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April 30, 2019

BY E-PORTAL/ELECTRONIC FILING

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20190003-GU – Purchased Gas Adjustment (PGA) True-Up

Dear Mr. Teitzman:

Attached for filing, please find Florida City Gas' Petition for Approval of the Purchased Gas Adjustment (PGA) True-Up Amount in the above-referenced docket, along with the Testimony and Exhibit MB-1 of Miguel Bustos.

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,

A handwritten signature in blue ink, appearing to read 'G. Munson'.

Gregory Munson
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1713

cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment (PGA) True-Up

Docket No. 20190003-GU

Filed: April 30, 2019

**PETITION BY FLORIDA CITY GAS FOR APPROVAL OF
THE PURCHASED GAS ADJUSTMENT TRUE-UP FOR 2018**

Florida City Gas (“FCG” or “the Company”) hereby submits this petition to the Commission requesting approval of the final Purchased Gas Adjustment (“PGA”) true-up amount for the period of January 1, 2018 through December 31, 2018. In support thereof, FCG states as follows:

1. The Company is a natural gas utility with its principal office located at:

Florida City Gas
4045 NW 97th Avenue
Doral, Florida 33178

2. Any pleading, motion, notice, order or other document required to be served upon FCG or filed by any party to this proceeding should be served upon the following individuals:

Beth Keating
Gregory M. Munson
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
BKeating@gunster.com

Christopher Wright
Senior Attorney
Florida Power & Light Company
700 Universe Blvd (JB/LAW)
Juno Beach, Florida 33408
(561) 691-7144
Christopher.Wright@fpl.com

3. The Commission has jurisdiction pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (“F.S.”).

4. Natural gas utilities are permitted to seek recovery of the total costs incurred to procure and provide natural gas supply and capacity for their Sales Customers through a reconcilable PGA Factor. Natural gas utilities are required to annually true-up any PGA

over/under recoveries due to the differences between the amount of therms purchased by the utilities and the amount of therms sold to their Sales Customers. Interest on the true-up amounts accrues until such time as the true-up is either refunded to, or collected from the customers.¹

5. FCG herein seeks Commission approval of its final PGA true-up amount for the period of January 1, 2018 through December 31, 2018. In support, FCG submits the Direct Testimony of Miguel Bustos and Exhibit MB-1, which consists of Schedule A-7 supplied by the Commission Staff for reporting the PGA true-up.

6. As explained in the Direct Testimony of Mr. Bustos, FCG's final net PGA true-up amount (including interest, adjustments, and the estimated over/under recovery) for the period January 1, 2018 through December 31, 2018 is an over-recovery of \$191,629. See Exhibit MB-1, Line 7. This over-recovery should be included in FCG's projected PGA Factor for the period January 1, 2020 through December 31, 2020.

¹ See *In re: Investigation of Purchased Gas Adjustment Clauses Utilized by Regulated Natural Gas Distributors*, Order No. 10237, Docket No. 800645-GU, 1981 Fla. PUC LEXIS 249 (FPSC Aug. 26, 1981); *In re: Surveillance of purchased gas adjustments*, Order No. 11212, Docket No. 820003-GU, 1982 Fla. PUC LEXIS 261 (FPSC Sept. 29, 1982); *In re: Consideration of change in frequency and timing of hearings for fuel and purchased power cost recovery clause, capacity cost recovery clause, generating performance incentive factor, energy conservation cost recovery clause, purchased gas adjustment (PGA) true-up, and environmental cost recovery clause*, Order No. PSC-98-0691-FOF-PU, Docket No. 980269-PU, 1998 Fla. PUC LEXIS 841 (FPSC May 19, 1998).

WHEREFORE, Florida City Gas respectfully requests that the Commission enter its order approving the Company's final net PGA true-up amount for the period January 2018 through December 2018.

Respectfully submitted this 30th day of April, 2019.


Beth Keating
Gregory M. Munson
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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
Fla. Auth. 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 Petition for Approval of the Purchased Gas True-Up in Docket No. 20190003-GU, along with the Direct Testimony of Mr. Miguel Bustos and Exhibit MB-1, has been furnished by Electronic Mail to the following parties of record this 30th day of April 2019:

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
Johana Nieves, Esquire Kurt Schrader, Esquire Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 jnieves@psc.state.fl.us kschrade@psc.state.fl.us	Office of Public Counsel J.R.Kelly/Patricia Christensen c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 christensen.patty@leg.state.fl.us kelly.jr@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


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Attorney for Florida City Gas

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA CITY GAS

DIRECT TESTIMONY OF MIGUEL BUSTOS

DOCKET NO. 20190003-GU

(2018 Final True-Up)

APRIL 30, 2019

1 **Q. Please state your name and business address.**

2 A. My name is Miguel Bustos. My business address is 4045 NW 97 Avenue,
3 Doral, Florida 33178.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Florida City Gas ("FCG" or "Company") as Manager of
6 Governmental & Community Affairs. I have been with the Company for
7 approximately 16 years.

