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October 23, 2017

**BY E-PORTAL**

Ms. Carlotta Stauffer  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: DOCKET NO. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas.**

Dear Ms. Stauffer:

Attached, for electronic filing, please find the testimony of Florida City Gas's witness David Meiselman. (Document 8 of 14)

Sincerely,

A handwritten signature in blue ink that reads 'Beth Keating'.

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Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
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Tallahassee, FL 32301  
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MEK

ATTACHMENTS

cc:// PSC (20 Hard copies)

Office of Public Counsel (Kelly)

1 Before the Florida Public Service Commission

2 Docket No. 20170179-GU: Petition for rate increase by Florida City Gas

3 Prepared Direct Testimony of David M. Meiselman

4 Date of Filing: October 23, 2017

5

6 **I. INTRODUCTION**

7 Q. Please state your name and business address.

8 A. David M. Meiselman, and my business address is 10 Peachtree Place,  
9 Atlanta, Georgia 30309.

10

11 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

12 A. I am Managing Director, Rate Design and Tariff Administration at  
13 Southern Company Gas (formerly AGL Resources Inc.). Southern  
14 Company Gas is the parent holding company for seven natural gas  
15 distribution companies, including Florida City Gas Company ("FCG" or the  
16 "Company"). The other companies are located in Illinois, Georgia,  
17 Maryland, New Jersey, Tennessee, and Virginia.

18

19 Q. What are your duties and responsibilities in that position?

20 A. I am responsible for overseeing all aspects of the rates and tariffs related  
21 to Southern Company Gas's seven regulated gas distribution companies,  
22 including FCG.

23

24 Q. What is your educational background and prior work experience?

1 A. I received my Bachelor of Science degree from The Wharton School,  
2 University of Pennsylvania, and my Master of Business Administration  
3 degree from Goizueta Business School, Emory University, Atlanta,  
4 Georgia. Prior to my current position, I was Assistant to the Chief  
5 Financial Officer of Southern Company from 2014 to 2016. I was  
6 previously employed by Georgia Power Company, where I was Manager  
7 of Regulatory Accounting from 2009-2014, and Manager of Financial  
8 Planning from 2008-2009.

9

10 **II. PURPOSE OF TESTIMONY**

11 Q. What is the purpose of your testimony?

12 A. The purpose of my testimony is to present and support the tariff  
13 modifications proposed as part of the Company's rate case filing. My  
14 testimony will describe the proposed changes to the Company's tariff,  
15 including changes to its Rules and Regulations, Rate Schedules and  
16 Riders.

17

18 Q. Are you sponsoring any exhibits in this proceeding?

19 A. Yes, I am sponsoring both the complete proposed tariff (the "clean tariff")  
20 and the red-lined version of the tariff that are filed as part of the minimum  
21 filing requirement ("MFR") schedule E-9.

22

23 **III. RULES AND REGULATIONS**

24 Q. Is the Company proposing any revisions to the tariff sections regarding  
25 deposits to guarantee payment of bills?

1 A. Yes. The Company has updated the tariff language to maintain  
2 consistency with Section 366.05(1)(c), Florida Statutes, which describes  
3 the specific calculation of deposits for existing accounts and new service.  
4 Additionally, the Company has added language to charge a new deposit  
5 where previously waived or returned, or an additional deposit, in order to  
6 secure payment of current bills. The language regarding the interest  
7 applied to held deposits was also updated to add the qualifier language for  
8 Non-Residential accounts from Florida Public Service Commission  
9 ("FPSC") Rule 25-7.083(6), Florida Administrative Code, for purposes of  
10 clarity.

11

12 Q. Is the Company proposing any revisions to the section regarding  
13 metering?

14 A. Yes. The Company has described the Company's procedures in the event  
15 of stoppage or failure of a meter and identified the period for which the  
16 Company is allowed to back bill the Customer based upon estimated  
17 usage. In situations where unauthorized or fraudulent use or the  
18 Company's equipment was tampered the Company added language to  
19 capture how the billed amount will be determined. Additionally, the  
20 Residential Meter Reading section is revised to reflect the Company's  
21 current meter reading process using Automated Meter Reading Devices  
22 ("AMR").

