

STATE OF FLORIDA

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Public Service Commission

October 18, 2016

Floyd R. Self
Berger Singerman LLP
313 North Monroe Street, Suite 301
Tallahassee, FL 32301
fself@bergersingerman.com

via Email, US Mail, and Certified Mail

NOTICE OF APPARENT VIOLATION

Re: Apparent Violation of Rule 25-9.034, Florida Administrative Code, and Possible Implementation of Show Cause Proceedings Against Florida City Gas

Dear Mr. Self:

Section 366.04, Florida Statutes (F.S.), provides that the Florida Public Service Commission (Commission) shall have jurisdiction to regulate and supervise each public utility with respect to its rates and service. Section 366.02, F.S., defines a public utility to include every person, corporation, partnership, association, or other legal entity and their lessees, trustees, or receivers supplying electricity or gas (natural, manufactured, or similar gaseous substance) to or for the public within this state.

Pursuant to Rule 25-9.034(1), Florida Administrative Code (F.A.C.), wherever a special contract is entered into by a utility for the sale of its product or services in a manner or subject to the provisions not specifically covered by its filed regulations and standard approved rate schedules, such contract must be approved by the Commission prior to its execution. Further, Rule 25-9.034(2), F.A.C., provides that each utility shall make a provision to file with the Commission a conformed copy of all such special contracts which are currently in effect and which have not been previously filed.

Florida City Gas (FCG) is an investor-owned natural gas utility company subject to the Commission's regulatory jurisdiction as prescribed in Chapter 366, F.S. Upon review of the information provided in FCG's July 22, 2016 petition in Docket No. 160175-GU, it appears that FCG is in violation of Rule 25-9.034, F.A.C. The information provided by FCG indicates that FCG failed to submit the special contract at issue in this docket to the Commission for its approval prior to its execution.

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Section 366.095, F.S., provides that any entity which violates any provision of Chapter 366, F.S., or any lawful rule of the Commission, shall be subject to a penalty not to exceed \$5,000 for each violation for each day that such violation persists.

Please provide any mitigating information or circumstances related to FCG's apparent violation of Rule 25-9.034, F.A.C., in writing by November 1, 2016.

If you have any questions, please contact me at 850-413-6076 or mleather@psc.state.fl.us.

Sincerely,

/s/ Margo S. Leathers

Margo A. Leathers
Attorney

MAL

cc: Division of Economics (Guffey, Rome, Draper)
Office of Commission Clerk (160175-GU)