

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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COMMISSION  
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In re: Petition of Miami-Dade County through the  
Miami-Dade Water and Sewer Department  
for Approval of Special Gas Transportation  
Service Agreement With Florida City Gas

090539  
Docket No. \_\_\_\_\_ - GU

Filed: December \_\_\_\_\_, 2009

**MIAMI-DADE COUNTY'S PETITION FOR APPROVAL OF SPECIAL GAS  
TRANSPORTATION SERVICE AGREEMENT WITH FLORIDA CITY GAS**

Pursuant to Section 366.05, Florida Statutes and Rule 25-9.034, Florida  
Administrative Code, Miami-Dade County, through the Miami-Dade Water and Sewer  
Department ("MDWASD") petitions the Florida Public Service Commission (the  
"Commission") for approval of a Special Gas Transportation Service Agreement with  
Florida City Gas ("FCG" or "Company"). In support of this Petition, MDWASD states:

1. The name of the Petitioner and the mailing address of its principal office  
in Florida is:

Miami Dade Water and Sewer Department  
3071 Southwest 38<sup>th</sup> Avenue  
Suite 514  
Miami, FL 33146-1520

2. The names and mailing addresses of the persons authorized to receive  
notices and communications with respect to this Petition are:

On Behalf of MDWASD:

John Renfrow  
Director  
Miami Dade Water and Sewer Department  
3071 Southwest 38<sup>th</sup> Avenue, Suite 514  
Miami, FL 33146-1520

COM \_\_\_\_\_  
APA \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL 3  
RAD 2  
SSC \_\_\_\_\_  
ADM \_\_\_\_\_  
OPC \_\_\_\_\_  
CLK 1

Henry N. Gillman  
Assistant County Attorney  
Miami-Dade County Attorney's Office  
111 NW First Street Suite 2810  
Miami, Florida 33128

## **I. THE PARTIES**

3. Miami-Dade County (the "County") is a political subdivision of the State of Florida. The Miami Dade Water and Sewer Department ("MDWASD"), a department of the County, is the fourth largest municipally-owned and operated water and sewer system in the United States.<sup>1</sup>

4. FCG, formerly known as City Gas Company of Florida ("City Gas"), currently is an operating division of Pivotal Utility Holdings, Inc. (which itself is a subsidiary of AGL Resources, Inc.). FCG is an investor-owned natural gas utility company subject to the regulatory jurisdiction of the Commission as prescribed in Chapter 366, Florida Statutes.

## **II. IMPORTANCE AND EFFECT OF PETITION**

5. MDWASD owns and operates several water and wastewater treatment plants in Miami-Dade County, Florida. As part of MDWASD's water treatment operations that produces water for over 2 million customers, MDWASD operates a lime kiln at the Alexander Orr Plant in South Miami and a lime kiln at the Hialeah-Preston Plant in Hialeah and a cogeneration facility at the South Dade Wastewater Treatment Plant. MDWASD uses natural gas to heat the lime kilns, which run 24 hours a day, seven days a week, for the water treatment process that produces and distributes high

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<sup>1</sup> MDWASD has 3000 employees and directly or indirectly serves over 2 million customers with approximately 500 million gallons of water per day.



quality water to MDWASD's customers and occasionally uses natural gas to supplement the methane gas cogeneration facility at the South Dade Wastewater Treatment Plant.

6. MDWASD'S substantial interests will be affected by the Commission's disposition of this Petition in that MDWASD purchases gas transportation service exclusively from FCG, and the cost of such service has recently increased almost seven-fold as a result of FCG's unilateral actions, as described in this Petition.<sup>2</sup> To the extent Commission approval of the subject Gas Transportation Service Agreement is required, MDWASD requests such approval on the grounds stated herein.<sup>3</sup>

7. Favorable Commission consideration of the requests made in this Petition is required to avoid a bypass by MDWASD of FCG facilities and the concomitant loss by FCG of associated revenues.

### **III. BACKGROUND FACTS**

#### **A. 1998 Agreement**

8. On October 29, 1999, the County and FCG's predecessor, City Gas, by and through NUI Corporation (its parent), executed a Natural Gas Transportation Service Agreement, the terms of which became effective on July 1, 1998 (the "1998 Agreement"). A copy of the 1998 Agreement and the County Resolution approving the 1998 Agreement are attached hereto as Composite Exhibit "A".

9. The terms and conditions of the 1998 Agreement were generally governed by NUI's Natural Gas Tariff with certain exceptions including the term, transportation

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<sup>2</sup> For the past 10 years, MDWASD has solely used FCG to transport natural gas to MDWASD's facilities.

<sup>3</sup> Commission approval may not be required pursuant to the exemption for agreements with municipalities as provided in Rule 25-9.034, F.A.C.

rate, minimum and maximum provisions and a full requirements provision.<sup>4</sup> The 1998 Agreement had a ten-year term expiring on July 1, 2008.<sup>5</sup>

### **B. Negotiation and terms of 2008 Agreement**

10. In June 2008, Pivotal Utility Holdings Company d/b/a FCG and its parent company, AGL Resources, Inc., negotiated the renewal of the 1998 Agreement with MDWASD. The Natural Gas Transportation Agreement between FCG and the County dated August 28, 2008 (“2008 Agreement”) contains almost identical terms to the 1998 Agreement, including the pricing provisions.

11. The only substantial change from the prior 10-year agreement was a provision demanded by FCG that the 2008 Agreement would not be effective until approved by the Commission. Additionally, FCG insisted that the Commission’s approval must occur within 180 days from the date of execution.<sup>6</sup>

12. The 2008 Agreement was fully reviewed by Pivotal Utility Holdings Inc. d/b/a FCG with advice from its counsel and was executed by Henry P. Linginfelter, President of Pivotal Utility Holdings, Inc. A copy of the 2008 Agreement is attached hereto as Exhibit “C”.

13. The County and FCG also negotiated a First Amendment to the 1998 Agreement (the “First Amendment”), which extended the term of the 1998 Agreement on a month-to-month basis as of July 1, 2008 in order to give FCG time to obtain the

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<sup>4</sup> To avoid losing their largest customer, NUI agreed to a substantial discount in the transportation rates. See Miami-Dade County Manager’s Memorandum dated October 19, 1999, attached hereto as Exhibit “B”.

<sup>5</sup> The 1998 Agreement provided for renewal contingent upon the parties agreeing to the terms and conditions for the renewal term.

<sup>6</sup> FCG’s predecessor, City Gas and its parent company, NUI, did not require that the 1998 Agreement be approved by the Commission. Although MDWASD did not believe that Commission approval was necessary for this type of contract, MDWASD reluctantly agreed to add the term to the 2008 Agreement because FCG insisted that the approval was necessary and assured MDWASD that there would be no problems with the Commission process and approval.

Commission's approval of the 2008 Agreement.<sup>7</sup> A copy of the First Amendment is attached hereto as Exhibit "D".

14. Under the 2008 Agreement, FCG is to receive natural gas for MDWASD at the same Points of Receipt with Florida Gas Transmission Company in Miami and Hialeah, Florida as currently in use; transport such quantities on the FCG distribution system; and redeliver such gas to Points of Delivery at the same three MDWASD facilities currently served, with a maximum annual contract quantity ("MACQ") per site as follows: (1) Alexander Orr Water Treatment Plant, 4,200,000 therms; (2) Hialeah Lime Reclamation Facility, 3,300,000 therms; (3) South District Wastewater Treatment Plant, 400,000 therms.

#### **C. FCG'S actions before the Commission**

15. FCG, by and through its attorney, initially filed the 2008 Agreement with the Commission by petition dated November 13, 2008 (the "FCG Petition"), a copy of which is attached hereto as Exhibit "F". The FCG Petition identified several benefits for FCG customers arising from the 2008 Agreement. These benefits were identified in Paragraph 11 of the FCG Petition, which states:

**The agreement provisions are justified, are in the best interest of FCG and do not harm FCG's ratepayers because (a) FCG will recover its cost to serve Miami-Dade County via the rates charged to Miami-Dade County, (b) serving Miami-Dade County removes from the general body of ratepayers costs that would otherwise be allocated to those ratepayers in the absence of the agreement, (c) losing Miami-Dade County as a customer would be detrimental to the general body of ratepayers, and (d) Miami-Dade County negotiated the agreement at arm's length with**

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<sup>7</sup> Both the 2008 Agreement and the First Amendment were ratified by the Miami-Dade County Board of County Commissioners (the "Board") through Resolution Nos. R- 1105-08 and R-1106-08. Copies of the Board approvals are attached as Composite Exhibit "E".

**FCG and Miami-Dade County approved the agreement as being in the best interest of Miami-Dade County and its citizenry.**

16. Indeed, MDWASD's purchase of services from FCG has long been recognized as of material significance to FCG. In a 2000 FCG general rate increase proceeding, the Commission's order notes that services to large customers, like MDWASD (referred to as the Miami-Dade Water and Sewer Authority), allowed FCG to spread the cost of FCG's recent purchase of the Homestead lateral "over a larger customer base, and provide the higher reliability and degree of safety..." (Order PSC-01-0316 issued February 5, 2001 in Docket No. 000768, attached hereto as Exhibit "G").

17. MDWASD did not receive notice of the filing of the FCG Petition or a copy of the FCG Petition at the time it was filed with the Commission.

18. Subsequent to the filing of the FCG Petition, Commission Staff presented FCG with certain data requests. Copies of the data requests and other documents from the Commission's Case Management System filed in Docket No. 080672-GU are attached hereto as Composite Exhibit "H".

19. In response to Staff Data Request No. 1, FCG suggested that its statement in Paragraph 11 of the FCG Petition that FCG "will recover its cost to serve [MDWASD] via the rates charged to [MDWASD]" was a misstatement. See FCG's Responses in Exhibit "H".

20. However, FCG repeated and elaborated upon the several benefits to FCG and its customers from the continuation of service to MDWASD at the rates agreed upon in the 2008 Agreement. FCG stated: "It is important for the Company [FCG] to continue serving Miami-Dade as it provides significant incremental load to Florida City Gas

system and its service does allow certain O&M costs to be allocated to Miami-Dade that would otherwise have to be recovered by the general body of ratepayers.”

21. Neither the Commission Staff’s data requests nor FCG’s responses were shared with the County.

22. On February 17, 2009, after receiving and responding to additional Staff data requests, FCG, without notice to MDWASD, unilaterally withdrew the FCG Petition from the Commission’s consideration.<sup>8</sup>

23. The Commission docket opened to consider the FCG Petition, Docket 080672-GU, was closed administratively by the Commission on or about February 25, 2009.

#### **D. Post-Petition Withdrawal Events**

24. After FCG unilaterally withdrew the FCG Petition from the Commission docket, MDWASD had no choice but to enter into discussions with FCG about the 2008 Agreement and its gas transmission services. MDWASD never believed that the Commission approval was necessary for the 2008 Agreement and certainly did not agree with FCG’s decision to unilaterally withdraw the FCG Petition from the Commission’s consideration and so MDWASD engaged in a dialogue with FCG to discover why FCG withdrew the FCG Petition and to encourage the re-submission of the FCG Petition for Commission consideration.

25. However, FCG refused to re-submit the FCG Petition and instead demanded a substantial rate increase that MDWASD found unreasonable and

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<sup>8</sup> FCG informed MDWASD that the FCG Petition was withdrawn because Commission Staff advised FCG that it will make an “unfavorable recommendation” of the new agreement; FCG believed it was “counterproductive to proceed in a case where a negative outcome is known.” See undated letter from FCG to MDWASD, attached hereto as Exhibit “I”.

unacceptable especially in light of the fact that the 2008 Agreement was negotiated in good faith and approved by the Board and the chief executives of both parties.<sup>9</sup>

26. On June 22, 2009, FCG advised MDWASD that FCG was invoking the thirty (30) day termination notice provided in the First Amendment. Further, FCG advised MDWASD that it would charge MDWASD “the approved tariff rates applicable to Miami-Dade’s class of service.” See FCG letter to MDWASD dated June 22, 2009, attached hereto as Exhibit “J”. The new rates being charged by FCG increased the amount for transportation services to MDWASD by more than 670%, including the assessment of demand and service rate charges never before assessed to MDWASD.

#### **IV. RELIEF SOUGHT AND ARGUMENT**

27. By this Petition, MDWASD requests that the Commission either recognize that the 2008 Agreement is not subject to the Commission’s regulatory jurisdiction or approve the terms of the 2008 Agreement. In addition, MDWASD requests that the Commission order FCG to refund to MDWASD the difference between the 2008 Agreement rates and the rates which FCG has been charging, and MDWASD has been paying to FCG under protest, for service rendered on and after July 21, 2009.<sup>10</sup> In support of these requests, MDWASD further states:

##### **A. 2008 Agreement is Exempt from Commission Jurisdiction**

28. Although the 2008 Agreement expressly requires Commission approval, the FCG Petition indicated that FCG would waive the requirement if the Commission

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<sup>9</sup> In fact, during negotiations of the 2008 Agreement, no one from FCG or AGL ever objected to continuing the same rates that were contained in the 1998 Agreement.

<sup>10</sup> MDWASD requested that FCG place the disputed amount for the July, August and September 2009 invoices in escrow. MDWASD escrowed the disputed amount for the October 2009 invoice. Copies of MDWASAD’s protest of FCG invoices are attached hereto as Composite Exhibit “K”.



determined the 2008 Agreement is exempt from Commission jurisdiction. See Footnote 2 of FCG's Petition.

29. Rule 25-9.034, F.A.C., provides in pertinent part:

- (1) 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. Accompanying each contract shall be completed and detailed justification for the deviation from the utility's filed regulations and standard approved rate schedules. If such special contracts are approved by the Commission, a conformed copy of the contract shall be placed on file with the Commission before its effective date.

The provisions of this rule shall not apply to contracts or agreements governing the sale or interchange of commodity or product by or between a public utility and a municipality or R.E.A. cooperative, but shall otherwise have application.

30. In FCG's Petition, FCG cites the exemption contained in Rule 25-9.034(1), Florida Administrative Code, FCG renders its interpretation of the exemption language to suggest that the exemption may apply only to a "municipal utility" but notes that FCG does not oppose an interpretation of the exemption which would include Miami-Dade County and thus "obviate the need for the instant petition."

31. MDWASD further notes that the above-quoted rule requires that a non-exempt special contract "must be approved by the Commission prior to its execution." Both in-house and outside counsel for FCG and its parent reviewed the 2008 Agreement prior to it being signed by Henry Linginfelter, President of Pivotal Utility Holdings, Inc. d/b/a FCG. The belief by FCG that the 2008 Agreement was exempt from Commission jurisdiction at such time is obvious.

32. MDWASD further submits that the 2008 Agreement falls within the exemption in Rule 25-9.034(1) as the County should be considered a “municipality” for all intent and purposes and the transportation service being rendered by FCG is rendered on behalf of MDWASD, the County’s water and sewer department.<sup>11</sup> Therefore, MDWASD asserts that the 2008 Agreement is exempt from Commission jurisdiction in the same manner that other transportation service agreements between natural gas transmission companies and municipalities are exempt.

33. Based on the foregoing, MDWASD requests that the Commission recognize the exemption of the 2008 Agreement from Commission rate consideration.<sup>12</sup>

**B. Commission should approve and FCG should honor negotiated rates in 2008 Agreement**

34. In the event the Commission determines that the 2008 Agreement is subject to Commission approval, MDWASD submits that the 2008 Agreement should be approved as a special contract in recognition of the fact that MDWASD is the largest customer of FCG and MDWASD may seek other options for gas transportation if the 2008 Agreement – specifically the negotiated rates – is not recognized and honored by FCG and approved by the Commission.

35. MDWASD and FCG confirmed the applicability of FCG’s Contract Demand Service Rate Schedule in Article II, Section 1 of the 2008 Agreement. The 2008 Agreement further recognizes that: “[e]xcept to the extent expressly modified by the

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<sup>11</sup> Section 1.01A.21 of the Miami-Dade County Home Rule Charter, provides the Board with the power to exercise all powers and privileges granted to municipalities by the Constitution and laws of the state. Section 2-340 of the Code of Miami-Dade County provides that it is the policy of Miami-Dade County to establish, own and operate a countywide sanitary sewage collection and disposal system and water supply, treatment and distribution system.

<sup>12</sup> MDWASD notes that the 1998 Agreement was not presented for Commission approval and revenue for the past ten (10) years from the rendition of transportation services by FCG to MDWASD, FCG’s largest customer, was included in annual reporting to the Commission.

terms of this Agreement, all service rendered by [FCG] under this Agreement shall be provided pursuant to the terms and conditions of [FCG's] tariff, ...”

36. The terms in the 2008 Agreement which expressly modify terms in FCG's tariff rate schedule and thus are not specifically covered by such schedule are as follows:

- Article I provides a ten year term;
- Article V provides FCG certainty of the recovery of a minimum level of revenue by establishing a minimum annual volume of 1,250,000 therms per year and a maximum daily quantity of 24,500 therms, subject to increases as may be negotiated between the parties;
- Article VII provides for transportation rates as (1) \$.01/therm for the Alexander Orr Water Treatment Plant; (2) \$.03/therm for the Hialeah Lime Reclamation Facility, and (3) \$.03/therm for the South District Wastewater Treatment Plant;
- Article IX contains full requirements commitments whereby MDWASD commits to using only FCG for the transportation of natural gas to the above-described facilities.

**C. Transportation alternatives and legal remedies are available to MDWASD**

37. Based on (a) FCG's unilateral action of withdrawing the 2008 Agreement from Commission consideration and (b) FCG's decision to increase the amount charged to MDWASD for transportation services by more than 670%, including the assessment of demand and service rate charges never assessed before against MDWASD, MDWASD is now, quite obviously, extremely dissatisfied with FCG's customer service. Bills have been rendered by FCG, and paid by MDWASD, under protest and subject to refund, pending the Commission's response to this Petition.

