



Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

October 12, 2018

BY E-PORTAL

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

Re: Docket No. 20180003-GU –Purchased Gas Adjustment (PGA) True-Up.

Dear Ms. Stauffer:

Attached for electronic filing, please find the Prehearing Statement of Florida City Gas in the referenced matter.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK
cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment) Docket No. 20180003-GU
(PGA) True-up)
_____) Filed: October 12, 2018

**FLORIDA CITY GAS
PREHEARING STATEMENT**

Florida City Gas (“FCG” or “the Company”) hereby submits this Prehearing Statement pursuant to Order Establishing Procedure, Order Nos. PSC-2018-0114-PCO-GU and PSC-2018-0248-PCO-PU, and states as follows:

1. KNOWN WITNESSES

FCG intends to offer the following testimonies sponsored by FCG witness Miguel Bustos into the evidentiary record in this proceeding:

Witness	Subject Matter	Issue No.
Direct Testimony of Kenny R. Smith, submitted on April 17, 2018.	Supports FCG’s final Purchased Gas Adjustment (“PGA”) true-up amount related to the twelve-month period ended December 31, 2017	1
Direct Testimony of Miguel Bustos, submitted August 20, 2018	Adopt the testimony and exhibits submitted by Kenny R. Smith on April 17, 2018, in support of FCG’s final PGA true-up amount related to the twelve-month period ended December 31, 2017; present the revised estimate of FCG’s projection of gas costs for the period June 2018 through December 2018, and FCG’s projection of gas costs for the period January 2019 through December 2019; and present the development of the maximum PGA Factor that may be charged to Sales Customers during 2019.	1-6
Supplemental Direct Testimony of Miguel Bustos, submitted October 9, 2018	Explains and sponsors Supplemental Exhibits MB-3 and MB-4, which reflect a proposed credit to the PGA Factor that arises from a Stipulation and Settlement Regarding Remaining Excess Accumulated Deferred Income Tax Issues (“2018 EADIT Agreement”).	7

2. KNOWN EXHIBITS

FCG intends to offer the following exhibits sponsored by FCG witness Miguel Bustos into the evidentiary record in this proceeding:

Witness	Proffered By	Exhibit No.	Description
Miguel Bustos	FCG	KRS-1	Calculation of FCG's final PGA true-up amount related to the twelve-month period ended December 31, 2017
Miguel Bustos	FCG	MB-2	Commission prescribed forms supporting calculation of FCG's proposed 2019 maximum levelized PGA Factor
Miguel Bustos	FCG	MB-3	Calculation of proposed PGA tax savings credit
Miguel Bustos	FCG	MB-4	Pro forma tariffs reflecting proposed PGA tax savings credit.

3. BASIC POSITION

Florida City Gas has appropriately calculated its true-up amounts, maximum levelized PGA Factor, and PGA tax savings credit as shown in the Company's positions on Issues 1-7.

4. STATEMENT OF ISSUES AND POSITIONS

FCG's statement of issues and positions in this proceeding are as follows:

ISSUE 1: What are the final purchased gas adjustment true-up amounts for the period January 2017 through December 2017?

Florida City Gas: The final net true-up amount (including interest and applicable regulatory assessment fees) for the period January 2017 through December 2017 is an over-recovery of \$1,160,543.

ISSUE 2: What are the actual/estimated purchased gas adjustment true-up amounts for the period January 2018 through December 2018?

Florida City Gas: The projected true-up (based on actual data for six months and projected data for six months) for the current period January 2018 through December 2018 is an under-recovery of \$1,578,371.

ISSUE 3: What are the total purchased gas adjustment true-up amounts to be collected during the period January 2019 through December 2019?

Florida City Gas: The total net purchased gas adjustment true-up amount is an under-recovery of \$417,828, for a true-up charge factor of 1.082 cents per therm to be collected during the period January 2019 through December 2019.

ISSUE 4: What are the levelized purchased gas cost recover (cap) factors for the period January 2019 through December 2019?

Florida City Gas: The maximum levelized purchased gas cost recovery (cap) factor based on the Company's expected winter cost of gas is 71.375 cents per therm before the regulatory assessment fees, and 71.734 cents per therm after the regulatory assessment fees.

ISSUE 5: What should be the effective date of the new purchased gas adjustment charge for billing purposes?

Florida City Gas: The factors should be effective for all meter readings on or after January 1, 2019 and should apply to bills rendered for meter readings taken between January 1, 2019 and December 31, 2019.

ISSUE 6: Should the Commission approve revised tariffs reflecting the new purchased gas adjustment charges determined to be appropriate in this proceeding?