23

24 Q. Is the Company proposing any revisions to its service charges?

25 A. Yes. The revisions to Service Charges are described below:

- 1 • The Connect Charge and Reconnection Charge have been revised to  
2 reflect up-to-date cost analysis of performing the services.
- 3 • A Failed Trip Charge of \$20 has been added to recover costs from a  
4 Customer who fails to keep a scheduled appointment with the Company's  
5 employee, agent or representative.
- 6 • The Returned Check charges section is revised to be in alignment with  
7 Section 68.065, Florida Statutes. In place of the current \$25 charge, the  
8 statute has a graduated charge amount that depends on the face value of  
9 the returned check. Both the current tariff and the Statute include a  
10 possible charge of 5 percent of the face value if that amount is greater  
11 than the fixed dollar service charge.
- 12 • A Temporary Disconnection of Service Charge of \$35 has been added to  
13 recover costs directly from a customer who requests gas service to be  
14 turned off temporarily.
- 15 • For certain services that are requested by a customer to be performed  
16 outside of normal business hours, the Company proposes to charge for  
17 the additional costs associated with performing the services after hours.  
18 The additional charges will apply when any of the following services are  
19 requested by a customer to be performed outside of normal business  
20 hours: Connect Charge, Reconnection Charge, and Temporary  
21 Disconnection of Service Charge.
- 22 The proposed revisions to the service charges help reduce upward rate  
23 pressure on other customers by charging the customers who are causing  
24 the costs. The revisions to the service charges are thoroughly described in  
25 testimony by witness Nikolich.

1

2 Q. Is the Company proposing any revisions to the right to suspend or  
3 discontinue service to a customer section?

4 A. Yes. The Company may suspend or discontinue service if the Company  
5 has reasonable evidence that there is, or may be, a danger from the  
6 Customer or any occupant and/or invitee of the Customer's Premises to  
7 Company personnel or agents who might be called to said Premises in the  
8 course of their duties with the Company, including but not limited to any  
9 direct or implied threats against the Company or its personnel or agents  
10 from said Customer or occupant and/or invitee.

11

12 Q. Is the Company proposing any revisions to the extension of facilities  
13 section?

14 A. Yes. The Company proposes revisions to the Area Expansion Program  
15 ("AEP") reassessment process for the amount of additional revenue  
16 required to recover the unamortized excess cost of the facilities and the  
17 calculation of the AEP. Instead of just one reassessment at the third  
18 anniversary of the project, the Company proposes that reassessments to  
19 AEP rates take place in years three, five, seven and nine of the ten year  
20 program. This will prevent spikes in AEP rates and allow for gradual  
21 adjustments over time, if needed.

22

23 Q. Are there any other substantive revisions to the Rules and Regulations of  
24 the Tariff being proposed by the Company?

1 A. Yes. The Transportation – Special Conditions section has been revised to  
2 reflect a process for allocating and releasing interstate pipeline capacity to  
3 Third Party Suppliers. The revisions are thoroughly described in testimony  
4 by witness Greg Becker. Additionally, it has been revised to clarify the  
5 service for former Transportation customers who become Sales  
6 customers. The Company will use its best efforts to provide firm gas  
7 service to those customers when sufficient capacity is available. If  
8 sufficient interstate pipeline capacity is not available, those customers may  
9 not receive firm gas delivery service. The proposed changes to the  
10 Transportation – Special Conditions section appropriately assign costs to  
11 the parties responsible for the costs incurred.

12

13 **IV. RATE SCHEDULES AND RIDERS**

14 Q. Please describe any substantive revisions to the rate schedules being  
15 proposed by the Company.

16 A. The Company proposes the following revisions to the rate schedules. The  
17 revisions are described thoroughly in the rate design testimony by Daniel  
18 N. Nikolich.