38. Indeed, MDWASD has initiated discussions with a competing natural gas transmission company with the expectation that service can be obtained much cheaper than the current tariff rate being charged by FCG.

39. MDWASD notes that the Miami-Dade County Board of County Commissioners has only authorized MDWASD to use FCG's services under the terms of the 2008 Agreement. Since FCG withdrew the FCG Petition prior to any official Commission action, FCG and MDWASD cannot move forward until this issue is fully considered by the Commission.

40. In the event this matter is not resolved by the Commission, MDWASD, in addition to seeking alternative transportation services, may pursue available legal remedies against FCG based on FCG's actions which include bad faith in negotiating the 2008 Agreement and its breach of Article XII of the 2008 Agreement, which provides, in pertinent part:

(1) Neither [FCG] nor [MDWASD] or its agents, shall be liable for damages to the other for any act, omission, or circumstance occasioned by or in consequence of ... the binding order of any court or governmental authority, which has been resisted in good faith by all reasonable legal means;.... (2) Such cause or contingencies affecting the performance by [FCG], Third Party Supplier, or [MDWASD], however, shall not relieve [FCG] or [MDWASD] of liability in the event of its concurrent negligence, or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner....<sup>13</sup>

41. FCG withdrew the FCG Petition prior to the Commission ever having had the opportunity to consider it based on FCG's communications with Commission Staff. According to FCG, Commission Staff advised that it would not recommend that the Commission approve the rates set forth in the 2008 Agreement.

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<sup>13</sup> FCG breached the agreement and the implied obligation of dealing in good faith by unilaterally withdrawing the FCG Petition and failing to honor the agreed-upon rates.

42. MDWASD is equally concerned both with FCG's failure to fully share the communications it had with Commission Staff and with FCG's complete reliance on such communications for withdrawing the FCG Petition. FCG's actions were not caused by a "binding order of any court or government authority" and FCG failed "to use due diligence to remedy the situation and remove the cause [of FCG's non-performance] in an adequate manner."

WHEREFORE, based on the foregoing, Miami-Dade County, by and through the Miami-Dade Water and Sewer Department, respectfully requests that the Commission either recognize that the 2008 Agreement is exempt from Commission jurisdiction pursuant to Rule 25-9.034(1), F.A.C. or approve the terms contained in the 2008 Agreement as a special contract under the same rule; order FCG to refund the difference between the 2008 Agreement rates and the rates FCG has been charging MDWASD and grant such other relief as the Commission deems appropriate and just.

Respectfully Submitted this 9<sup>th</sup> day of December, 2009.

R. A. CUEVAS, JR.  
Miami-Dade County Attorney

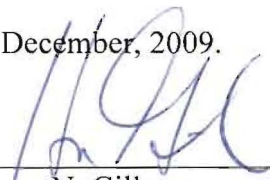
BY: 

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was sent by Federal Express to Curt Hiser and Mary Anne Helton, Office of the General Counsel, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL32399-0850; Matthew Feil, Akerman Senterfitt, 106 E. College Avenue, Suite 1200, Tallahassee, FL 32301; and Elizabeth Wade, AGL Resources, Inc., Location 1470, Ten Peachtree Plaza, Atlanta, GA 30309, this 9<sup>th</sup> day of December, 2009.

By: \_\_\_\_\_

  
Henry N. Gillman  
Assistant County Attorney



## **EXHIBIT A**

1998 Natural Gas Transportation Service Agreement Between  
NUI Corporation represented by City Gas Company of Florida and  
Miami-Dade County

NATURAL GAS  
TRANSPORTATION SERVICE AGREEMENT  
BETWEEN  
NUI CORPORATION  
AND  
MIAMI-DADE COUNTY

Account Nos. 211-0756225-011, 211-0756239-011,  
211-0754412-011

THIS AGREEMENT made and entered into as of this 29 day of Oct., 1999, by and between NUI Corporation, a New Jersey Corporation, hereinafter referred to as "Company", represented by City Gas Company of Florida, and MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as "Customer".

WITNESSETH:

WHEREAS, Company's Natural Gas Tariff (Tariff) establishes transportation service to be provided pursuant to Rate Schedule having certain specific terms of applicability; and

WHEREAS, Customer has requested that Company render natural gas transportation service to Customer in accordance with the terms and conditions of this Agreement and Company has agreed to transport Customer's gas,

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the parties agree as follows:

ARTICLE 1

TERM OF AGREEMENT

1. Subject to all other provisions, conditions, and limitations hereof, this Agreement shall become effective as of July 1, 1998, and shall continue in full force and effect for ten (10) years,

at which time the Agreement shall terminate. Company agrees, upon written request from Customer received by Company not less than 90 days prior to the termination date of this Agreement, to review the terms and conditions of the Agreement for the purpose of renewal for a like term. The renewal is contingent upon the Company and Customer mutually agreeing in writing to the terms and conditions for the renewal term. This Agreement supersedes and renders null and void the previous CI-LVT Transportation Service Agreement between the Company and Customer made and entered into as of November 1, 1997.

## ARTICLE II

### APPLICABILITY OF TARIFF

1. Based upon governing applicability provisions, the parties hereby confirm that Customer qualifies for the Contract Interruptible Large Volume Transportation Service (CI-LVT) Rate Schedule.

2. Except to the extent expressly modified by the terms of this Agreement, all service rendered by Company under this Agreement shall be provided pursuant to the terms and conditions of Company's Tariff, which is incorporated fully herein by reference, as filed with and approved by the Florida Public Service Commission.

3. Pursuant to the Affidavits of Alternate Fuel Price attached hereto, the rates for transportation of natural gas to Customer's listed facilities shall be as set forth in Article VII of this Agreement.

## ARTICLE III

## POINTS OF RECEIPT AND DELIVERY

Customer shall arrange for the delivery of all gas to be transported by Company hereunder to take place at those interconnections between Company and Florida Gas Transmission Company (FGT) heretofore determined (Point(s) of Receipt) in Miami, FL and Hialeah, FL. All such gas received by Company shall be redelivered to Customer at those interconnections between the distribution system of Company and the facilities of Customer heretofore determined (Point(s) of Delivery).

## ARTICLE IV

### OBLIGATIONS AND REPRESENTATIONS OF CUSTOMER

1. Customer represents that it meets all qualifications for Contract Interruptible Large Volume Transportation Service.
2. Customer agrees to comply with all terms and conditions of this Agreement and the Company's Tariff as approved by the Florida Public Service Commission, which terms and conditions are incorporated by reference, and the applicable Rate Schedule as the same may be amended or modified from time to time.
3. Customer warrants that it will, at the time of delivery of gas to Company for transportation hereunder, have good and merchantable title to the gas free and clear of all liens, encumbrances and adverse claims. Customer agrees to provide Company with any documentation which may be requested in writing by Company to evidence Customer's title to the gas transported. Company reserves the right, without penalty or liability, to refuse transportation of any gas in the event Customer fails to provide such documentation upon Company's written request.

4. Company understands that Customer warrants only its title to the natural gas at the Points of Receipt. Customer's contracted supplier of natural gas is responsible to warrant that all gas delivered to Company for transportation hereunder shall be of a merchantable quality and shall conform to the quality requirements set forth in the tariff of FGT as filed with and approved by the Federal Energy Regulatory Commission.

## ARTICLE V

### QUANTITY

1. Customer and Company agree that as of the Effective Date of this Agreement, the initial maximum annual contract quantity of gas (MACQ) that the company is obligated to deliver to Customer under this Agreement in any contract year is:

Alexander Orr Water Treatment Plant  
6800 S.W. 87<sup>th</sup> Avenue  
Miami, FL 33173

4,200,000 therms

Hialeah Lime Recalcination Facility  
700 W. 2<sup>nd</sup> Avenue  
Hialeah, FL 33010

3,300,000 therms

400,000 therms

3. Customer hereby agrees to tender for transportation on the Company systems during each annual period a volume of gas equal to or greater than the minimum annual volume of 1,250,000 therms per year.

or  $575,000 \text{ T/p/m} = 10,167 \text{ T/p/day}$  all ready using 24,500  
19,200  
5,300  
+ 20  
5,320  
10,200 T/p/m  
12  
1,908,000  
+ 27%  
increased

5

or  $595K \times 12 = 7,000,000 \text{ T/p/yr}$   
 $5,300 \text{ T/p/d} = 331 \text{ T/p/R (16 L day)}$



## ARTICLE VI

### PARAMETERS OF SERVICE

Company does not warrant that transportation service will be available hereunder at all times and under all conditions.

## ARTICLE VII

### RATES AND CHARGES FOR SERVICE

1. For the term of this Agreement, Customer shall pay Company each month the following transportation charges for services rendered under this Agreement. The rates set forth below are subject to the tax and other adjustment terms of Company's Tariff, as applicable to Customer.

<u>Facility</u>	<u>Rate per Therm</u>	<u>MACQ</u>
Alexander Orr Water Treatment Plant	\$ 0.010	4,200,000
Hialeah Water Treatment	\$ 0.030	3,300,000
South District Wastewater Treatment Plant	\$0.030	400,000

2. There shall be no charge for each therm transported to each facility in excess of the maximum annual contract quantity of gas (MACQ) as set forth in Paragraph 1 of this Article in any contract year, provided that any transportation service in excess of the MACQ figures set forth above in any contract year do not require Company to construct additional facilities to provide such service to Customer. The terms and conditions with respect to any increase in the initial MACQ and

4,200,000  
3,300,000  
400,000  
7,900,000

construction of associated additional facilities are subject to the terms of Paragraph 2 or Article V of this Agreement.

## 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 the 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

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

for the term of this Agreement and any renewals hereof, displace any service provided under this Agreement with service from any third party. However, nothing herein shall prohibit Customer from extracting and consuming landfill gas at Customer's facilities.

## ARTICLE X

### FACILITIES

1. All facilities required to provide service under this Agreement shall be designed, constructed, installed, operated, maintained, and owned by Company.
2. Customer agrees to pay Company a one time "Aid to Construction" charge of \$300,000 for Company to design, construct, own, maintain, and operate natural gas service to Miami-Dade South District Wastewater Treatment Plant, 8950 S.W. 232 Street, Miami, FL, 33170, sufficient in size to meet Customer-specified demand of 400,000 therms maximum annual quantity (MACQ). Company agrees to run gas line(s) to point(s) of use within this plant as determined by the Customer, which shall constitute Point(s) of Delivery. Customer shall reimburse Company, prior to the commencement of service, in the amount of \$825.00 per meter for any telemetry equipment required to be installed at this plant.

## ARTICLE XI

### NOMINATIONS AND NOTICE

1. Customer, or its agent supplier, shall make all nominations of service (advice regarding the next months-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 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 working days prior to the date the change is to become effective.

2. Customer or its agent, not the Company, shall be responsible for making all transportation agreements and nominations to all third parties upstream of company's Points of Receipt. Customer may use a broker for this purpose. If Customer utilizes a broker to make such transportation arrangements and nominations on the interstate system that is upstream of Company's system, Customer shall identify the broker initially and upon a change.

3. All nominations and adjustments to nominations shall be directed to:

Manager, Gas Control  
NUI Corporation  
One Elizabethtown Plaza  
Union, NJ 07083  
FAX: (908) 527-9478

Any service inquiries or correspondence regarding the administration of nominations shall be directed to:

Kim T. Verran  
Territory Manager  
NUI/City Gas Company of Florida  
One Elizabethtown Plaza  
Union, NJ 07083  
Phone/Fax: (908) 289-5000 Ext. 5705/ (908) 289-1370

OR

Donna Becker  
Key Accounts Manager  
NUI/City Gas Company of Florida  
One Elizabethtown Plaza  
Union, NJ 07083  
Phone/Fax: (908)289-5000 Ext. 5705/(908) 289-1370

4. All payments shall be directed to:

NUI/City Gas Company of Florida  
955 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3498

5. Miami-Dade Water and Sewer Department  
Mr. Tom Segars, Superintendent  
Water Production Division  
P. O. Box 110006  
Hialeah, FL 33011  
Phone: (305) 888-2522  
Fax: (305) 889-0156

## ARTICLE XII

### FORCE MAJEURE

Neither Company, nor Customer or its agents, shall be liable for damages to the other for any act, omission, or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rules and people, civil disturbances, explosions, temporary failure of gas supply, temporary failure of firm transportation arrangements, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, acts of third parties, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party, and which by the exercise of due

diligence such party is unable to prevent or overcome.

Such cause or contingencies affecting the performance by Company, Third Party Supplier, or Customer, however, shall not relieve Company or Customer of liability in the event of its concurrent negligence, or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch. In any event, the liability of Customer for damages shall be limited as provided in Section 768.28, Florida Statutes.

### ARTICLE XIII

#### MISCELLANEOUS

1. The captions in this Agreement are for the convenience of the parties in identification of the provisions hereof and shall not constitute a part of the Agreement, nor be considered interpretive thereof.

2. This Agreement shall be binding upon and insure of the benefit of the respective successors and assigns of the parties; provided, however, neither party may make an assignment hereunder without having first obtained the prior written consent of the other party. Such consent shall not be unreasonably withheld. If either party does not provide such consent within sixty (60) days after receipt of the other party's notification of assignment, failure to reply shall be deemed as consent. Any notification of assignment or consent to assignment shall be made by registered mail.

3. The interpretation and performance of this Agreement shall be governed by the laws of the State of Florida. Venue for any civil action arising out of this Agreement shall be Miami-Dade County, Florida.

4. This Agreement shall be subject to all of the rules and regulations of any duly



constituted federal or state regulatory authorities having jurisdiction hereof. Company and Customer shall comply at all times with applicable federal, state, municipal, and other laws, ordinances and regulations.

5. This Agreement contains the entire understanding of the parties with respect to the matters contained herein and may be modified only in writing duly executed by authorized representatives of the parties.

SIGNATURE PAGE FOLLOWS

In witness whereof, MIAMI-DADE COUNTY and NUI CORPORATION, represented by CITY GAS COMPANY OF FLORIDA, by and through their duly authorized officers, have executed this Agreement as of the date first written above.

(SEAL)

By: Joyce M. Fajon  
Joyce M. Fajon  
Assistant Secretary

ATTEST:

Harvey Ruvin

Clerk of the Board

By: Elizabeth Ruvin  
Deputy Clerk

Approved as to form and  
legal sufficiency.

By: H. J. H.  
Assistant County Attorney



NUI CORPORATION

By: CITY GAS COMPANY OF  
FLORIDA, a Division of NUI  
Corporation  
By: Richard Gruber  
Richard Gruber  
Vice-President, Marketing

MIAMI-DADE, a political  
subdivision of the State of Florida

By Its Board of County  
Commissioners

By: Merrett R. Stierheim  
Merrett R. Stierheim  
County Manager

Approved \_\_\_\_\_ Mayor

Agenda Item No. 6(P)(1)(A)  
1 19-99

Veto \_\_\_\_\_

Override \_\_\_\_\_

OFFICIAL FILE COPY  
CLERK OF THE BOARD  
OF COUNTY COMMISSIONERS  
DADE COUNTY, FLORIDA

RESOLUTION NO. R-1143-99

RESOLUTION RETROACTIVELY AUTHORIZING WAIVER OF  
FORMAL BID PROCEDURES AND PROVISIONS OF  
ADMINISTRATIVE ORDER 3-2; AND AUTHORIZING  
RETROACTIVE EXECUTION OF AN AGREEMENT BETWEEN  
MIAMI-DADE COUNTY, FLORIDA AND NUI CORPORATION  
FOR PIPELINE TRANSPORTATION SERVICES OF  
NATURAL GAS TO THE ALEXANDER ORR AND  
HIALEAH/PRESTON WATER TREATMENT PLANTS, AND  
FOR CONSTRUCTION OF ACCESS FACILITIES AND  
SUBSEQUENT TRANSPORTATION OF NATURAL GAS TO  
THE SOUTH DISTRICT WASTEWATER TREATMENT PLANT

WHEREAS, this Board desires to accomplish the purposes  
outlined in the accompanying memorandum, a copy of which is  
incorporated herein by reference,

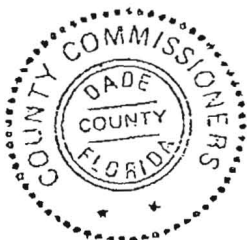
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY  
COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board finds  
that it is in the best interest of Miami-Dade County to waive  
formal bid procedures and to retroactively approve the execution of  
the Transportation Service Agreement, effective July 1, 1998,  
between NUI Corporation, represented by City Gas Company of  
Florida, a division of NUI Corporation, and Miami-Dade County, in  
substantially the form attached hereto and made a part hereof;  
formal bidding being waived in this instance pursuant to Section IV  
F of Administrative Order 3-2 and Section 4.03(D) of the Home Rule  
Charter by two-thirds (2/3) vote of the Board members present; and  
authorizes the County Manager to execute same for and on behalf of  
Miami-Dade County..

The foregoing resolution was offered by Commissioner

~~Dr. Barbara M. Carey-Shuler~~ who moved its adoption. The  
motion was seconded by Commissioner ~~Gwen Margolis~~  
and upon being put to a vote, the vote was as follows:

Dr. Miriam Alonso	aye	Bruno A. Barreiro	aye
Dr. Barbara M. Carey-Shuler	aye	Miguel Diaz de la Portilla	aye
Betty T. Ferguson	absent	Gwen Margolis	aye
Natacha Seijas Millán	absent	Jimmy L. Morales	absent
Dennis C. Moss	aye	Pedro Reboredo	absent
Dorrrin D. Rolle	aye	Katy Sorenson	aye
Javier D. Souto			aye

The Chairperson thereupon declared the resolution duly passed and adopted this 19th day of October, 1999. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.