8 **Q. What are your responsibilities as Manager of Governmental &
9 Community Affairs?**

10 A. I am responsible for managing FCG's Purchased Gas Adjustment clause, the
11 overall strategic design and management of the Company's energy efficiency
12 programs, as well as development of strategies of new business channels
13 and emerging technologies. I am also responsible for providing direction and
14 oversight for the Company's implementation of governmental and community
15 affairs. I have held these responsibilities since 2013.

16 **Q. Please describe your prior work experience and responsibilities.**

17 A. I began my career at FCG in 2003. I progressed through roles in operations,
18 budgeting, accounting, and business operations. Prior to joining FCG, I was
19 a corporate lead auditor in PricewaterhouseCoopers.

20 **Q. What is your educational background?**

21 A. I have a Bachelor of Science Degree in Accounting from the National
22 Polytechnic Institute (Mexico City) and completed MBA coursework from the
23 University of Americas.

1 **Q. Please explain the purpose of your testimony.**

2 A. The purpose of my testimony is to present FCG's final Purchased Gas
3 Adjustment ("PGA") true-up amount for the period of January 1, 2018 through
4 December 31, 2018.

5 **Q. Has the Company prepared the form prescribed by this Commission for
6 this purpose?**

7 A. Yes. Attached to my testimony as Exhibit MB-1 is Schedule A-7, which is the
8 PGA true-up reporting form supplied by the Commission Staff. This schedule
9 provides the total actual fuel cost for the period in question, the total actual
10 fuel revenues for that the period, and the resulting over or under-recovery
11 amount.

12 **Q. What was the total gas cost incurred by the Company during the period
13 of January 1, 2018 through December 31, 2018?**

14 A. The total cost of gas for this period is \$23,785,615, as shown on Line 1 of
15 Exhibit MB-1.

16 **Q. What was the total amount of gas revenues recovered through the PGA
17 during the period of January 1, 2018 through December 31, 2018?**

18 A. The Company recovered a total of \$21,089,178 through the PGA as shown
19 on Line 2 of Exhibit MB-1.

20 **Q. What is the Company's actual over/under recovery amount for the
21 period of January 1, 2018 through December 31, 2018?**

1 A. The actual over/under recovery amount for this period, including
2 adjustments, margin sharing and interest, is an under-recovery of \$1,386,742
3 as shown on Line 5 of Exhibit MB-1.

4 **Q. Can you explain how you arrived at that amount?**

5 A. Yes. As shown on Exhibit MB-1, the total gas cost for the period was
6 \$23,785,615 (Line 1) and total gas revenues for the period were \$21,089,178
7 (Line 2), which results in an under-recovery of \$2,696,437 (Line 3). This
8 under-recovery was offset by a PGA credit of \$1,288,700 for revenues from
9 FCG's Commission-approved Off System Sales sharing mechanism, and
10 \$20,995 of interest. The sum of these amounts is an under-recovery of
11 \$1,386,742 for the period of January 1, 2018 through December 31, 2018, as
12 shown on Line 5 of Exhibit MB-1.

13 **Q. Is this amount net of the estimated true-up for the period January 1,
14 2018 through December 31, 2018 that was included in the PGA Factor
15 being charged for the period of January 2019 through December 2019
16 ("2019 PGA Factor")?**

17 A. No. As shown on Line 6 of Exhibit MB-1, there was an estimated under-
18 recovery of \$1,578,371 for the period January 1, 2018 through December 31,
19 2018 that was included in the 2019 PGA Factor. The final true-up amount,
20 net of the estimated under-recovery included in the 2019 PGA Factor, is an
21 over-recovery of \$191,629, as shown on Line 7 of FCG Exhibit MB-1.

22 **Q. Does this conclude your testimony?**

23 A. Yes.

Docket No. 20190003-GU
 Final Fuel Over/Under Recovery
 Exhibit _____ MB-1
 Witness: Bustos

COMPANY: FLORIDA CITY GAS		FINAL FUEL OVER/UNDER RECOVERY		SCHEDULE A-7
FOR THE PERIOD:		JANUARY 18	Through	DECEMBER 18
1	TOTAL ACTUAL FUEL COST FOR THE PERIOD		<i>A-2 Line 3</i>	\$23,785,615
2	TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD		<i>A-2 Line 6</i>	\$21,089,178
3	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 2- Line 1)		<i>A-2 Line 7</i>	(\$2,696,437)
3a	PRIOR PERIOD ADJUSTMENT		<i>A-2 Line 10a</i>	\$0
3b	OSS 50% MARGIN SHARING & PIPELINE CREDITS		<i>A-2 Line 10b</i>	\$1,288,700
4	INTEREST PROVISION		<i>A-2 Line 8</i>	\$20,995
5	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Lines 3 + 3a + 3b + 4)			(\$1,386,742)
6	LESS: ESTIMATED OVER/(UNDER) RECOVERY FOR THE PERIOD JAN 18 through DEC 18 WHICH WAS INCLUDED IN THE CURRENT PERIOD RECOVERY FACTOR (JAN 19 through DEC 19)			<u>(\$1,578,371)</u>
7	FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (JAN 20 through DEC 20) (Line 5- Line 6)			<u>\$191,629</u>