19 • The Company proposes to create separate rate schedules for Residential  
20 and Commercial customers.

21 • While there are currently six different standard rate schedules for  
22 classifying Residential customers, the Company proposes three standard  
23 rate schedules for Residential customers (RS-1, RS-100 and RS-600).

- 1 • The Company proposes to decrease the number of standard rate  
2 schedules for Commercial customers from eight to three (GS-1, GS-6K  
3 and GS-25K).
- 4 • The Company proposes to consolidate GS-120K and GS-250K into one  
5 GS-120K rate schedule.
- 6 • The Company proposes to make the GS-1250K rate schedule applicable  
7 to customers with up to 10,999,999 therms per year and add two new rate  
8 schedules above the GS-1250K consumption level: GS-11M and GS-25M.  
9 GS-11M would apply to customers with annual consumption between  
10 11,000,000 and 24,999,999 therms per year, and GS-25M would apply to  
11 customers with annual consumption of 25,000,000 or greater therms per  
12 year.
- 13 • The Company proposes to eliminate the FGS rate. There are no  
14 customers currently on FGS, and it is no longer needed. The change  
15 helps simplify the Company's rate schedules.
- 16 • The Company proposes to add a new rate schedule, Economic  
17 Development Gas Service ("EDGS"), to be applied to service that would  
18 create significant economic or environmental benefits for the state. EDGS  
19 gives qualifying customers an annual reduction to the normal tariff rate for  
20 four years and has a take-or-pay requirement on the contracted volumes.  
21 To be eligible for service under this rate schedule, a new customer must  
22 flow a minimum of 1,000 Dth annually, and an existing customer would  
23 have to add an incremental 1,000 Dth to their existing load. Witness  
24 Bermudez discusses the benefits of this new rate schedule to customers  
25 and communities.



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2 Q. Please describe any substantive revisions to the riders being proposed by  
3 the Company.

4 A. The Company proposes the following revisions to the riders.

- 5 • The Company proposes to eliminate the LED and AFD riders. There are  
6 no customers currently on AFD and a very small number (about ten) on  
7 the LED rider. The riders are no longer needed, and the change helps  
8 simplify the Company's rate schedules and riders.
- 9 • Consistent with the FPSC's decision in Docket No. 20150116-GU, the  
10 Company is proposing to set the SAFE surcharges to zero and roll SAFE  
11 recovery into base rates. When the Company's new base rates are  
12 effective, the SAFE program's revenue requirement and rate base will  
13 have been included in the Company's projected 2018 test year. This topic  
14 is covered in more detail in witness Morley's testimony.

15

16 Q. Are there any other revisions to the Rules and Regulations being  
17 proposed by the Company?

18 A. Yes. There are a number of minor changes including an updated Map of  
19 Territory Served, an updated List of Communities Served and  
20 housekeeping-type changes such as a revised Table of Contents, Index to  
21 Rate Schedules and Riders, page headers and footers. The revisions are  
22 necessary to maintain an accurate, up-to-date tariff document.

23

24 V. CONCLUSION

25 Q. What are the benefits of the proposed revisions to the tariff?

1 A. In addition to reflecting revised rates, the key benefits of the proposed  
2 revisions to the tariff include:

- 3 o Improved alignment of rates with cost causation
- 4 o Simplification of rate schedules and riders
- 5 o Increased economic development

6 o

7 Q. Please summarize your testimony.

8 A. The proposed revisions to the Company's existing tariff sheets are  
9 necessary to address current and anticipated operational, business, and  
10 customer needs. Taken together with testimony of other Company  
11 witnesses, these proposals will permit the Company to recover its prudent  
12 costs of providing safe and reliable natural gas utility service.

13

14 Q. Does this conclude your testimony?

15 A. Yes.

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