Approved by County Attorney as  
to form and legal sufficiency.

*[Handwritten signature]*

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: KAY SULLIVAN  
Deputy Clerk

## **EXHIBIT B**

Miami-Dade County Manager's Memorandum dated October 19, 1999

# MEMORANDUM

107.07-17A MIAMI-DADE COUNTY GOV. MTG.

Agenda Item No. 6(P)(1)

TO: Hon. Chairperson and Members  
Board of County Commissioners

DATE: October 19, 1999

FROM:   
M. R. Schriener  
County Manager

SUBJECT: Resolution  
Retroactively  
Approving Execution  
of Agreement between  
NUI Corp. and  
Miami-Dade County

## RECOMMENDATION

It is recommended that the Board approve the attached resolution retroactively approving the waiver of formal bid procedures and provisions of Administrative Order 3-2, and authorizing the execution of an agreement between NUI Corporation, represented by City Gas Company of Florida, a division of NUI Corporation, ("CITY GAS") and Miami-Dade County for pipeline transportation service of natural gas to two water treatment plants and one wastewater treatment plant. This Agreement will save the Miami-Dade Water and Sewer Department ("WASD") approximately \$4.9 million over the next ten years.

## BACKGROUND

On November 4, 1997 the Board approved the original transportation agreement with City Gas, which reduced the price WASD paid for the commodity of natural gas. This reduced price has already saved WASD a total of \$1,658,560.00 since that time. However, the cost of transporting the gas through City Gas pipelines was unchanged. WASD therefore began negotiations with City Gas and has successfully negotiated a substantial reduction of current transportation rates. This has resulted in \$522,054.00 savings to WASD to date. The new Agreement reduces the transportation rates by almost 88 percent and freezes the new rates for ten (10) years, at a total additional savings to WASD of at least \$4,926,460. In addition, City Gas will construct an access line to the South District Wastewater Treatment Plant, at a cost of \$300,000, enabling WASD to save additional energy costs and saving WASD construction costs of \$270,000.00.

Since 1960, the Alexander Orr (Orr) and Hialeah/Preston (Hialeah) Water Treatment Plants have been producing their own lime using natural gas fuel. Until 1997 the sole supplier of natural gas was City Gas. As a result of deregulation of the gas industry, WASD could now bid for natural gas and as a result awarded a contract for the commodity of natural gas to Natural Gas Clearinghouse and contracted separately with City Gas, as a sole source, for transportation from the supply main through their pipes to the WASD's plants. Despite WASD being City Gas' largest customer, City Gas would not discount their standard transportation rates. Consequently, in December 1997, the Board approved an agreement

Honorable Chairperson and Members  
Board of County Commissioners  
Page 2

with Florida Gas Transmission Company ("FGT") for construction of facilities for direct access to the statewide distribution system, by-passing City Gas. Due to the imminent loss of business, City Gas agreed in June 1998 to a substantial reduction of their charges to WASD.

New rates which save WASD almost 88 percent became effective July 1, 1998 and WASD has already realized \$522,054.00 in savings to date. In consideration for City Gas agreement to freeze these rates for ten years, WASD agrees to continue to use City Gas' pipelines for this period. Construction of natural gas access facilities at the South District Wastewater Treatment Plant will be undertaken following execution of this agreement.

Savings:

1. The historical gas consumption for the Orr and Hialeah Plants has been approximately 7,300,000 therms per year. The agreement states that there will be no transportation charge for any gas consumed above 7,900,000 therms per year. An analysis is shown below:

Former Rate:

7,300,000 therms X \$0.08252	
(City Gas' standard existing rate) -	\$602,396.00/yr.

New Rate as of July 1, 1998:

7,300,000 therms X \$0.0170	
(weighted average of Orr & Hialeah) -	\$124,100.00/yr.

Annual Savings

	\$478,296.00/yr.
Meter charge eliminated	<u>14,400.00</u>
	\$492,646.00/yr.

2. The \$1,622,000.00 authorized for construction of new facilities will not be needed.

3. The South District Wastewater Treatment Plant should realize a savings of about \$75,000 annually by partially substituting natural gas for electricity as fuel for its generators. The \$300,000 which MDWASD will pay City Gas to construct connecting facilities is \$270,000 less than the price WASD agreed to pay Florida Gas Transmission.

Therefore, it is in the best interest of the County to approve the attached resolution.

Attachments

## **EXHIBIT C**

Natural Gas Transportation Service Agreement between Pivotal Utility Holdings, Inc.  
d/b/a Florida City Gas and Miami-Dade County for the Miami-Dade Water and Sewer  
Department dated August 28, 2008 (“2008 Agreement”)



**NATURAL GAS TRANSPORTATION SERVICE AGREEMENT  
BETWEEN  
FLORIDA CITY GAS  
AND  
MIAMI-DADE COUNTY**

Account Nos. 211-0756225-011, 211-0756239-011,  
211-0754412-011, 211-0786676-001

THIS AGREEMENT made and entered into as of this 28<sup>th</sup> day of Aug., 2008, by and between Pivotal Utility Holdings, Inc. d/b/a Florida City Gas ("FCG"), a New Jersey corporation, hereinafter referred to as "Company", and MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as "Customer" (collectively, with FCG, the "Parties").

**WITNESSETH:**

WHEREAS, Company's Natural Gas Tariff ("Tariff") establishes transportation service to be provided pursuant to the Contract Demand Service Rate Schedule having certain specific terms of applicability;

WHEREAS, Customer has requested that Company render natural gas transportation service to Customer in accordance with the terms and conditions of this Agreement and Company has agreed to transport Customer's gas;

WHEREAS, this Agreement is subject to the approval of the Florida Public Service Commission ("Commission"); and

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the Parties agree as follows:

## **ARTICLE I**

### **TERM OF AGREEMENT**

1. Subject to all other provisions, conditions, and limitations hereof, this Agreement shall become effective as of the date that the Commission approves and makes this Agreement effective (the "Effective Date"), and shall continue in full force and effect until ten years from the Effective Date, at which time the Agreement shall terminate (hereinafter, the "Term"). Company agrees, upon written request from Customer received by Company not less than ninety (90) days prior to the termination date of this Agreement, to review the terms and conditions of the Agreement for the purpose of renewal for a like term. The renewal is contingent upon the Company and Customer mutually agreeing in writing to the terms and conditions for the renewal term. If this Agreement is not approved and made effective by the Commission subject to terms and conditions satisfactory to the Parties within one hundred eighty (180) days from the date this Agreement is entered into by the Parties, this Agreement shall not become effective, and the parties will continue to negotiate a new agreement, pursuant to the First Amendment to Natural Gas Transportation Service Agreement Between Florida City Gas and Miami-Dade County (the "Amendment"), unless one of the parties elects to terminate the Amendment, as provided in the Amendment, through written notice.

## **ARTICLE II**

### **APPLICABILITY OF TARIFF**

1. Based upon governing applicability provisions, the Parties hereby confirm that Customer qualifies for the Contract Demand Service Rate Schedule.

2. Except to the extent expressly modified by the terms of this Agreement, all service rendered by Company under this Agreement shall be provided pursuant to the terms and

conditions of Company's Tariff, which is incorporated fully herein by reference, as filed with and approved by the Florida Public Service Commission from time to time.

3. The rates for transportation of natural gas to Customer's listed facilities shall be as set forth in Article VII of this Agreement.

### **ARTICLE III**

#### **POINTS OF RECEIPT AND DELIVERY**

1. Customer shall arrange for the delivery of all gas to be transported by Company hereunder to take place at those interconnections between Company and Florida Gas Transmission Company ("FGT") heretofore determined [Point(s) of Receipt] in Miami, FL and Hialeah, FL. All such gas received by Company shall be redelivered to Customer at those interconnections between the distribution system of Company and the facilities of Customer heretofore determined [Point(s) of Delivery].

### **ARTICLE IV**

#### **OBLIGATIONS AND REPRESENTATIONS OF CUSTOMER**

1. Customer represents that it meets all qualifications for Contract Demand Service.

2. Customer agrees to comply with all terms and conditions of this Agreement and the Company's Tariff, as approved by the Florida Public Service Commission, which terms and conditions are incorporated fully herein by reference and the applicable Rate Schedule as the same may be amended or modified from time to time.

3. Customer warrants that it will, at the time of delivery of gas to Company for transportation hereunder, have good and merchantable title to the gas free and clear of all liens, encumbrances, and adverse claims. Customer agrees to provide Company with any documentation which may be requested in writing by Company to evidence Customer's title to the gas transported. Company reserves the right, without penalty or liability, to refuse

transportation of any gas in the event Customer fails to provide such documentation upon Company's written request.

4. Customer warrants that all gas delivered to Company for transportation hereunder shall be of a merchantable quality and shall conform to the quality requirements set forth in the tariff of FGT as filed with and approved by the Federal Energy Regulatory Commission.

## **ARTICLE V**

### **QUANTITY**

1. Customer and Company agree that as of the Effective Date of this Agreement, the initial maximum annual contract quantity of gas ("MACQ") that Company is obligated to deliver to Customer under this Agreement in any contract year is:

Alexander Orr- Water Treatment Plant  
6800 S.W. 87th Avenue  
Miami, FL 33173  
Account # 211-0756225-011  
Account # 211-0756239-011  
4,200,000 therms

Hialeah Lime Recalcination Facility  
700 W. 2nd Avenue  
Hialeah, FL 33010  
Account # 211-0754412-011  
3,300,000 therms

South District Wastewater Treatment Plant  
8950 S.W. 232nd Street  
Miami, FL 33170  
Account # 211-0786676-001  
400,000 therms

2. Company may, from time to time, make deliveries to Customer in excess of the above stated MACQs. However, if Customer desires to increase the MACQ for any facility, Customer will provide Company with a written request. Within ninety (90) days of the date of such request, Company shall provide Customer with proposed terms and conditions under which Company will be willing to increase MACQ. Such terms shall include, but not be limited to,

Customer's willingness to pay, if necessary, an appropriate contribution to the cost of construction of additional facilities.

3. Customer hereby agrees to tender for transportation on Company's systems, during each annual period, a volume of gas equal to or greater than the minimum annual volume of 1,250,000 therms per year.

4. The maximum daily contract quantity of gas ("MDCQ") Customer may have delivered to Company at the Points of Receipt, in the aggregate, for transportation by Company hereunder shall be 24,500 therms. During the Term of this Agreement, Customer may increase the MDCQ and/or the maximum deliveries designated herein for each Point of Receipt only with the prior consent of Company, and only upon such prior notice as Company may require under the circumstances.

## **ARTICLE VI**

### **PARAMETERS OF SERVICE**

1. Company does not warrant that transportation service will be available hereunder at all times and under all conditions.

## **ARTICLE VII**

### **RATES AND CHARGES FOR SERVICE**

1. For the Term of this Agreement, Customer shall pay Company each month the following transportation charges for services rendered under this Agreement. The rates set forth below are subject to the tax and other adjustment terms of Company's Tariff, as applicable to the Customer.

<u>Facility</u>	<u>Rate per Therm</u>	<u>MACQ</u>
Alexander Orr Water Treatment Plant	\$ 0.010	4,200,000

Hialeah Water Treatment	\$ 0.030	3,300,000
South District Wastewater Treatment Plant	\$0.030	400,000

2. There shall be no charge for each therm transported to each facility in excess of MACQ as set forth in Paragraph 1 of this Article in any contract year, provided that any transportation service in excess of the MACQ figures set forth above in any contract year do not require Company to construct additional facilities to provide such service to Customer. The terms and conditions with respect to any increase in the initial MACQ and construction of associated additional facilities are subject to the terms of Paragraph 2 of Article V of this Agreement.

## **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. However, nothing herein shall prohibit Customer from extracting and consuming landfill gas at Customer's facilities.

## **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.

2. Customer or its agent, not Company, shall be responsible for making all transportation agreements and nominations to all third parties upstream of Company's Points of

Receipt. Customer may use a broker for this purpose. If Customer utilizes a broker to make such transportation arrangements and nominations on the interstate system upstream of Company's system, Customer shall identify the broker initially and upon a change.

3. All nominations and adjustments to nominations shall be directed to:

Mr. Ernie Brake  
Manager of Gas Operations  
AGL Resources  
10 Peachtree Place NE, Suite 800  
Atlanta, GA 30309  
Office: 404-584-4161  
Cell: 404-379-3929

Any service inquiries or correspondence regarding the administration of nominations shall be directed to:

Mr. Ed C. Delgado, RCGC  
Major Accounts Executive  
Florida City Gas  
955 E. 25<sup>th</sup> Street  
Hialeah, FL 33013  
Cell: 786-218-0861  
Fax: 305-691-7335

OR

Mr. Joe Hoyt  
Senior Accounts Executive  
AGL Resources  
Ten Peachtree Place  
Atlanta, GA 30309  
Office: 404-584-3118  
Cell: 404-217-8928

4. All payments shall be directed to:

Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta, GA 31107-0720



5. To the extent any form of notice, other than notice related to nominations or administration of nominations, must be provided to either Party, notice should be sent to the following persons:

For Miami-Dade Water and Sewer Department:

Mr. Tom Segars, Superintendent  
Water Production Division  
P. O. Box 110006  
Hialeah, FL 33011  
Phone: (305) 520-4721  
Fax: (305) 889-0156

For Florida City Gas:

Mr. Ed C. Delgado, RCGC  
Major Accounts Executive  
Florida City Gas  
955 E. 25<sup>th</sup> Street  
Hialeah, FL 33013  
Cell: 786-218-0861  
Fax: 305-691-7335

With a copy to:

General Counsel  
AGL Resources  
Ten Peachtree Place  
Atlanta, GA 30309

## **ARTICLE XII**

### **FORCE MAJEURE**

1. Neither Company, nor Customer or its agents, shall be liable for damages to the other for any act, omission, or circumstance occasioned by or in consequence of any acts of God; strikes; lockouts; acts of the public enemy; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of rules and people; civil disturbances; explosions; temporary failure of gas supply; temporary failure of

firm transportation arrangements; the binding order of any court or governmental authority, which has been resisted in good faith by all reasonable legal means; acts of third parties; or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the Party, and which by the exercise of due diligence such Party is unable to prevent or overcome.

2. Such cause or contingencies affecting the performance by Company, Third Party Supplier, or Customer, however, shall not relieve Company or Customer of liability in the event of its concurrent negligence, or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve either party from its obligations to make payments of amounts then due hereunder in respect of gas theretofore delivered. In any event, the liability of Customer for damages shall be limited as provided in Section 768.28, Florida Statutes.

### **ARTICLE XIII**

#### **MISCELLANEOUS**

1. The captions in this Agreement are for the convenience of the Parties in identification of the provisions hereof and shall not constitute a part of the Agreement, nor be considered interpretive thereof.

2. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties; provided, however, neither Party may make an assignment hereunder without having first obtained the prior written consent of the other Party. Such consent shall not be unreasonably withheld. If either Party does not provide such consent within sixty (60) days after receipt of the other Party's notification of assignment, failure to reply shall be deemed as consent. Any notification of assignment or consent to assignment shall be made by registered mail and provided to the individuals identified in Paragraph 5 of Article XI of this Agreement.

3. The interpretation and performance of this Agreement shall be governed by the laws of the State of Florida. Venue for any civil action arising out of this Agreement shall be Miami-Dade County, Florida, unless otherwise provided by the Tariff.

4. This Agreement shall be subject to all of the rules and regulations of any duly constituted federal or state regulatory authorities having jurisdiction hereof. Company and Customer shall comply at all times with applicable federal, state, municipal, and other laws, ordinances, and regulations.

5. This Agreement contains the entire understanding of the Parties with respect to the matters contained herein and may be modified only in writing duly executed by authorized representatives of the Parties.

6. UNLESS EXPRESSLY SET FORTH HEREIN OR IN THE TARIFF, EXCEPT FOR EITHER PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY HERETO BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES FOR LOST PROFITS OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS (INCLUDING, WITHOUT LIMITATION, COVER), REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY OR TORT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TERMS OF THIS PARAGRAPH SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

7. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

**SIGNATURE PAGE FOLLOWS**

In witness whereof, MIAMI-DADE COUNTY and PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS, by and through their duly authorized officers, have executed this Agreement as of the date first written above.

(SEAL)

PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

By: \_\_\_\_\_

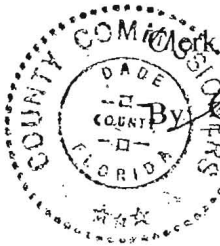
By: \_\_\_\_\_  
Deputy Clerk

ATTEST:

Harvey Ruvin

MIAMI-DADE COUNTY, a political  
subdivision of the State of Florida

By its Board of County Commissioners

 Clerk of the Board:  
By: [Signature]  
Deputy Clerk 8/28/08

By: [Signature]

Approved as to form and  
Legal sufficiency.

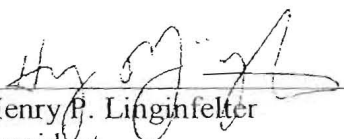
By: Sandra Elavetti Daub  
Assistant County Attorney

In witness whereof, MIAMI-DADE COUNTY and PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS, by and through their duly authorized officers, have executed this Agreement as of the date first written above.