Florida City Gas: Yes. The Commission should approve revised tariffs reflecting the new purchased gas adjustment charges determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision.

ISSUE 7:¹ Should the 2019 PGA tax savings credit proposed by FCG be applied to customers' bills in 2019?

Florida City Gas: The Commission's order approving the 2019 maximum levelized PGA Factor should authorize and direct FCG to apply the proposed levelized PGA credit of \$0.00790 per therm to the PGA rate charged to Sales Customers during the period January 2019 through December 2019 if the 2018 EADIT Agreement currently pending before the Commission in Docket No. 20180154-GU is approved.

5. STIPULATED ISSUES

FCG and OPC have agreed to FCG's request to submit supplemental testimony in this proceeding and to include an additional issue in this proceeding, identified as Issue No. 7

¹ Issue No. 7 is the subject of FCG's pending Agreed Motion to Accept Supplemental Direct Testimony, which was filed on October 9, 2018. *See* Section 6 of this Prehearing Statement below. This is an issue that is specific to FCG, and will be added as an additional issue in the proceeding if FCG's pending Motion is approved.

above, regarding application by FCG of a tax savings credit to each customers' PGA charge for calendar year 2019. *See* Section 6 of this Prehearing Statement below.

FCG is not a party to any other stipulations at this time. However, FCG remains willing to work with all parties to resolve any outstanding issues, and believes it should be possible to reach a stipulation on each of the above-listed issues as they relate to FCG.

6. PENDING MOTIONS

Currently pending before the Commission is FCG's Agreed Motion to Accept Supplemental Direct Testimony, which was filed on October 9, 2018. Therein, FCG requests that the Commission: (1) accept FCG's Supplemental Direct Testimony of Miguel Bustos, together with supplemental Exhibits MB-3 and MB-4, in this proceeding for the limited purpose of addressing the proposed 2019 PGA tax savings credit contemplated in the 2018 EADIT Agreement filed in Docket No. 20180154-GU; and (2) include an additional issue for resolution in this proceeding, identified as Issue No. 7 above, regarding application by FCG of a tax savings credit to each customer's PGA charge for calendar year 2019.

7. REQUESTS/CLAIMS FOR CONFIDENTIALITY

FCG has no pending requests or claims for confidentiality.

8. OBJECTIONS TO WITNESS QUALIFICATIONS

FCG has no objections to the qualifications of any witness, and further states that it is not aware of any objections or challenges to the qualifications of any FCG witness.

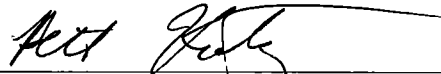
9. REQUEST FOR SEQUESTRATION OF WITNESSES

FCG has no pending requests for sequestration of any witness, and further states that it is not aware of any such request related to any FCG witness.

10. COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

FCG states that it believes it is in full compliance with the Commission's Order Establishing Procedure.

Respectfully submitted this 12th day of October, 2018.



Beth Keating
Gregory M. Munson
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

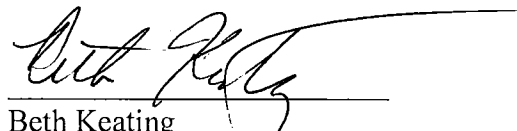
Christopher T. Wright
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard (JB/LAW)
Juno Beach, Florida 33408
FL Authorized House Counsel No. 1007055

Attorneys for Florida City Gas

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida City Gas's Prehearing Statement has been furnished by Electronic Mail to the following parties of record this 12th day of October 2018:

Florida Public Utilities Company Mike Cassel 1750 S 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com	MacFarlane Ferguson Law Firm Ansley Watson, Jr./Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com AB@macfar.com
Jennifer Crawford, Esquire Kurt Schrader, Esquire Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 jcrawfor@psc.state.fl.us kschrade@psc.state.fl.us	Office of Public Counsel Charles Rehwinkel/Patricia Christensen c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Rehwinkel.Charles@leg.state.fl.us Christensen.Patty@leg.state.fl.us
Peoples Gas System Paula Brown/Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com kfloyd@tecoenergy.com	St. Joe Natural Gas Company, Inc. Andy Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549 Andy@stjoegas.com
Florida City Gas Carolyn Bermudez 4045 NW 97th Avenue Doral, Florida 33178 Carolyn.Bermudez@nexteraenergy.com	


Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Christopher T. Wright
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard (JB/LAW)
Juno Beach, Florida 33408
FL Authorized House Counsel No. 1007055

Attorneys for Florida City Gas