.
- f. Yes, except for (b) since the relocation of a gas main is an extraordinary event which was capitalized due to its size. The O&M expenses in Confidential Petition Exhibit D are derived from the O&M expenses for the Orr and Hialeah plants identified in Docket No. 090539-GU, in FCG's May 18, 2011, Response to Staff's Sixth Set of Interrogatories, No. 89, including Attachment 89, and FCG's May 18, 2011, Response to Staff's Sixth Request for Production of Documents, No. 23 (which is the backup documentation to Interrogatory Response No. 89). Utilizing the respective Orr and Hialeah spreadsheets in Attachment 89 to the response to Interrogatory 89, FCG used the same core information and simply updated the rates and hours columns to reflect 2012 data, which was then inflated each year thereafter. The 2012 version of the spreadsheet that was used to develop Confidential Petition Exhibit D is attached as Exhibit 3-2f, FCG Confidential DR 3-2f Response.

The response to (a) was prepared by or under the supervision of Ms. Carolyn Bermudez, Director, Regional Operations, Florida City Gas.

The responses to (b)-(e) were prepared by or under the supervision of Ron Muller, Manager, Construction, Florida City Gas.

The response to (f) was prepared by or under the supervision of Ronald D. Hanson, Manager, Regulatory Analysis, AGL Resources Inc.

Staff 3-3: Please refer to FCG's response to Staff's DR 2-8D. Is FCG aware of any future municipal right of way improvements that may require adjustments to the pipeline facilities serving Alexander Orr or Hialeah plants through 2023?

FCG RESPONSES: The Florida Department of Transportation and the City of Hialeah at this time do not indicate any current or future projects along any of their roadways with gas mains that serve the Hialeah or Alexander Orr Plants. Miami-Dade County Public Works proposes to improve the corridor of NW 37th Ave from the SE Hialeah Gate to NW 62nd Street which may require adjustments to our facilities.

This response prepared by or under the supervision of Ron Muller, Manager, Construction, Florida City Gas.

Staff 3-4: Please refer to FCG's response to Staff's DR 2-9(A). Considering the FCG's CRA tariff, which describes "base revenue" as the revenue which the Company would have derived based on gas sold, why should the CRA be calculated based on the "take or pay" gas volume rather than the actual gas volume for the year, in instances where the volumes sold are below the take or pay threshold and the "out" provision is not applicable?

FCG RESPONSE: It should be the take or pay volume in a year where the volume transported was less than the take or pay volume. All of the relevant tariff provisions regarding the CRA must be read together. The LES Tariff specifically addresses the situation under "Special Condition" No. 6, on Original Sheet 51C: "The difference between the otherwise applicable tariff rate and the approved contract rate under this Rate Schedule may be subject to recovery through Rider "C", Competitive Rate Adjustment ("CRA")." Since the "approved contract rate" as proposed would be the take or pay amount in the event the volume transported fell below the take or pay amount, then the take or pay amount would be the amount subject to the CRA recovery mechanism.

This response prepared by or under the supervision of Marc Seagrave, Director, New Business Development & Energy Efficiency Programs, AGL Resources Inc.

Staff 3-5: Please refer to the Joint Petition, Exhibit A, Page 9 of 15, Article IX.

- a. Is MDWASD authorized per the Joint Petition to use its landfill gas to operate its lime kilns at Alexander Orr and Hialeah from 2014-2023?
- b. If so, what impact does FCG believe such alternative fuel availability will have on its quantity of natural gas transportation to MDWASD during the contract term?

FCG RESPONSE:

- a. This language does appear in the 2014 TSA, but it should probably be eliminated since Orr and Hialeah do not have access to landfill gas. This sentence became a part of the contract when the Blackpoint plant was added as a part of the 1998 TSA since Blackpoint does have access to landfill gas. However, Blackpoint was removed from the 2011 TSA since the gas volumes consumed by the Blackpoint plant were insufficient to support a contract rate. A revised page 9 to the 2014 TSA, Attachment A to the Joint Petition, is attached reflecting the elimination of this sentence along with a track changes version.
- b. Not applicable. See (a) above.