(SEAL)

PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

By: \_\_\_\_\_  
Deputy Clerk

By:  \_\_\_\_\_  
Henry P. Linginfelter  
President

ATTEST:

Harvey Ruvin

Clerk of the Board:

By: \_\_\_\_\_  
Deputy Clerk

MIAMI-DADE COUNTY, a political  
subdivision of the State of Florida

By its Board of County Commissioners

By: \_\_\_\_\_

Approved as to form and  
Legal sufficiency.

By: \_\_\_\_\_  
Assistant County Attorney

## **EXHIBIT D**

First Amendment to Natural Gas Transportation Service Agreement Between  
Florida City Gas and Miami-Dade County

EXECUTION COPY

First Amendment to  
Natural Gas Transportation Service Agreement  
Between  
Florida City Gas  
And Miami-Dade County

This First Amendment ("Amendment") is effective as of this 30<sup>th</sup> day of June, 2008 by and between Pivotal Utility Holdings, Inc. d/b/a Florida City Gas ("**FCG**") and Miami-Dade County ("**Customer**").

WHEREAS, FCG (formerly known as NUI Corporation, represented by City Gas Company of Florida) and Customer entered into the Natural Gas Transportation Service Agreement on October 29, 1998 (the "**Agreement**");

WHEREAS, the Effective Date of the Agreement is July 1, 1998;

WHEREAS, the Term, as defined in the Agreement, was initially set to expire on June 30, 2008; and

WHEREAS, the parties desire to extend the Term as set forth below.

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements herein, FCG and Customer agree as follows:

1. The parties are currently negotiating a renewal of the Agreement (the "**New Contract**"). Pursuant to the terms of the New Contract, such contract shall not become effective until the date that the Florida Public Service Commission ("**Commission**") approves and makes the New Contract effective (the "**Effective Date**"). Further, if the New Contract is not approved and made effective by the Commission subject to terms and conditions satisfactory to the parties within one hundred eighty (180) days from the date the New Contract is entered into by the parties, the New Contract shall not become effective.
2. To avoid a gap in service between the expiration of the Agreement and the Effective Date of the New Contract and, if necessary, to allow the parties additional time to negotiate a new agreement in the event the New Contract does not become effective, the parties hereby agree to extend the Term of the Agreement on a month-to-month basis effective as of July 1, 2008, until the earlier of: (a) the Effective Date of the New Contract; or (b) thirty (30) days following written notice from either Party of its election to terminate the Agreement.

EXECUTION COPY

3. If the New Contract does not become effective and negotiations are terminated, the Parties will agree to terminate the Agreement.
4. All other provisions of the Agreement shall remain in full force and effect.
5. This Amendment may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

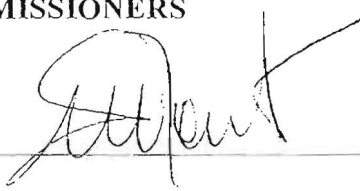
The parties have executed this Amendment by the signatures of their respective authorized representatives on the date set forth below.

**PIVOTAL UTILITY HOLDINGS,  
INC. D/B/A FLORIDA CITY GAS:**

**MIAMI-DADE COUNTY:**

**BY ITS BOARD OF COUNTY  
COMMISSIONERS**

By: \_\_\_\_\_

By:  \_\_\_\_\_

Print Name:

Print Name:

Title:

Title:

ATTEST:

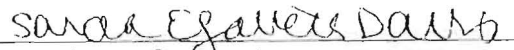
Harvey Ruvin

Clerk of the Board:



  
Deputy Clerk 8/28/08

Approved as to form and  
Legal sufficiency.

By:   
Assistant County Attorney



EXECUTION COPY

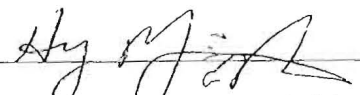
3. If the New Contract does not become effective and negotiations are terminated, the Parties will agree to terminate the Agreement.
4. All other provisions of the Agreement shall remain in full force and effect.
5. This Amendment may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

The parties have executed this Amendment by the signatures of their respective authorized representatives on the date set forth below.

**PIVOTAL UTILITY HOLDINGS,  
INC. D/B/A FLORIDA CITY GAS:**

**MIAMI-DADE COUNTY:**

**BY ITS BOARD OF COUNTY  
COMMISSIONERS**

By:   
Print Name: Henry P. Linginfelter

Title: President

By: \_\_\_\_\_  
Print Name:

Title:

ATTEST:

Harvey Ruvin

Clerk of the Board:

By: \_\_\_\_\_  
Deputy Clerk

Approved as to form and  
Legal sufficiency.

By: \_\_\_\_\_  
Assistant County Attorney

## **EXHIBIT E**

Resolutions No. R-1105-08 and R-1106-08

Date: October 7, 2008

To: Honorable Chairman Bruno A. Barreiro and Members,  
Board of County Commissioners

From: George M. Burgess  
County Manager

Agenda Item No. 18(A)(2)

Resolution R-1105-08

Subject: Resolution ratifying the execution of a 10-year agreement between Florida City Gas and Miami-Dade County for a Natural Gas Transportation Service Agreement

**RECOMMENDATION**

It is recommended that the Board of County Commissioners ratify the attached resolution waiving formal bid procedures and provisions pursuant to Section 2-8.1 of the County Code and Section 5.03(D) of the Home Rule Charter, and ratify the execution of a 10-year agreement in the amount of \$1,500,000 between Miami-Dade County through the Miami-Dade Water and Sewer Department (WASD) and Florida City Gas. This 10-year agreement allows WASD to connect to Florida City Gas's pipeline distribution system for the delivery of natural gas fuel.

WASD has been in continued discussions with Florida City Gas to facilitate this 10-year agreement and has now agreed to the terms of this agreement. This 10-year agreement will replace Amendment No. 1 (also on this ratification agenda) contingent on the approval of the Florida Public Service Commission. Amendment No.1 extends the original agreement for an additional 180 days to avoid a gap in service between the expiration date of the original agreement which was June 30, 2008 and this new replacement contract.

**SCOPE OF AGENDA ITEM**

The impact of this item is county-wide.

**FISCAL IMPACT/FUNDING SOURCE**

The fiscal impact of this 10-year agreement is \$1,500,000, which accounts for the delivery of approximately 7.5 million therms (a unit of measure) over a 10-year time period. WASD will pay an average of \$0.019 cents in transportation charges on a per therm basis for the delivery of natural gas which is well below the current published tariff rate of \$0.1225 per therm.

**TRACK RECORD/MONITOR**

WASD's procurement section will monitor the agreement.

**BACKGROUND**

On October 19, 1999 the Board approved Resolution R-1143-99 waiving formal bid procedures and facilitating a natural gas transportation service agreement between Miami-Dade County and Florida City Gas. WASD projected savings of \$4.9 million over a 10-year period, from January 2000 through December 2007. However, WASD had a combined savings on commodity and local transportation of over \$10 million. This agreement is a renewal contract for another 10-year period in which WASD will generate even more savings per year. These savings are projected to increase from the previous contract period because as the published tariff rates continue to increase, the increases remain transparent to WASD due to the fixed rates WASD pays. This agreement has been approved by Florida City Gas.

Honorable Chairman Bruno A. Barreiro and Members,  
Board of County Commissioners  
Page 2

Both this replacement contract and the corresponding amendment were approved due to health and safety activities through Resolution R-867-08, which authorizes the Mayor or Mayor's designee to conduct business during the summer recess period. This 10-year replacement agreement meets the criteria for the ratification agenda as natural gas is the fuel used in the process of producing softened water which is a part of the County's water treatment process. It is also used to power up the high service pumps that pump water through the County's water distribution system.



Assistant County Manager




# MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro  
and Members, Board of County Commissioners

DATE: October 7, 2008

FROM:   
R. A. Cuevas, Jr.  
County Attorney

SUBJECT: Agenda Item No. 18(A) (2)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 18(A)(2)  
10-7-08

RESOLUTION NO. R-1105-08

RESOLUTION RATIFYING THE COUNTY MAYOR'S ACTION OF THE EXECUTION BY THE MAYOR OR HIS DESIGNEE OF A NATURAL GAS TRANSPORTATION SERVICE AGREEMENT BETWEEN FLORIDA CITY GAS AND MIAMI-DADE COUNTY AND TO EXERCISE THE CANCELLATION AND RENEWAL PROVISIONS CONTAINED THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference; and

WHEREAS, at the County Commission meeting of July 17, 2008 this Board authorized the County Mayor to administer County business during the period of July 17, 2008 through August 29, 2008 [Agenda Item No. 12A1]; such action(s) taken to be in accordance with the policies and procedures established by the Board of County Commissioners and be submitted to the Board for approval at the County Commission meeting of October 7, 2008,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby ratifies the County Mayor's action of the execution, by the Mayor or his designee, of a Natural Gas Transportation Service Agreement between Florida City Gas and Miami-Dade County and to exercise the cancellation and renewal provisions contained therein, subject to approval by the Public Service Commission.

The foregoing resolution was offered by Commissioner **Rebeca Sosa**, who moved its adoption. The motion was seconded by Commissioner **Jose "Pepe" Diaz** and upon being put to a vote, the vote was as follows:

	Bruno A. Barreiro, Chairman	aye	
	Barbara J. Jordan, Vice-Chairwoman	aye	
Jose "Pepe" Diaz	aye	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	aye
Joe A. Martinez	aye	Dennis C. Moss	aye
Dorrian D. Rolle	aye	Natacha Seijas	absent
Katy Sorenson	aye	Rebeca Sosa	aye
Sen. Javier D. Souto	absent		

The Chairperson thereupon declared the resolution duly passed and adopted this 7<sup>th</sup> day of October, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.



MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **Kay Sullivan**  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency. SED

Sarah E. Davis

**NATURAL GAS TRANSPORTATION SERVICE AGREEMENT  
BETWEEN  
FLORIDA CITY GAS  
AND  
MIAMI-DADE COUNTY**

Account Nos. 211-0756225-011, 211-0756239-011,  
211-0754412-011, 211-0786676-001

THIS AGREEMENT made and entered into as of this 28<sup>th</sup> day of Aug, 2008, by and between Pivotal Utility Holdings, Inc. d/b/a Florida City Gas ("FCG"), a New Jersey corporation, hereinafter referred to as "Company", and MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as "Customer" (collectively, with FCG, the "Parties").

**WITNESSETH:**

WHEREAS, Company's Natural Gas Tariff ("Tariff") establishes transportation service to be provided pursuant to the Contract Demand Service Rate Schedule having certain specific terms of applicability;

WHEREAS, Customer has requested that Company render natural gas transportation service to Customer in accordance with the terms and conditions of this Agreement and Company has agreed to transport Customer's gas;

WHEREAS, this Agreement is subject to the approval of the Florida Public Service Commission ("Commission"); and

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the Parties agree as follows:



## **ARTICLE I**

### **TERM OF AGREEMENT**

1. Subject to all other provisions, conditions, and limitations hereof, this Agreement shall become effective as of the date that the Commission approves and makes this Agreement effective (the "Effective Date"), and shall continue in full force and effect until ten years from the Effective Date, at which time the Agreement shall terminate (hereinafter, the "Term"). Company agrees, upon written request from Customer received by Company not less than ninety (90) days prior to the termination date of this Agreement, to review the terms and conditions of the Agreement for the purpose of renewal for a like term. The renewal is contingent upon the Company and Customer mutually agreeing in writing to the terms and conditions for the renewal term. If this Agreement is not approved and made effective by the Commission subject to terms and conditions satisfactory to the Parties within one hundred eighty (180) days from the date this Agreement is entered into by the Parties, this Agreement shall not become effective, and the parties will continue to negotiate a new agreement, pursuant to the First Amendment to Natural Gas Transportation Service Agreement Between Florida City Gas and Miami-Dade County (the "Amendment"), unless one of the parties elects to terminate the Amendment, as provided in the Amendment, through written notice.

## **ARTICLE II**

### **APPLICABILITY OF TARIFF**

1. Based upon governing applicability provisions, the Parties hereby confirm that Customer qualifies for the Contract Demand Service Rate Schedule.

2. Except to the extent expressly modified by the terms of this Agreement, all service rendered by Company under this Agreement shall be provided pursuant to the terms and

conditions of Company's Tariff, which is incorporated fully herein by reference, as filed with and approved by the Florida Public Service Commission from time to time.

3. The rates for transportation of natural gas to Customer's listed facilities shall be as set forth in Article VII of this Agreement.

### **ARTICLE III**

#### **POINTS OF RECEIPT AND DELIVERY**

1. Customer shall arrange for the delivery of all gas to be transported by Company hereunder to take place at those interconnections between Company and Florida Gas Transmission Company ("FGT") heretofore determined [Point(s) of Receipt] in Miami, FL and Hialeah, FL. All such gas received by Company shall be redelivered to Customer at those interconnections between the distribution system of Company and the facilities of Customer heretofore determined [Point(s) of Delivery].

### **ARTICLE IV**

#### **OBLIGATIONS AND REPRESENTATIONS OF CUSTOMER**

1. Customer represents that it meets all qualifications for Contract Demand Service.

2. Customer agrees to comply with all terms and conditions of this Agreement and the Company's Tariff, as approved by the Florida Public Service Commission, which terms and conditions are incorporated fully herein by reference and the applicable Rate Schedule as the same may be amended or modified from time to time.

3. Customer warrants that it will, at the time of delivery of gas to Company for transportation hereunder, have good and merchantable title to the gas free and clear of all liens, encumbrances, and adverse claims. Customer agrees to provide Company with any documentation which may be requested in writing by Company to evidence Customer's title to the gas transported. Company reserves the right, without penalty or liability, to refuse

transportation of any gas in the event Customer fails to provide such documentation upon Company's written request.

4. Customer warrants that all gas delivered to Company for transportation hereunder shall be of a merchantable quality and shall conform to the quality requirements set forth in the tariff of FGT as filed with and approved by the Federal Energy Regulatory Commission.

## ARTICLE V

### QUANTITY

1. Customer and Company agree that as of the Effective Date of this Agreement, the initial maximum annual contract quantity of gas ("MACQ") that Company is obligated to deliver to Customer under this Agreement in any contract year is:

Alexander Orr- Water Treatment Plant  
6800 S.W. 87th Avenue  
Miami, FL 33173  
Account # 211-0756225-011  
Account # 211-0756239-011  
4,200,000 therms

Hialeah Lime Recalcination Facility  
700 W. 2nd Avenue  
Hialeah, FL 33010  
Account # 211-0754412-011  
3,300,000 therms

South District Wastewater Treatment Plant  
8950 S.W. 232nd Street  
Miami, FL 33170  
Account # 211-0786676-001  
400,000 therms

2. Company may, from time to time, make deliveries to Customer in excess of the above stated MACQs. However, if Customer desires to increase the MACQ for any facility, Customer will provide Company with a written request. Within ninety (90) days of the date of such request, Company shall provide Customer with proposed terms and conditions under which Company will be willing to increase MACQ. Such terms shall include, but not be limited to,

Customer's willingness to pay, if necessary, an appropriate contribution to the cost of construction of additional facilities.

3. Customer hereby agrees to tender for transportation on Company's systems, during each annual period, a volume of gas equal to or greater than the minimum annual volume of 1,250,000 therms per year.

4. The maximum daily contract quantity of gas ("MDCQ") Customer may have delivered to Company at the Points of Receipt, in the aggregate, for transportation by Company hereunder shall be 24,500 therms. During the Term of this Agreement, Customer may increase the MDCQ and/or the maximum deliveries designated herein for each Point of Receipt only with the prior consent of Company, and only upon such prior notice as Company may require under the circumstances.

## ARTICLE VI

### PARAMETERS OF SERVICE

1. Company does not warrant that transportation service will be available hereunder at all times and under all conditions.

## ARTICLE VII

### RATES AND CHARGES FOR SERVICE

1. For the Term of this Agreement, Customer shall pay Company each month the following transportation charges for services rendered under this Agreement. The rates set forth below are subject to the tax and other adjustment terms of Company's Tariff, as applicable to the Customer.

<u>Facility</u>	<u>Rate per Therm</u>	<u>MACQ</u>
Alexander Orr Water Treatment Plant	\$ 0.010	4,200,000

Hialeah Water Treatment	\$ 0.030	3,300,000
South District Wastewater Treatment Plant	\$0.030	400,000

2. There shall be no charge for each therm transported to each facility in excess of MACQ as set forth in Paragraph 1 of this Article in any contract year, provided that any transportation service in excess of the MACQ figures set forth above in any contract year do not require Company to construct additional facilities to provide such service to Customer. The terms and conditions with respect to any increase in the initial MACQ and construction of associated additional facilities are subject to the terms of Paragraph 2 of Article V of this Agreement.

## 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. However, nothing herein shall prohibit Customer from extracting and consuming landfill gas at Customer's facilities.

## **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.

2. Customer or its agent, not Company, shall be responsible for making all transportation agreements and nominations to all third parties upstream of Company's Points of

Receipt. Customer may use a broker for this purpose. If Customer utilizes a broker to make such transportation arrangements and nominations on the interstate system upstream of Company's system, Customer shall identify the broker initially and upon a change.

3. All nominations and adjustments to nominations shall be directed to:

Mr. Ernie Brake  
Manager of Gas Operations  
AGL Resources  
10 Peachtree Place NE, Suite 800  
Atlanta, GA 30309  
Office: 404-584-4161  
Cell: 404-379-3929

Any service inquiries or correspondence regarding the administration of nominations shall be directed to:

Mr. Ed C. Delgado, RCGC  
Major Accounts Executive  
Florida City Gas  
955 E. 25<sup>th</sup> Street  
Hialeah, FL 33013  
Cell: 786-218-0861  
Fax: 305-691-7335

OR

Mr. Joe Hoyt  
Senior Accounts Executive  
AGL Resources  
Ten Peachtree Place  
Atlanta, GA 30309  
Office: 404-584-3118  
Cell: 404-217-8928

4. All payments shall be directed to:

Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta, GA 31107-0720

5. To the extent any form of notice, other than notice related to nominations or administration of nominations, must be provided to either Party, notice should be sent to the following persons:

For Miami-Dade Water and Sewer Department:

Mr. Tom Segars, Superintendent  
Water Production Division  
P. O. Box 110006  
Hialeah, FL 33011  
Phone: (305) 520-4721  
Fax: (305) 889-0156

For Florida City Gas:

Mr. Ed C. Delgado, RCGC  
Major Accounts Executive  
Florida City Gas  
955 E. 25<sup>th</sup> Street  
Hialeah, FL 33013  
Cell: 786-218-0861  
Fax: 305-691-7335

With a copy to:

General Counsel  
AGL Resources  
Ten Peachtree Place  
Atlanta, GA 30309

## **ARTICLE XII**

### **FORCE MAJEURE**

1. Neither Company, nor Customer or its agents, shall be liable for damages to the other for any act, omission, or circumstance occasioned by or in consequence of any acts of God; strikes; lockouts; acts of the public enemy; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of rules and people; civil disturbances; explosions; temporary failure of gas supply; temporary failure of



firm transportation arrangements; the binding order of any court or governmental authority, which has been resisted in good faith by all reasonable legal means; acts of third parties; or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the Party, and which by the exercise of due diligence such Party is unable to prevent or overcome.

2. Such cause or contingencies affecting the performance by Company, Third Party Supplier, or Customer, however, shall not relieve Company or Customer of liability in the event of its concurrent negligence, or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve either party from its obligations to make payments of amounts then due hereunder in respect of gas theretofore delivered. In any event, the liability of Customer for damages shall be limited as provided in Section 768.28, Florida Statutes.

### **ARTICLE XIII**

#### **MISCELLANEOUS**

1. The captions in this Agreement are for the convenience of the Parties in identification of the provisions hereof and shall not constitute a part of the Agreement, nor be considered interpretive thereof.

2. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties; provided, however, neither Party may make an assignment hereunder without having first obtained the prior written consent of the other Party. Such consent shall not be unreasonably withheld. If either Party does not provide such consent within sixty (60) days after receipt of the other Party's notification of assignment, failure to reply shall be deemed as consent. Any notification of assignment or consent to assignment shall be made by registered mail and provided to the individuals identified in Paragraph 5 of Article XI of this Agreement.

3. The interpretation and performance of this Agreement shall be governed by the laws of the State of Florida. Venue for any civil action arising out of this Agreement shall be Miami-Dade County, Florida, unless otherwise provided by the Tariff.

4. This Agreement shall be subject to all of the rules and regulations of any duly constituted federal or state regulatory authorities having jurisdiction hereof. Company and Customer shall comply at all times with applicable federal, state, municipal, and other laws, ordinances, and regulations.

5. This Agreement contains the entire understanding of the Parties with respect to the matters contained herein and may be modified only in writing duly executed by authorized representatives of the Parties.

6. UNLESS EXPRESSLY SET FORTH HEREIN OR IN THE TARIFF, EXCEPT FOR EITHER PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY HERETO BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES FOR LOST PROFITS OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS (INCLUDING, WITHOUT LIMITATION, COVER), REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY OR TORT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TERMS OF THIS PARAGRAPH SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

7. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

**SIGNATURE PAGE FOLLOWS**

In witness whereof, MIAMI-DADE COUNTY and PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS, by and through their duly authorized officers, have executed this Agreement as of the date first written above.

(SEAL)

PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

By: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy Clerk

ATTEST:

MIAMI-DADE COUNTY, a political  
subdivision of the State of Florida

Harvey Ruvin

By its Board of County Commissioners

By: \_\_\_\_\_  
Deputy Clerk 8/28/08

By: \_\_\_\_\_

Approved as to form and  
Legal sufficiency.

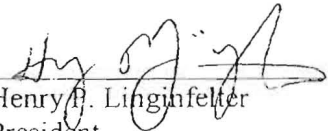
By: Sarah Elavetti Davis  
Assistant County Attorney

In witness whereof, MIAMI-DADE COUNTY and PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS, by and through their duly authorized officers, have executed this Agreement as of the date first written above.

(SEAL)

PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

By: \_\_\_\_\_  
Deputy Clerk

By:  \_\_\_\_\_  
Henry P. Linginfeller  
President

ATTEST:

MIAMI-DADE COUNTY, a political  
subdivision of the State of Florida

Harvey Ruvin

By its Board of County Commissioners

Clerk of the Board:

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_

Approved as to form and  
Legal sufficiency.

By: \_\_\_\_\_  
Assistant County Attorney

OFFICIAL FILE COPY  
CLERK OF THE BOARD  
OF COUNTY COMMISSIONERS  
MIAMI-DADE COUNTY, FLORIDA

# Memorandum



Date: October 7, 2008

To: Honorable Chairman Bruno A. Barreiro and Members,  
Board of County Commissioners

From: George M. Burgess  
County Manager

A handwritten signature in dark ink, appearing to read "G. Burgess", written over the printed name.

Subject: Resolution ratifying the execution of Amendment No. 1 to a Natural Gas  
Transportation Service Agreement between Miami-Dade County and Florida City Gas

Agenda Item No. 18(A)(3)

Resolution R-1106-08

## RECOMMENDATION

It is recommended that the Board of County Commissioners ratify the attached resolution which executes Amendment No. 1 to the Natural Gas Transportation Service Agreement between Florida City Gas and Miami-Dade County through the Miami-Dade Water and Sewer Department (WASD). The original agreement allows WASD to connect to Florida City Gas's pipeline distribution system for the delivery of natural gas fuel. Amendment No. 1 extends the original agreement for an additional 180 days to avoid a gap in service between the expiration date of the original agreement (June 30, 2008) and the replacement contract.

## SCOPE OF AGENDA ITEM

The impact of this item is county-wide.

## FISCAL IMPACT/FUNDING SOURCE

The fiscal impact of Amendment No. 1 is \$75,000 which accounts for the delivery of approximately 3,750,000 therms (a unit of measure) over a six month time period. WASD will pay an average of \$0.019 cents in transportation charges on a per therm basis for the delivery of natural gas which is well below the current published tariff rate of \$0.1225 per therm.

## TRACK RECORD/MONITOR

WASD's procurement section will monitor the agreement.

## BACKGROUND

On October 19, 1999, the Board approved Resolution R-1143-99 waiving formal bid procedures and facilitating a natural gas transportation service agreement between the County and Florida City Gas. WASD projected savings of \$4.9 million over a 10-year period, from January 2000 through December 2007. However, WASD had a combined savings on commodity and local transportation of over \$10 million.

Amendment No. 1 provides for Florida City Gas to transport natural gas shipments to the Alexander Orr, Hialeah and the South District Wastewater Treatment Plants. Amendment No. 1 has been approved by Florida City Gas. Both the amendment and the corresponding replacement contract were approved due to health and safety activities through Resolution R-867-08, which authorizes the Mayor or Mayor's designee to conduct business during the summer recess period. Amendment No. 1 meets the criteria for the ratification agenda as natural gas is the fuel used in the process of producing softened water which is a part of the County's water treatment process. Natural gas is also used to power up the high service pumps that pump water through the County's water distribution system.

A handwritten signature in dark ink, appearing to read "St. James", written over the printed name.  
Assistant County Manager



# MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro  
and Members, Board of County Commissioners

DATE: October 7, 2008

FROM:   
R. A. Cuevas, Jr.  
County Attorney

SUBJECT: Agenda Item No. 18(A)(3)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 18(A)(3)  
10-7-08

RESOLUTION NO. R-1106-08

RESOLUTION RATIFYING THE COUNTY MAYOR'S  
ACTION OF THE EXECUTION BY THE MAYOR OR  
HIS DESIGNEE OF THE FIRST AMENDMENT TO A  
NATURAL GAS TRANSPORTATION SERVICE  
AGREEMENT BETWEEN FLORIDA CITY GAS AND  
MIAMI-DADE COUNTY AND TO EXERCISE THE  
CANCELLATION AND RENEWAL PROVISIONS  
CONTAINED THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the  
accompanying memorandum, a copy of which is incorporated herein by reference; and

WHEREAS, at the County Commission meeting of July 17, 2008 this Board  
authorized the County Mayor to administer County business during the period of July 17,  
2008 through August 29, 2008 [Agenda Item No. 12A1]; such action(s) taken to be in  
accordance with the policies and procedures established by the Board of County  
Commissioners and be submitted to the Board for approval at the County Commission  
meeting of October 7, 2008,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY  
COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby  
ratifies the County Mayor's action of the execution, by the Mayor or his designee, of the  
First Amendment to a Natural Gas Transportation Service Agreement between Florida  
City Gas and Miami-Dade County, and to exercise the cancellation and renewal  
provisions contained therein.

The foregoing resolution was offered by Commissioner **Rebeca Sosa**, who moved its adoption. The motion was seconded by Commissioner **Jose "Pepe" Diaz** and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	aye		
Barbara J. Jordan, Vice-Chairwoman	aye		
José "Pepe" Diaz	aye	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	aye
José A. Martinez	aye	Dennis C. Moss	aye
Dorrian D. Rolle	aye	Natacha Seijas	absent
Katy Sorenson	aye	Rebeca Sosa	aye
Sen. Javier D. Souto	absent		

The Chairperson thereupon declared the resolution duly passed and adopted this 7<sup>th</sup> day of October, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.



MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

**Kay Sullivan**

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency. SED

Sarah E. Davis



EXECUTION COPY

First Amendment to  
Natural Gas Transportation Service Agreement  
Between  
Florida City Gas  
And Miami-Dade County

This First Amendment ("Amendment") is effective as of this 30<sup>th</sup> day of June, 2008 by and between Pivotal Utility Holdings, Inc. d/b/a Florida City Gas ("**FCG**") and Miami-Dade County ("**Customer**").

WHEREAS, FCG (formerly known as NUI Corporation, represented by City Gas Company of Florida) and Customer entered into the Natural Gas Transportation Service Agreement on October 29, 1998 (the "**Agreement**");

WHEREAS, the Effective Date of the Agreement is July 1, 1998;

WHEREAS, the Term, as defined in the Agreement, was initially set to expire on June 30, 2008; and

WHEREAS, the parties desire to extend the Term as set forth below.

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements herein, FCG and Customer agree as follows:

1. The parties are currently negotiating a renewal of the Agreement (the "**New Contract**"). Pursuant to the terms of the New Contract, such contract shall not become effective until the date that the Florida Public Service Commission ("**Commission**") approves and makes the New Contract effective (the "**Effective Date**"). Further, if the New Contract is not approved and made effective by the Commission subject to terms and conditions satisfactory to the parties within one hundred eighty (180) days from the date the New Contract is entered into by the parties, the New Contract shall not become effective.
2. To avoid a gap in service between the expiration of the Agreement and the Effective Date of the New Contract and, if necessary, to allow the parties additional time to negotiate a new agreement in the event the New Contract does not become effective, the parties hereby agree to extend the Term of the Agreement on a month-to-month basis effective as of July 1, 2008, until the earlier of: (a) the Effective Date of the New Contract; or (b) thirty (30) days following written notice from either Party of its election to terminate the Agreement.

EXECUTION COPY

3. If the New Contract does not become effective and negotiations are terminated, the Parties will agree to terminate the Agreement.
4. All other provisions of the Agreement shall remain in full force and effect.
5. This Amendment may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

The parties have executed this Amendment by the signatures of their respective authorized representatives on the date set forth below.

**PIVOTAL UTILITY HOLDINGS,  
INC. D/B/A FLORIDA CITY GAS:**

**MIAMI-DADE COUNTY:**

**BY ITS BOARD OF COUNTY  
COMMISSIONERS**

By: \_\_\_\_\_

By:  \_\_\_\_\_

Print Name:

Print Name:

Title:

Title:

ATTEST:

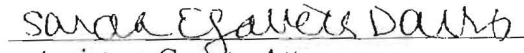
Harvey Ruvin

Clerk of the Board:



 \_\_\_\_\_  
Deputy Clerk 8/28/08

Approved as to form and  
Legal sufficiency.

By:  \_\_\_\_\_  
Assistant County Attorney

EXECUTION COPY

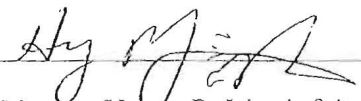
3. If the New Contract does not become effective and negotiations are terminated, the Parties will agree to terminate the Agreement.
4. All other provisions of the Agreement shall remain in full force and effect.
5. This Amendment may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

The parties have executed this Amendment by the signatures of their respective authorized representatives on the date set forth below.

**PIVOTAL UTILITY HOLDINGS,  
INC. D/B/A FLORIDA CITY GAS:**

**MIAMI-DADE COUNTY:**

**BY ITS BOARD OF COUNTY  
COMMISSIONERS**

By:   
Print Name: Henry P. Linginfelter

By: \_\_\_\_\_  
Print Name:

Title: President

Title:

ATTEST:

Harvey Ruvin

Clerk of the Board:

By: \_\_\_\_\_  
Deputy Clerk

Approved as to form and  
Legal sufficiency.

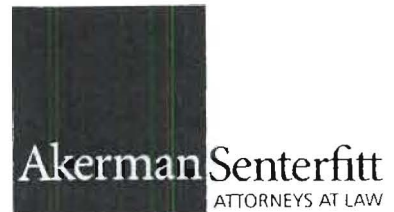
By: \_\_\_\_\_  
Assistant County Attorney

## **EXHIBIT F**

Petition by Florida City Gas for Approval of Special Transportation Service Agreement

RECEIVED-FPSC  
08 NOV 24 PM 3: 58

COMMISSION  
CLERK



Suite 1200  
106 East College Avenue  
Tallahassee, FL 32301  
www.akerman.com  
850 224 9634 tel / 850 222 0103 fax

Fort Lauderdale  
Jacksonville  
Los Angeles  
Madison  
Miami  
New York  
Orlando  
Tallahassee  
Tampa  
Tysons Corner  
Washington, DC  
West Palm Beach

**REDACTED**

MEMORANDUM

**TO:** Kim Peña  
PSC Commission Clerk's Office

**FROM:** Matthew Feil

**DATE:** November 24, 2008

**SUBJECT:** Docket No. 080672 - Petition for Approval of Special Gas Transportation Service Agreement with Miami-Dade County by Florida City Gas.

Please find enclosed a redacted version of the petition and attachments for the captioned docket per your call with Beth Keating this afternoon.

Enclosure(s)

COM \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL \_\_\_\_\_  
OPC \_\_\_\_\_  
RCP \_\_\_\_\_  
SSC \_\_\_\_\_  
SGA \_\_\_\_\_  
ADM \_\_\_\_\_  
CLK *McLean*

DOCUMENT NUMBER-DATE

10921 NOV 24 8

FPSC-COMMISSION CLERK



Fort Lauderdale  
Jacksonville  
Los Angeles  
Madison  
Miami  
New York  
Orlando  
Tallahassee  
Tampa  
Tysons Corner  
Washington, DC  
West Palm Beach

106 East College Avenue  
Suite 1200  
Tallahassee, FL 32301  
[www.akerman.com](http://www.akerman.com)  
850 224-9634 tel 850 222-0103 fax

November 13, 2008

**VIA HAND DELIVERY**

Ms. Ann Cole  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Dear Ms. Cole:

Enclosed for filing on behalf of Florida City Gas are the original and fifteen copies of its Petition for Approval of Special Gas Transportation Service Agreement.

If you have any questions regarding this filing, please call me at 850-425-1614.

Sincerely,

Matthew Feil

Enclosures

cc: Connie Kummer

{TL175332;2}

DOCUMENT NUMBER-DATE  
10921 NOV 24 08  
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Special )  
Gas Transportation Service Agreement )  
by Florida City Gas )  
\_\_\_\_\_ )

Docket No. \_\_\_\_\_ -GU

Filed: November 13, 2008

**PETITION FOR APPROVAL OF SPECIAL  
GAS TRANSPORTATION SERVICE AGREEMENT**

Pursuant to Section 366.06, Florida Statutes and Rules 25-9.034 and 25-22.036, Florida Administrative Code, Florida City Gas ("FCG" or "Company")<sup>1</sup> petitions the Commission for approval of a special gas transportation service agreement with Miami-Dade County. In support of this petition, FCG states:

1. The name of the petitioner and the mailing address of its principal office in Florida are:

Florida City Gas  
955 East 25<sup>th</sup> Street  
Hialeah, Florida 33013-3498

2. The names and mailing addresses of the persons authorized to receive notices and communications with respect to this petition are:

Beth Keating  
Akerman Senterfitt  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32301  
850-521-8002

Matthew Feil  
Akerman Senterfitt  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32301  
850-425-1614

<sup>1</sup> As described in the body of the Petition, Florida City Gas is an operating division of Pivotal Utility Holdings, Inc.

Elizabeth Wade  
AGL Resources, Inc.  
Location 1470  
Ten Peachtree Plaza  
Atlanta, GA 30309

3. FCG is an operating division of Pivotal Utility Holdings, Inc. (a subsidiary of AGL Resources Inc.) and is an investor-owned natural gas utility company subject to the regulatory jurisdiction of the Commission as prescribed in Chapter 366, Florida Statutes. FCG's substantial interests will be affected by the Commission's disposition of this Petition in that the Commission's rules require that special contracts, such as those between FCG and Miami-Dade County at issue here, must be approved by the Commission.