This response prepared by or under the supervision of Marc Seagrave, Director, New Business Development & Energy Efficiency Programs, AGL Resources Inc.

Redacted Version

	A	B	C	D	E	F
1	Task	Responsible Dept.	Hours / Qty	Rate	Total Cost	Comments
2	Locate Tickets and Emergency Locate requests	Operations Support - Damage Pevention				Number of MDWASD Orr tickets (245) divided by total number of Miami Region tickets (5517) = 4.44% times total locating expense for 2010
3	Sunshine One Call cost per ticket	Operations Support - Damage Pevention				MDWASD tickets 245 times \$0.94
4	Cathodic protection testing	Corrosion-Southern				Estimated Per Manager of Pipeline Integrity
5	Atmospheric corrosion inspection	Corrosion-Southern				Estimated Per Manager of Pipeline Integrity
6	Leak survey of ROW	Operations Support				Quote from Southern Cross contractor
7	Internal inspection & rebuild of pressure regulators and relief valves	Gas Measurement				Estimate per Director Measurement and Control
8	Visual inspection of above ground facilities	Gas Measurement				Estimate per Managing Director of Construction Operations
9	Maintain check measurement equipment/ perfrom witness testing of CTMeters	Gas Measurement				Estimate per Managing Director of Construction Operations
10	Ordorant Expense/per therm	Gas Measurement				Estimate per Managing Director of Construction Operations
11	Investigate Leaks	Operations				Estimated Per Miami Operations Supervisor
12	Repair and Maintain Services	Operations				Estimated Per Miami Operations Supervisor
13	Repair and Maintain Mains	Operations				Estimated Per Miami Operations Supervisor
14	Repair and Maintain Meter and Reg Stations - Meter 1	Operations				Estimated Per Miami Operations Supervisor
15	Repair and Maintain Meter and Reg Stations - Meter 2	Operations				Estimated Per Miami Operations Supervisor
16	Customer Billing and Customer Accounting - Acct 1	Accounting				Three hours per month
17	Customer Billing and Customer Accounting - Acct 2	Accounting				Three hours per month
18						
19						

Redacted Version

	A	B	C	D	E	F
1	Task	Responsible Dept.	Hours / Qty	Rate	Total Cost	Comments
2	Locate Tickets and Emergency Locate requests	Operations Support - Damage Pevention				Number of MDWASD Hialeah tickets (180) divided by total number of Miami Region tickets (5517) = 3.26% times total locating expense for 2010
3	Sunshine One Call cost per ticket	Operations Support - Damage Pevention				MDWASD tickets 180 times \$0.94
4	Cathodic protection testing	Corrosion-Southern				Estimated Per Manager of Pipeline Integrity
5	Atmospheric corrosion inspection	Corrosion-Southern				Estimated Per Manager of Pipeline Integrity
6	Leak survey of ROW	Operations Support				Quote from Southern Cross contractor
7	Internal inspection & rebuild of pressure regulators and relief valves	Gas Measurement				Estimate per Director Measurement and Control
8	Visual inspection of above ground facilities	Gas Measurement				Estimate per Managing Director of Construction Operations
9	Maintain check measurement equipment/ perfrom witness testing of CTMeters	Gas Measurement				Estimate per Managing Director of Construction Operations
10	Ordorant Expense\per therm	Gas Measurement				Estimate per Managing Director of Construction Operations
11	Investigate Leaks	Operations				Estimated Per Miami Operations Supervisor
12	Repair and Maintain Services	Operations				Estimated Per Miami Operations Supervisor
13	Repair and Maintain Mains	Operations				Estimated Per Miami Operations Supervisor
14	Repair and Maintain Meter and Reg Stations	Operations				Estimated Per Miami Operations Supervisor
15	Customer Billing and Customer Accounting	Accounting				Three hours per month
16						
17						
18						

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 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

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

ARTICLE IX

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ARTICLE X

FACILITIES

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

ARTICLE XI

NOMINATIONS AND NOTICE

1. Customer, or its agent supplier, shall make all nominations of service (advice regarding the next month's 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 (10) 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 (3) working days prior to the date the change is to become effective.