4. FCG is formerly City Gas Company of Florida ("City Gas"). City Gas stock was publicly traded on the American Stock Exchange from 1964 until 1988 when it merged into Elizabethtown Gas Company, the principal operating subsidiary of NUI Corporation ("NUI"), operating as a separate division of that subsidiary corporation. In November 1997, City Gas was doing business under the name of City Gas Company of Florida. In March 2001, NUI changed its name to NUI Utilities, Inc. In November 2004, AGL Resources Inc. acquired all of the outstanding common stock of NUI's parent company, and on December 6, 2004, the name City Gas was changed to Florida City Gas. In March 2005, NUI Utilities changed its name to Pivotal Utility Holdings, Inc. ("PUHI") and FCG now operates as a division of PUHI, a wholly-owned subsidiary of NUI Corporation which is in turn a wholly-owned subsidiary of AGL Resources Inc. AGL Resources Inc. subsidiaries are regulated by the Federal Energy Regulatory



Commission, the U.S. Department of Transportation, and the state utility commissions of Florida, Georgia, Maryland, New Jersey, Tennessee, and Virginia.

5. FCG's predecessor, City Gas, executed a Natural Gas Transportation Services Agreement with Miami-Dade County in 1998 (the "1998 Agreement"), attached hereto as Exhibit A. The 1998 Agreement had a ten-year term, expiring July 1, 2008, with no automatic renewal. Its terms and conditions were by-and-large governed by filed tariffs with the exception of the term, the transportation rate, the minimum and maximum provisions, and a full requirements provision.

6. When the 1998 Agreement came up for renewal in July of this year, FCG and Miami-Dade County began negotiating terms for an extension. During its analysis of the contract, FCG reviewed its files and available on-line information of the Commission's docket files. FCG was unable to find detailed information regarding this agreement in the files left by its predecessor company, City Gas, or in the Commission's docket files. Further, because the 1998 Agreement's expiration was imminent and the contract contained no provision for even a temporary extension of its term, the parties agreed to an amendment dated August 28, 2008, (the "Amendment") which temporarily extended the term of the 1998 Agreement on a month-to-month basis as of July 1, 2008. The Amendment is attached hereto as Exhibit B.

7. In parallel with negotiating the Amendment, FCG and Miami-Dade County also negotiated a successor agreement to the 1998 Agreement. The parties reached a successor agreement, which is also dated August 28, 2008 (the "2008 Agreement") and is attached hereto as Exhibit C. The 2008 Agreement contains the same pricing provisions as the 1998 Agreement, and many of the other provisions in the 2008

Agreement are similar if not identical to those in the 1998 Agreement. By this petition, FCG requests that the Commission approve FCG's special gas transportation service agreement with Miami-Dade County.

8. The 2008 Agreement is expressly subject to Commission approval. Further, the 2008 Agreement (and the Amendment) state that if the Commission does not approve the 2008 Agreement within 180 days, by February 24, 2009, the 2008 Agreement shall not become effective.

9. Under the 2008 Agreement, FCG is to receive natural gas for Miami-Dade County at previously established Points of Receipt with Florida Gas Transmission Company in Miami and Hialeah, Florida; transport such quantities on the FCG distribution system; and redeliver such gas to Points of Delivery at three Miami-Dade County facilities with a maximum annual contract quantity ("MACQ") per site as follows: (1) Alexander Orr Water Treatment Plant, 4,200,000 therms; (2) Hialeah Lime Reclamation Facility, 3,300,000 therms; (3) South District Wastewater Treatment Plant, 400,000 therms.

10. The primary provisions of the 2008 Agreement which "are not specifically covered by ['FCG'] filed regulations and standard approved rate schedules," and therefore may trigger the requirement for Commission approval as a special contract under Rule 25-9.034, F.A.C.,<sup>2</sup> are:

---

<sup>2</sup> Rule 25-9.034(1), Florida Administrative Code, states that the rule does not apply to contracts "by or between a public utility and a municipality or R.E.A. cooperative . . . ." (Emphasis added.) It is within the Commission's discretion to determine that "municipality" in that rule means any municipal customer. However, based on a review of other references in Chapter 25-9 to "municipality," including in Rule 25-9.001(1), and in Section 366.11, Florida Statutes, the Company believes the Commission meant "municipal utility" when it said "municipality" in Rule 25-9.034(1). However, the Company does not oppose the interpretation that would obviate the need for the instant petition.

(a) the provisions in Article V addressing and establishing a customer specific MACQ per plant (as stated in the paragraph above) subject to negotiated increases, a minimum annual volume of 1,250,000 therms per year, and a maximum daily quantity of gas of 24,500 therms, subject to negotiated increase.

(b) the transportation rates in Article VII: (1) \$[REDACTED] for the Alexander Orr Water Treatment Plant, (2) \$[REDACTED] for the Hialeah Lime Reclamation Facility, and (3) \$[REDACTED] for the South District Wastewater Treatment Plant.

(c) the full requirements and non-displacement provisions in Article IX, whereby Miami-Dade County agrees that all pipeline-transported natural gas for the referenced facilities will be under the FCG contract and that Miami-Dade County will not displace FCG service with any service from any third party.

(d) the ten-year term in Article I.

11. The agreement provisions are justified, are in the best interest of FCG and do not harm FCG's ratepayers because (a) FCG will recover its cost to serve Miami-Dade County via the rates charged to Miami-Dade County, (b) serving Miami-Dade County removes from the general body of ratepayers costs that would otherwise be allocated to those ratepayers in the absence of the agreement, (c) losing Miami-Dade County as a customer would be detrimental to the general body of ratepayers, and (d) Miami-Dade County negotiated the agreement at arm's length with FCG and Miami-Dade County approved the agreement as being in the best interest of Miami-Dade County and its citizenry.

12. FCG requests that the Commission approve the its Miami-Dade County gas transportation arrangements as special contracts under Rule 25-9.034(1), Florida

Administrative Code. Such approval will ensure that FCG continues to serve this significant gas transportation customer at compensatory rates and that FCG and its ratepayers will receive the benefits of the agreement.

13. FCG is not aware of any disputed issues of material fact related to this Petition.

14. FCG brought the information regarding the predecessor agreement to the attention of the FPSC after this situation was discovered and investigated. FCG commits to work collaboratively with staff to address any concerns that may arise regarding predecessor or prospective special contracts. To be clear, FCG's predecessor, not FCG, executed the 1998 Agreement. FCG is aware of and understands the Commission's rule requiring the filing and approval for special contracts and is in good faith complying with said rule by this filing.

WHEREFORE, FCG requests that the Commission approve FCG's special gas transportation service agreement with Miami-Dade County by no later than February 24, 2009.

RESPECTFULLY SUBMITTED this 13th day of November, 2008.

By: 

Matthew Feil  
106 East College Avenue, Ste 1200  
Tallahassee, FL 32301  
850-521-8002

and

Beth Keating  
106 East College Avenue, Ste 1200  
Tallahassee, FL 32301  
850-425-1614

Attorneys for Florida City Gas

NATURAL GAS  
TRANSPORTATION SERVICE AGREEMENT  
BETWEEN  
NUI CORPORATION  
AND  
MIAMI-DADE COUNTY

Account Nos. 211-0756225-011, 211-0756239-011,  
211-0754412-011

THIS AGREEMENT made and entered into as of this 29 day of Oct., 1999, by and between NUI Corporation, a New Jersey Corporation, hereinafter referred to as "Company", represented by City Gas Company of Florida, and MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as "Customer".

WITNESSETH:

WHEREAS, Company's Natural Gas Tariff (Tariff) establishes transportation service to be provided pursuant to Rate Schedule having certain specific terms of applicability; and

WHEREAS, Customer has requested that Company render natural gas transportation service to Customer in accordance with the terms and conditions of this Agreement and Company has agreed to transport Customer's gas,

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the parties agree as follows:

ARTICLE 1

TERM OF AGREEMENT

1. Subject to all other provisions, conditions, and limitations hereof, this Agreement shall become effective as of July 1, 1998, and shall continue in full force and effect for ten (10) years,

at which time the Agreement shall terminate. Company agrees, upon written request from Customer received by Company not less than 90 days prior to the termination date of this Agreement, to review the terms and conditions of the Agreement for the purpose of renewal for a like term. The renewal is contingent upon the Company and Customer mutually agreeing in writing to the terms and conditions for the renewal term. This Agreement supersedes and renders null and void the previous CI-LVT Transportation Service Agreement between the Company and Customer made and entered into as of November 1, 1997.

## ARTICLE II

### APPLICABILITY OF TARIFF

1. Based upon governing applicability provisions, the parties hereby confirm that Customer qualifies for the Contract Interruptible Large Volume Transportation Service (CI-LVT) Rate Schedule.
2. Except to the extent expressly modified by the terms of this Agreement, all service rendered by Company under this Agreement shall be provided pursuant to the terms and conditions of Company's Tariff, which is incorporated fully herein by reference, as filed with and approved by the Florida Public Service Commission.
3. Pursuant to the Affidavits of Alternate Fuel Price attached hereto, the rates for transportation of natural gas to Customer's listed facilities shall be as set forth in Article VII of this Agreement.

## ARTICLE III

## POINTS OF RECEIPT AND DELIVERY

Customer shall arrange for the delivery of all gas to be transported by Company hereunder to take place at those interconnections between Company and Florida Gas Transmission Company (FGT) heretofore determined (Point(s) of Receipt) in Miami, FL and Hialeah, FL. All such gas received by Company shall be redelivered to Customer at those interconnections between the distribution system of Company and the facilities of Customer heretofore determined (Point(s) of Delivery).

## ARTICLE IV

### OBLIGATIONS AND REPRESENTATIONS OF CUSTOMER

1. Customer represents that it meets all qualifications for Contract Interruptible Large Volume Transportation Service.
2. Customer agrees to comply with all terms and conditions of this Agreement and the Company's Tariff as approved by the Florida Public Service Commission, which terms and conditions are incorporated by reference, and the applicable Rate Schedule as the same may be amended or modified from time to time.
3. Customer warrants that it will, at the time of delivery of gas to Company for transportation hereunder, have good and merchantable title to the gas free and clear of all liens, encumbrances and adverse claims. Customer agrees to provide Company with any documentation which may be requested in writing by Company to evidence Customer's title to the gas transported. Company reserves the right, without penalty or liability, to refuse transportation of any gas in the event Customer fails to provide such documentation upon Company's written request.

4. Company understands that Customer warrants only its title to the natural gas at the Points of Receipt. Customer's contracted supplier of natural gas is responsible to warrant that all gas delivered to Company for transportation hereunder shall be of a merchantable quality and shall conform to the quality requirements set forth in the tariff of FGT as filed with and approved by the Federal Energy Regulatory Commission.

#### ARTICLE V

#### QUANTITY

1. Customer and Company agree that as of the Effective Date of this Agreement, the initial maximum annual contract quantity of gas (MACQ) that the company is obligated to deliver to Customer under this Agreement in any contract year is:

Alexander Orr Water Treatment Plant  
6800 S.W. 87<sup>th</sup> Avenue  
Miami, FL 33173

4,200,000 therms

Hialeah Lime Recalcination Facility  
700 W. 2<sup>nd</sup> Avenue  
Hialeah, FL 33010

3,300,000 therms



South District Wastewater Treatment Plant  
8950 S.W. 232 Street  
Miami, FL 33170

400,000 therms

2. Company may, from time to time, make deliveries to Customer in excess of the above stated MACQ's. However, if Customer desires to increase the MACQ for any facility, Customer will provide Company with a written request. Within ninety (90) days of the date of such request, Company shall provide Customer with proposed terms and conditions under which Company will be willing to increase MACQ. Such terms shall include, but not be limited to, Customer's willingness to pay an appropriate contribution to the cost of construction of additional facilities.

3. Customer hereby agrees to tender for transportation on the Company systems during each annual period a volume of gas equal to or greater than the minimum annual volume of 1,250,000 therms per year.

4. The maximum daily contract quantity of gas (MDCQ) Customer may have delivered to Company at the Points of Receipt, in the aggregate, for transportation by Company hereunder shall be 24,500 therms. During the term of this Agreement, Customer may increase the MDCQ and/or the maximum deliveries designated herein for each point of receipt only with the prior consent of the Company, and only upon such prior notice as the Company may require under the circumstances.

## ARTICLE VI

### PARAMETERS OF SERVICE

Company does not warrant that transportation service will be available hereunder at all times and under all conditions.

## ARTICLE VII

### RATES AND CHARGES FOR SERVICE

1. For the term of this Agreement, Customer shall pay Company each month the following transportation charges for services rendered under this Agreement. The rates set forth below are subject to the tax and other adjustment terms of Company's Tariff, as applicable to Customer.

<u>Facility</u>	<u>Rate per Therm</u>	<u>MACQ</u>
Alexander Orr Water Treatment Plant	\$ [REDACTED]	4,200,000
Hialeah Water Treatment	\$ [REDACTED]	3,300,000
South District Wastewater Treatment Plant	\$ [REDACTED]	400,000

2. There shall be no charge for each therm transported to each facility in excess of the maximum annual contract quantity of gas (MACQ) as set forth in Paragraph 1 of this Article in any contract year, provided that any transportation service in excess of the MACQ figures set forth above in any contract year do not require Company to construct additional facilities to provide such service to Customer. The terms and conditions with respect to any increase in the initial MACQ and

construction of associated additional facilities are subject to the terms of Paragraph 2 or Article V of this Agreement.

#### 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 the 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

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

for the term of this Agreement and any renewals hereof, displace any service provided under this Agreement with service from any third party. However, nothing herein shall prohibit Customer from extracting and consuming landfill gas at Customer's facilities.

#### ARTICLE X

#### FACILITIES

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

2. Customer agrees to pay Company a one time "Aid to Construction" charge of \$[REDACTED] for Company to design, construct, own, maintain, and operate natural gas service to Miami-Dade South District Wastewater Treatment Plant, 8950 S.W. 232 Street, Miami, FL, 33170, sufficient in size to meet Customer-specified demand of 400,000 therms maximum annual quantity (MACQ). Company agrees to run gas line(s) to point(s) of use within this plant as determined by the Customer, which shall constitute Point(s) of Delivery. Customer shall reimburse Company, prior to the commencement of service, in the amount of \$[REDACTED] per meter for any telemetry equipment required to be installed at this plant.

#### ARTICLE XI

#### NOMINATIONS AND NOTICE

1. Customer, or its agent supplier, shall make all nominations of service (advice regarding the next months-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 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 working days prior to the date the change is to become effective.

2. Customer or its agent, not the Company, shall be responsible for making all transportation agreements and nominations to all third parties upstream of company's Points of Receipt. Customer may use a broker for this purpose. If Customer utilizes a broker to make such transportation arrangements and nominations on the interstate system that is upstream of Company's system, Customer shall identify the broker initially and upon a change.

3. All nominations and adjustments to nominations shall be directed to:

Manager, Gas Control  
NUI Corporation  
One Elizabethtown Plaza  
Union, NJ 07083  
FAX: (908) 527-9478

Any service inquiries or correspondence regarding the administration of nominations shall be directed to:

Kim T. Verran  
Territory Manager  
NUI/City Gas Company of Florida  
One Elizabethtown Plaza  
Union, NJ 07083  
Phone/Fax: (908) 289-5000 Ext. 5705/ (908) 289-1370

OR

Donna Becker  
Key Accounts Manager  
NUI/City Gas Company of Florida  
One Elizabethtown Plaza  
Union, NJ 07083  
Phone/Fax: (908)289-5000 Ext. 5705/(908) 289-1370

4. All payments shall be directed to:

NUI/City Gas Company of Florida  
955 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3498

5. Miami-Dade Water and Sewer Department  
Mr. Tom Segars, Superintendent  
Water Production Division  
P. O. Box 110006  
Hialeah, FL 33011  
Phone: (305) 888-2522  
Fax: (305) 889-0156

## ARTICLE XII

### FORCE MAJEURE

Neither Company, nor Customer or its agents, shall be liable for damages to the other for any act, omission, or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rules and people, civil disturbances, explosions, temporary failure of gas supply, temporary failure of firm transportation arrangements, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, acts of third parties, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party, and which by the exercise of due

diligence such party is unable to prevent or overcome.

Such cause or contingencies affecting the performance by Company, Third Party Supplier, or Customer, however, shall not relieve Company or Customer of liability in the event of its concurrent negligence, or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch. In any event, the liability of Customer for damages shall be limited as provided in Section 768.28, Florida Statutes.

#### ARTICLE XIII

#### MISCELLANEOUS

1. The captions in this Agreement are for the convenience of the parties in identification of the provisions hereof and shall not constitute a part of the Agreement, nor be considered interpretive thereof.

2. This Agreement shall be binding upon and insure of the benefit of the respective successors and assigns of the parties; provided, however, neither party may make an assignment hereunder without having first obtained the prior written consent of the other party. Such consent shall not be unreasonably withheld. If either party does not provide such consent within sixty (60) days after receipt of the other party's notification of assignment, failure to reply shall be deemed as consent. Any notification of assignment or consent to assignment shall be made by registered mail.

3. The interpretation and performance of this Agreement shall be governed by the laws of the State of Florida. Venue for any civil action arising out of this Agreement shall be Miami-Dade County, Florida.

4. This Agreement shall be subject to all of the rules and regulations of any duly

constituted federal or state regulatory authorities having jurisdiction hereof. Company and Customer shall comply at all times with applicable federal, state, municipal, and other laws, ordinances and regulations.

5. This Agreement contains the entire understanding of the parties with respect to the matters contained herein and may be modified only in writing duly executed by authorized representatives of the parties.

SIGNATURE PAGE FOLLOWS

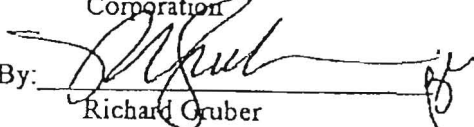


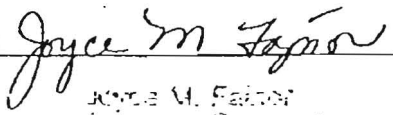
In witness whereof, MIAMI-DADE COUNTY and NUI CORPORATION, represented by  
CITY GAS COMPANY OF FLORIDA, by and through their duly authorized officers, have executed  
this Agreement as of the date first written above.

(SEAL)

NUI CORPORATION

By: CITY GAS COMPANY OF  
FLORIDA, a Division of NUI  
Corporation

By:   
Richard Gruber  
Vice-President, Marketing

By:   
Joyce M. Fajon  
Assistant Secretary

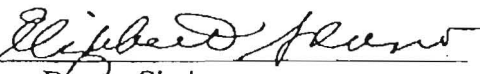
ATTEST:

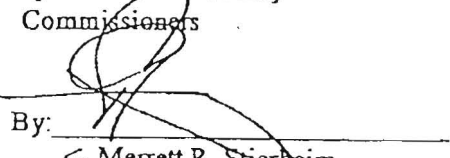
MIAMI-DADE, a political  
subdivision of the State of Florida

Harvey Ruvin

By Its Board of County  
Commissioners

Clerk of the Board

By:   
Deputy Clerk

By:   
Merrett R. Stierheim  
County Manager

Approved as to form and  
legal sufficiency.

By:   
Assistant County Attorney



EXECUTION COPY

First Amendment to  
Natural Gas Transportation Service Agreement  
Between  
Florida City Gas  
And Miami-Dade County

This First Amendment ("Amendment") is effective as of this 30<sup>th</sup> day of June, 2008 by and between Pivotal Utility Holdings, Inc. d/b/a Florida City Gas ("FCG") and Miami-Dade County ("Customer").

WHEREAS, FCG (formerly known as NUI Corporation, represented by City Gas Company of Florida) and Customer entered into the Natural Gas Transportation Service Agreement on October 29, 1998 (the "Agreement");

WHEREAS, the Effective Date of the Agreement is July 1, 1998;

WHEREAS, the Term, as defined in the Agreement, was initially set to expire on June 30, 2008; and

WHEREAS, the parties desire to extend the Term as set forth below.

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements herein, FCG and Customer agree as follows:

1. The parties are currently negotiating a renewal of the Agreement (the "New Contract"). Pursuant to the terms of the New Contract, such contract shall not become effective until the date that the Florida Public Service Commission ("Commission") approves and makes the New Contract effective (the "Effective Date"). Further, if the New Contract is not approved and made effective by the Commission subject to terms and conditions satisfactory to the parties within one hundred eighty (180) days from the date the New Contract is entered into by the parties, the New Contract shall not become effective.
2. To avoid a gap in service between the expiration of the Agreement and the Effective Date of the New Contract and, if necessary, to allow the parties additional time to negotiate a new agreement in the event the New Contract does not become effective, the parties hereby agree to extend the Term of the Agreement on a month-to-month basis effective as of July 1, 2008, until the earlier of: (a) the Effective Date of the New Contract; or (b) thirty (30) days following written notice from either Party of its election to terminate the Agreement.

EXECUTION COPY

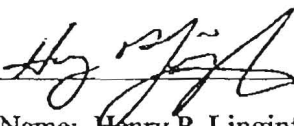
3. If the New Contract does not become effective and negotiations are terminated, the Parties will agree to terminate the Agreement.
4. All other provisions of the Agreement shall remain in full force and effect.
5. This Amendment may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

The parties have executed this Amendment by the signatures of their respective authorized representatives on the date set forth below.

**PIVOTAL UTILITY HOLDINGS,  
INC. D/B/A FLORIDA CITY GAS:**

**MIAMI-DADE COUNTY:**

**BY ITS BOARD OF COUNTY  
COMMISSIONERS**

By:   
Print Name: Henry P. Linginfelter

By: \_\_\_\_\_  
Print Name:

Title: President

Title:

ATTEST:

Harvey Ruvin

Clerk of the Board:

By: \_\_\_\_\_  
Deputy Clerk

Approved as to form and  
Legal sufficiency.

By: \_\_\_\_\_  
Assistant County Attorney

EXECUTION COPY

3. If the New Contract does not become effective and negotiations are terminated, the Parties will agree to terminate the Agreement.
4. All other provisions of the Agreement shall remain in full force and effect.
5. This Amendment may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

The parties have executed this Amendment by the signatures of their respective authorized representatives on the date set forth below.

**PIVOTAL UTILITY HOLDINGS,  
INC. D/B/A FLORIDA CITY GAS:**

**MIAMI-DADE COUNTY:**

**BY ITS BOARD OF COUNTY  
COMMISSIONERS**

By: \_\_\_\_\_

By:  \_\_\_\_\_

Print Name:

Print Name:

Title:

Title:

ATTEST:

Harvey Ruvin

Clerk of the Board:

By: \_\_\_\_\_  
Deputy Clerk

Approved as to form and  
Legal sufficiency.

By:  \_\_\_\_\_  
Assistant County Attorney

EXECUTION COPY

3. If the New Contract does not become effective and negotiations are terminated, the Parties will agree to terminate the Agreement.
4. All other provisions of the Agreement shall remain in full force and effect.
5. This Amendment may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

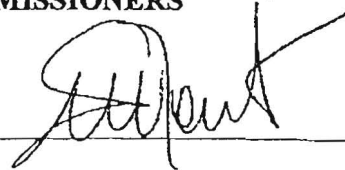
The parties have executed this Amendment by the signatures of their respective authorized representatives on the date set forth below.

**PIVOTAL UTILITY HOLDINGS,  
INC. D/B/A FLORIDA CITY GAS:**

**MIAMI-DADE COUNTY:**

**BY ITS BOARD OF COUNTY  
COMMISSIONERS**

By: \_\_\_\_\_

By:  \_\_\_\_\_

Print Name:

Print Name:

Title:

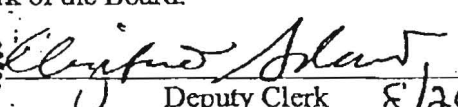
Title:

ATTEST:

Harvey Ruvin

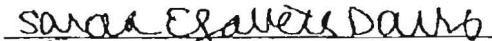
Clerk of the Board:



  
Deputy Clerk

8/28/08

Approved as to form and  
Legal sufficiency.

By:   
Assistant County Attorney

**NATURAL GAS TRANSPORTATION SERVICE AGREEMENT  
BETWEEN  
FLORIDA CITY GAS  
AND  
MIAMI-DADE COUNTY**

Account Nos. 211-0756225-011, 211-0756239-011,  
211-0754412-011, 211-0786676-001

THIS AGREEMENT made and entered into as of this 28<sup>th</sup> day of Aug., 2008, by and between Pivotal Utility Holdings, Inc. d/b/a Florida City Gas ("FCG"), a New Jersey corporation, hereinafter referred to as "Company", and MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as "Customer" (collectively, with FCG, the "Parties").

**WITNESSETH:**

WHEREAS, Company's Natural Gas Tariff ("Tariff") establishes transportation service to be provided pursuant to the Contract Demand Service Rate Schedule having certain specific terms of applicability;

WHEREAS, Customer has requested that Company render natural gas transportation service to Customer in accordance with the terms and conditions of this Agreement and Company has agreed to transport Customer's gas;

WHEREAS, this Agreement is subject to the approval of the Florida Public Service Commission ("Commission"); and

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the Parties agree as follows:

## ARTICLE 1

### TERM OF AGREEMENT

1. Subject to all other provisions, conditions, and limitations hereof, this Agreement shall become effective as of the date that the Commission approves and makes this Agreement effective (the "Effective Date"), and shall continue in full force and effect until ten years from the Effective Date, at which time the Agreement shall terminate (hereinafter, the "Term"). Company agrees, upon written request from Customer received by Company not less than ninety (90) days prior to the termination date of this Agreement, to review the terms and conditions of the Agreement for the purpose of renewal for a like term. The renewal is contingent upon the Company and Customer mutually agreeing in writing to the terms and conditions for the renewal term. If this Agreement is not approved and made effective by the Commission subject to terms and conditions satisfactory to the Parties within one hundred eighty (180) days from the date this Agreement is entered into by the Parties, this Agreement shall not become effective, and the parties will continue to negotiate a new agreement, pursuant to the First Amendment to Natural Gas Transportation Service Agreement Between Florida City Gas and Miami-Dade County (the "Amendment"), unless one of the parties elects to terminate the Amendment, as provided in the Amendment, through written notice.

## ARTICLE II

### APPLICABILITY OF TARIFF

1. Based upon governing applicability provisions, the Parties hereby confirm that Customer qualifies for the Contract Demand Service Rate Schedule.
2. Except to the extent expressly modified by the terms of this Agreement, all service rendered by Company under this Agreement shall be provided pursuant to the terms and

conditions of Company's Tariff, which is incorporated fully herein by reference, as filed with and approved by the Florida Public Service Commission from time to time.

3. The rates for transportation of natural gas to Customer's listed facilities shall be as set forth in Article VII of this Agreement.

### **ARTICLE III**

#### **POINTS OF RECEIPT AND DELIVERY**

1. Customer shall arrange for the delivery of all gas to be transported by Company hereunder to take place at those interconnections between Company and Florida Gas Transmission Company ("FGT") heretofore determined [Point(s) of Receipt] in Miami, FL and Hialeah, FL. All such gas received by Company shall be redelivered to Customer at those interconnections between the distribution system of Company and the facilities of Customer heretofore determined [Point(s) of Delivery].

### **ARTICLE IV**

#### **OBLIGATIONS AND REPRESENTATIONS OF CUSTOMER**

1. Customer represents that it meets all qualifications for Contract Demand Service.

2. Customer agrees to comply with all terms and conditions of this Agreement and the Company's Tariff, as approved by the Florida Public Service Commission, which terms and conditions are incorporated fully herein by reference and the applicable Rate Schedule as the same may be amended or modified from time to time.

3. Customer warrants that it will, at the time of delivery of gas to Company for transportation hereunder, have good and merchantable title to the gas free and clear of all liens, encumbrances, and adverse claims. Customer agrees to provide Company with any documentation which may be requested in writing by Company to evidence Customer's title to the gas transported. Company reserves the right, without penalty or liability, to refuse



transportation of any gas in the event Customer fails to provide such documentation upon Company's written request.

4. Customer warrants that all gas delivered to Company for transportation hereunder shall be of a merchantable quality and shall conform to the quality requirements set forth in the tariff of FGT as filed with and approved by the Federal Energy Regulatory Commission.

## ARTICLE V

### QUANTITY

1. Customer and Company agree that as of the Effective Date of this Agreement, the initial maximum annual contract quantity of gas ("MACQ") that Company is obligated to deliver to Customer under this Agreement in any contract year is:

Alexander Orr- Water Treatment Plant  
6800 S.W. 87th Avenue  
Miami, FL 33173  
Account # 211-0756225-011  
Account # 211-0756239-011  
4,200,000 therms

Hialeah Lime Recalcination Facility  
700 W. 2nd Avenue  
Hialeah, FL 33010  
Account # 211-0754412-011  
3,300,000 therms

South District Wastewater Treatment Plant  
8950 S.W. 232nd Street  
Miami, FL 33170  
Account # 211-0786676-001  
400,000 therms

2. Company may, from time to time, make deliveries to Customer in excess of the above stated MACQs. However, if Customer desires to increase the MACQ for any facility, Customer <sup>will</sup> provide Company with a written request. Within ninety (90) days of the date of such request, Company shall provide Customer with proposed terms and conditions under which Company will be willing to increase MACQ. Such terms shall include, but not be limited to,

Customer's willingness to pay, if necessary, an appropriate contribution to the cost of construction of additional facilities.

3. Customer hereby agrees to tender for transportation on Company's systems, during each annual period, a volume of gas equal to or greater than the minimum annual volume of 1,250,000 therms per year.

4. The maximum daily contract quantity of gas ("MDCQ") Customer may have delivered to Company at the Points of Receipt, in the aggregate, for transportation by Company hereunder shall be 24,500 therms. During the Term of this Agreement, Customer may increase the MDCQ and/or the maximum deliveries designated herein for each Point of Receipt only with the prior consent of Company, and only upon such prior notice as Company may require under the circumstances.

#### ARTICLE VI


##### PARAMETERS OF SERVICE

1. Company does not warrant that transportation service will be available hereunder at all times and under all conditions.

#### ARTICLE VII

##### RATES AND CHARGES FOR SERVICE

1. For the Term of this Agreement, Customer shall pay Company each month the following transportation charges for services rendered under this Agreement. The rates set forth below are subject to the tax and other adjustment terms of Company's Tariff, as applicable to the Customer.

<u>Facility</u>	<u>Rate per Therm</u>	<u>MACQ</u>
Alexander Orr Water Treatment Plant	\$ 	4,200,000

Hialeah Water Treatment	\$ [REDACTED]	3,300,000
South District Wastewater Treatment Plant	\$ [REDACTED]	400,000

2. There shall be no charge for each therm transported to each facility in excess of MACQ as set forth in Paragraph 1 of this Article in any contract year, provided that any transportation service in excess of the MACQ figures set forth above in any contract year do not require Company to construct additional facilities to provide such service to Customer. The terms and conditions with respect to any increase in the initial MACQ and construction of associated additional facilities are subject to the terms of Paragraph 2 of Article V of this Agreement.

#### 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. However, nothing herein shall prohibit Customer from extracting and consuming landfill gas at Customer's facilities.

## 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.

2. Customer or its agent, not Company, shall be responsible for making all transportation agreements and nominations to all third parties upstream of Company's Points of

Receipt. Customer may use a broker for this purpose. If Customer utilizes a broker to make such transportation arrangements and nominations on the interstate system upstream of Company's system, Customer shall identify the broker initially and upon a change.

3. All nominations and adjustments to nominations shall be directed to:

Mr. Ernie Brake  
Manager of Gas Operations  
AGL Resources  
10 Peachtree Place NE, Suite 800  
Atlanta, GA 30309  
Office: 404-584-4161  
Cell: 404-379-3929

Any service inquiries or correspondence regarding the administration of nominations shall be directed to:

Mr. Ed C. Delgado, RCGC  
Major Accounts Executive  
Florida City Gas  
955 E. 25<sup>th</sup> Street  
Hialeah, FL 33013  
Cell: 786-218-0861  
Fax: 305-691-7335

OR

Mr. Joe Hoyt  
Senior Accounts Executive  
AGL Resources  
Ten Peachtree Place  
Atlanta, GA 30309  
Office: 404-584-3118  
Cell: 404-217-8928

4. All payments shall be directed to:

Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta, GA 31107-0720

5. To the extent any form of notice, other than notice related to nominations or administration of nominations, must be provided to either Party, notice should be sent to the following persons:

For Miami-Dade Water and Sewer Department:

Mr. Tom Segars, Superintendent  
Water Production Division  
P. O. Box 110006  
Hialeah, FL 33011  
Phone: (305) 520-4721  
Fax: (305) 889-0156

For Florida City Gas:

Mr. Ed C. Delgado, RCGC  
Major Accounts Executive  
Florida City Gas  
955 E. 25<sup>th</sup> Street  
Hialeah, FL 33013  
Cell: 786-218-0861  
Fax: 305-691-7335

With a copy to:

General Counsel  
AGL Resources  
Ten Peachtree Place  
Atlanta, GA 30309

## ARTICLE XII

### FORCE MAJEURE

1. Neither Company, nor Customer or its agents, shall be liable for damages to the other for any act, omission, or circumstance occasioned by or in consequence of any acts of God; strikes; lockouts; acts of the public enemy; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of rules and people; civil disturbances; explosions; temporary failure of gas supply; temporary failure of

firm transportation arrangements; the binding order of any court or governmental authority, which has been resisted in good faith by all reasonable legal means; acts of third parties; or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the Party, and which by the exercise of due diligence such Party is unable to prevent or overcome.

2. Such cause or contingencies affecting the performance by Company, Third Party Supplier, or Customer, however, shall not relieve Company or Customer of liability in the event of its concurrent negligence, or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve either party from its obligations to make payments of amounts then due hereunder in respect of gas theretofore delivered. In any event, the liability of Customer for damages shall be limited as provided in Section 768.28, Florida Statutes.

#### ARTICLE XIII

#### MISCELLANEOUS

1. The captions in this Agreement are for the convenience of the Parties in identification of the provisions hereof and shall not constitute a part of the Agreement, nor be considered interpretive thereof.

2. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties; provided, however, neither Party may make an assignment hereunder without having first obtained the prior written consent of the other Party. Such consent shall not be unreasonably withheld. If either Party does not provide such consent within sixty (60) days after receipt of the other Party's notification of assignment, failure to reply shall be deemed as consent. Any notification of assignment or consent to assignment shall be made by registered mail and provided to the individuals identified in Paragraph 5 of Article XI of this Agreement.

3. The interpretation and performance of this Agreement shall be governed by the laws of the State of Florida. Venue for any civil action arising out of this Agreement shall be Miami-Dade County, Florida, unless otherwise provided by the Tariff.

4. This Agreement shall be subject to all of the rules and regulations of any duly constituted federal or state regulatory authorities having jurisdiction hereof. Company and Customer shall comply at all times with applicable federal, state, municipal, and other laws, ordinances, and regulations.

5. This Agreement contains the entire understanding of the Parties with respect to the matters contained herein and may be modified only in writing duly executed by authorized representatives of the Parties.

6. UNLESS EXPRESSLY SET FORTH HEREIN OR IN THE TARIFF, EXCEPT FOR EITHER PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY HERETO BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES FOR LOST PROFITS OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS (INCLUDING, WITHOUT LIMITATION, COVER), REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY OR TORT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TERMS OF THIS PARAGRAPH SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

7. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

SIGNATURE PAGE FOLLOWS



In witness whereof, MIAMI-DADE COUNTY and PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS, by and through their duly authorized officers, have executed this Agreement as of the date first written above.

(SEAL)

PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

By: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy Clerk

ATTEST:

Harvey Ruvin

MIAMI-DADE COUNTY, a political  
subdivision of the State of Florida

By its Board of County Commissioners

By: \_\_\_\_\_  
Deputy Clerk 8/28/08

By: \_\_\_\_\_

Approved as to form and  
Legal sufficiency.

By: Sarah Elavetti Daus  
Assistant County Attorney

In witness whereof, MIAMI-DADE COUNTY and PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS, by and through their duly authorized officers, have executed this Agreement as of the date first written above.

(SEAL)

PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

By: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy Clerk

ATTEST:

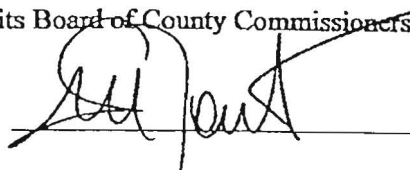
MIAMI-DADE COUNTY, a political  
subdivision of the State of Florida

Harvey Ruvin

By its Board of County Commissioners

Clerk of the Board:

By: \_\_\_\_\_  
Deputy Clerk

By:  \_\_\_\_\_

Approved as to form and  
Legal sufficiency.

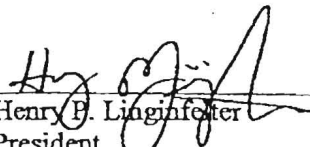
By: Sarah Elaine Dasso  
Assistant County Attorney

In witness whereof, MIAMI-DADE COUNTY and PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS, by and through their duly authorized officers, have executed this Agreement as of the date first written above.

(SEAL)

PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

By: \_\_\_\_\_  
Deputy Clerk

By:   
Henry P. Linginfelter  
President

ATTEST:

Harvey Ruvin

Clerk of the Board:

By: \_\_\_\_\_  
Deputy Clerk

MIAMI-DADE COUNTY, a political  
subdivision of the State of Florida

By its Board of County Commissioners

By: \_\_\_\_\_

Approved as to form and  
Legal sufficiency.

By: \_\_\_\_\_  
Assistant County Attorney

# **EXHIBIT G**

Order No. PSC-01-0136-PAA-GU

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for rate increase  
by City Gas Company of Florida.

DOCKET NO. 000768-GU  
ORDER NO. PSC-01-0316-PAA-GU  
ISSUED: February 5, 2001

The following Commissioners participated in the disposition of  
this matter:

E. LEON JACOBS, JR., Chairman  
J. TERRY DEASON  
LILA A. JABER  
BRAULIO L. BAEZ

NOTICE OF PROPOSED AGENCY ACTION  
ORDER GRANTING REQUEST FOR RATE INCREASE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose substantial interests are substantially affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

CASE BACKGROUND

This proceeding commenced on August 25, 2000, with the filing of a petition for a permanent rate increase by City Gas Company of Florida, an operating division of NUI Corporation. (City or the Company). City requested an increase of \$7,181,988 in additional annual revenues. The Company based its request on a 13-month average rate base of \$113,986,770 for a projected test year of September 30, 2001. The requested overall rate of return is 7.88% based on an 11.70% return on equity.

The company also requested an interim increase of \$1,886,605, which was granted in Order No. PSC-00-2101-PCO-GU, issued November 6, 2000. It calculated the interim increase using a 13-month average rate base of \$94,745,493, at a 6.99% rate of return using

DOCUMENT NUMBER-DATE

01613 FEB-50

FPSC-RECORDS/REPORTING

ORDER NO. PSC-01-0316-PAA-GU  
DOCKET NO. 000768-GU  
PAGE 2

a 10.30% return on equity. The interim test year is the period ended September 30, 1999.

City was last granted a rate increase in November 1996 in Docket No. 960502-GU. In Order No. PSC-96-1404-FOF-GU, issued November 20, 1996, the Company's jurisdictional rate base was found to be \$91,911,029 for the projected test year ending September 30, 1997. The authorized rate of return was found to be 7.87% for the test year using an 11.30% return on equity.

Pursuant to Section 366.06(4), Florida Statutes, City requested to proceed under the rules governing Proposed Agency Action (PAA). Under this section, if a decision on a proposed rate increase is not made within five months of the filing, the utility is entitled to place the proposed rates in effect under bond or corporate undertaking. We have jurisdiction under Section 366.04, 366.05 and 366.06, Florida Statutes.

Customer service hearings were held in Miami on October 23, 2000, in Port St. Lucie on October 24, 2000, and in Viera on October 25, 2000. Two customers attended the hearing in Miami.

#### I. QUALITY OF SERVICE

City's quality of service was reviewed by analyzing all complaints taken by our Division of Consumer Affairs for the period January, 1999, through the end of November, 2000. There were a total of 86 inquiries regarding City for this period. Of these, three were for complaints for which we did not have jurisdiction. Of the 83 complaints that were jurisdictional, four were considered to be rule violations. One of these violations involved the incorrect calculation of the deposit to be returned at the termination of service, and three involved misreading gas meters registering usage. All four rule violations were resolved to the customer's satisfaction in a timely manner. Since there were only four complaints involving rule violations, and there does not appear to be a continuing pattern to the complaints, we find that City's quality of service is satisfactory.

## II. PROJECTED TEST PERIOD

The Company used actual data for the 1999 test year rate base, net operating income and capital structure. The projected test year was prepared using the components of City's budgeting process for 2000, updated for cost increases and planned staffing levels, then trended. The 1999 and certain plant additions for the first nine months of fiscal year 2000 have been analyzed and audited by the Commission.

The purpose of the test year is to represent the financial operations of a company during the period in which the new rates will be in effect. New rates for City will go into effect 30 days after the January 16, 2000 agenda, or about February 15, 2000. City's 2001 fiscal year begins October 1, 2000 and ends September 30, 2001. Therefore, fiscal 2001 is an appropriate test year.

In the following discussion, we find that certain adjustments must be made to City's projected test year. With the inclusion of these adjustments, we find that 1999 and the projections of City's financial operations for 2001 are accurate enough to use as a basis for setting rates.

## III. GROWTH AND THERM FORECAST

The Company is proposing to construct a natural gas pipeline in three phases from western West Palm Beach to Ft. Myers Shores, a distance of approximately 150 miles. The Company will construct Phases I and II concurrently from West Palm Beach to South Bay, a distance of approximately 105 miles. Phase III will be constructed from South Bay to Ft. Myers Shores, a distance of approximately 42 miles. The project is referred to as the Clewiston Pipeline Expansion Project.

The pipeline will pass through the communities of Belle Glade, Clewiston, South Bay, and La Belle, and the Company intends to serve hospitals, correctional facilities, and other commercial facilities along the pipeline. However, the main reason the Company is constructing the pipeline is the potential to provide service to several large citrus and sugar cane processors in the area. These processors presently are not being served by natural

gas. The Company is confident, based on its initial surveys, that there is enough interest in taking gas service by them, and several other larger commercial accounts, that the project will be successful. At this time, the Company has no plans to serve any residential customers.

The customer and therm test year forecasts by rate class submitted in MFR Schedule G-2, pages 6-11 of 34, reflect additional customer and therm growth associated with the Clewiston Pipeline Expansion Project during the last 4 months of the test year. We find that these additional customers and therm sales shall be annualized for rate setting purposes to reflect a full 12 months sales on a going forward basis.

The Company's response to Staff's Request for Production of Documents (POD) No. 28 indicates that two rate classes are affected by this adjustment. This response lists projected annualized customer growth and therm sales associated with the pipeline extension by rate class and by customer. The Company requested that this information be treated as proprietary business information. The impact of this adjustment would increase test year revenues by \$1,866,852. This increase is addressed in more detail below.

#### IV. RATE BASE

In its MFRs, the Company included the rate base additions, revenues and expenses associated with the Clewiston Pipeline Expansion Project. The Company assumed that the project will be under construction, and not placed into service until June, 2001, of the test year, so revenues for the project are far smaller than would occur if the project was operational for a full year. The Company also provided the rate base additions, revenues and expenses on an annualized basis, which assumes a full year of operation for the project.

We find that for the purpose of setting rates, it is appropriate to reflect the first full year of operations, that is, the project shall be reviewed on an annualized basis to properly account for the project. Therefore, Plant in Service shall be increased by \$13,355,569. Construction Work In Progress (CWIP)

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shall be reduced by \$5,232,615, Depreciation Expense shall be increased by \$418,278, and Accumulated Depreciation shall be increased by \$272,832. In addition, revenues shall be increased by \$1,866,852. No adjustment shall be made to O&M Expenses or Taxes-Other since the MFR amounts were already stated on an annualized basis.

Upon review of the Company's projected plant additions for 2000 and the 2001 projected test year, and a subsequent audit, we determined that a number of projects were either canceled or delayed. This impacts the Company's 2001 projected test year and results in our requiring adjustments to reduce CWIP by \$35,000, Plant in Service by \$465,675, Accumulated Depreciation by \$12,254, and Depreciation Expense by \$14,228.

In March 1998, the Company purchased the GDU propane system in Martin County for \$1,132,220. The purchase price exceeded the net book value of the system, resulting in the excess being booked as an acquisition adjustment. After the sale of a propane delivery truck, the resulting acquisition adjustment amounted to \$745,001.

The existing propane system served approximately 1,200 customers, all of whom switched over to natural gas when it became available. The Company already had an existing line that passed through the GDU property, and the Company indicates that there are other opportunities for expansion into areas which are contiguous to the GDU purchase area. The system consisted of all underground mains and service pipes to individual homes in the four separate parcels that make up the GDU property.

City also provided revenue projections for both the projected test year and for 2002. Revenues for GDU for 2001 are projected to be \$302,000, with an increase to \$327,000 in 2002.

The Company also stated that had it built a new system to serve these customers, it would have cost two to three times as much per mile as it paid for the existing propane system. As a result, the cost per mile was less than the average embedded cost of City's system. This purchase enabled the Company to continue its growth in the Port St. Lucie area at a far lower cost that it would have incurred had it built a new system. The conversion also resulted in lower rates for the existing customers, because propane

costs are far higher than natural gas, and the fixed costs of the system were spread over a larger base of customers. The customers did not incur any significant additional costs, as most, if not all, of the existing appliances were convertible to natural gas for a few dollars per unit.

A system that is converted to natural gas has a higher level of reliability and safety, which benefits the ratepayers of the system as well. Natural gas customers have a steady supply of gas and are usually not effected by weather conditions. Natural gas systems are regulated to a greater degree and the nature of the gas itself tends to be safer for end users.

Considering the additional safety, reliability, and lower cost of purchasing an existing system rather than constructing a new system, we find that the Company shall be allowed to recover this acquisition adjustment.

The Vero Beach lateral was originally built by Florida Gas Transmission Company (FGT) to serve a power plant in Vero Beach. Over time, this lateral was no longer needed by FGT, and FGT placed the lateral on the market for sale. City purchased this line in April 1996 for \$182,010. Since the system had a zero book value, the resulting acquisition adjustment amounted to \$182,010. For the projected test year, City expects this lateral to generate \$235,000 in revenues, and for 2002 the revenue is expected to more than double to \$550,000.

This line currently serves a number of commercial customers along State Road 60, a major road in the Vero Beach area. This area has experienced rapid growth and the Company expects that this growth will continue, as indicated by the revenue projections above. City also stated that the lateral was situated exactly where City would have built an extension to serve customers if it had constructed the lateral.

The Company acquired the lateral for approximately 20% of what it would have cost had it built a new line to serve this area. The cost per mile of this lateral has the effect of lowering the embedded cost per mile of City's system, which benefits all of its ratepayers as its fixed costs are spread over a larger customer base.

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The Company is expanding its system in its existing areas as new developments or potential commercial areas are developed. This lateral is located in a high growth area and will serve a large number of commercial customers in the future. The Company expects to connect several hundred additional homes in two housing developments west of Vero Beach.

As stated above, the purchase of this lateral enables the Company to expand its system at a fraction of the cost of new construction, and provides a high level of reliability and safety to its customers, and the Company expects the growth generated by this lateral to continue. For these reasons, this acquisition shall be allowed in rate base.

The Homestead lateral was originally constructed by FGT to provide service to a local power plant. Over time, this lateral was no longer needed to provide this service. It was sold to City in January, 2000, for \$450,000. City incurred additional costs of \$103,572 in purchasing the lateral. Since the lateral had no book value, the total acquisition adjustment was \$553,572. The Company projects that revenues generated by this lateral will be \$96,000 in the projected test year, and more than doubling to \$225,000 in 2002.

This lateral is approximately 16 miles in length and parallels US Highway 1 for much of its length. This addition to its system expands the territory the Company can serve by about 100 square miles. This territory covers an area of Dade County which the Company says it would have been unable to serve if they had to construct a new lateral. As is the case for the Vero Beach acquisition mentioned above, the Company was able to purchase the line for approximately one quarter to one fifth of the cost of new construction.

It allows the Company to pursue growth in areas that it would otherwise be unable to enter if it had to construct new facilities. City's existing facilities are too far north of this area to presently justify expansion into the Homestead area. However, the purchase price of this system, and its location in the US1 corridor, made it financially viable to purchase and pursue future growth opportunities in this area.

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The Company anticipates that this area will experience a great deal of growth in the future, as the revenue projections above indicate. Even now, the Company is providing service to two large accounts, Kendall Foods and the Miami Water & Sewer Authority. Additionally, the Company is providing service to other smaller commercial accounts such as fast food restaurants, motels, and grocery stores. The company expects to begin residential service in 2002. As mentioned above, this purchase allows the Company to spread fixed costs over a larger customer base, and provide the higher reliability and degree of safety that a regulated natural gas company can provide. For these reasons, we find that the Homestead acquisition shall be allowed in rate base.

The Company's projected plant retirements are based on its construction budget. We find this projection acceptable.

Rule 25-12.045(1)(c), Florida Administrative Code, requires the physical retirement of service lines that have been inactive for more than five years. City has no service lines that have been inactive for more than five years. Therefore, no rate base adjustment is necessary.

The majority of common plant is allocated based on square footage and use. The square footage allocations of certain plant accounts were changed, which increased utility plant by \$332,984, Depreciation Reserve by \$230,822, and Depreciation Expense by \$40,787. CWIP shall be reduced \$18,278.

A portion of common plant is allocated based on a three-factor method incorporating payroll, plant, and number of customers which was approved in the Company's last rate case. This method was modified with regard to the allocation of customers. Under the modified approach, a customer is counted as either a regulated-only customer, an appliance-only customer, or a dual customer. Dual customers are considered to contribute 50% of their share of overhead, each to regulated and non-regulated operations. Each class of customer is considered to have an equal impact on overhead. Presently, there are no appliance-only customers.

Based on the Company's most recent actual numbers for each of the three factors, the overall non-utility percentage increased to

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ORDER NO. PSC-01-0316-PAA-GU  
DOCKET NO. 000768-GU  
PAGE 9

16.626% from 16.14% which was used in the last rate case. The Company, however, used 13.0% to allocate this portion of common plant to non-utility operations. To allocate using 16.626%, an adjustment shall be made to decrease plant by \$165,352, Depreciation Reserve by \$77,109, Depreciation Expense by \$6,903, and CWIP by \$6,357.

Other Equipment (Account 387) was reviewed and it was determined \$5,842 of minicorders, dollies, tools, and other equipment were not used and useful for utility purposes and therefore, a recommendation was made that it be removed from Plant. Additionally, Depreciation Reserve would be reduced by \$5,831. The effect to Depreciation Expense is immaterial.

Structures and Improvements (Account 390) associated with the 1995 renovation of the company's 1001 Office were retired when the company let its lease expire. The Code of Federal Regulations (CFR), 18 CFR 201, dictates that plant retirements are accounted for by debiting Depreciation Reserve and crediting Plant by the book cost of the plant, \$197,284. However, \$49,321 is the utility portion which shall be removed from Plant. Similarly, the \$49,321 is the utility portion of Depreciation Reserve which shall be removed from Plant. The undepreciated amount of the non-utility portion of book cost, \$130,503 shall be recorded as a loss in non-utility. The net reduction to utility Depreciation Expense is \$1,233 (\$4,931 is the total.)

According to the aforementioned adjustments, the total adjustments to Plant, Depreciation Reserve, and Depreciation Expense are increases of \$112,469, \$98,561, and \$32,651, respectively. The total adjustment to CWIP is a reduction of \$24,635.

The proportion of NUI Plant, Depreciation Reserve, and Depreciation Expense allocated down to the Company's non-utility operations represents 11.1% of the total amount allocated to the Company's utility and non-utility operations. Based upon the three-factor method discussed above, the proportion allocated to non-utility shall be 16.626%. The adjustment necessary to do this is a reduction to Plant, Depreciation Reserve, and Depreciation Expense of \$243,427, \$97,107, and \$35,549, respectively.

The total amount of CWIP for the projected test year is a fallout issue, based on adjustments discussed above. CWIP shall be reduced by \$5,232,615 in the Clewiston Pipeline Expansion Project; reduced by \$35,000 for canceled and delayed projects; and reduced by \$24,635 to reflect non-utility operations. The total of these adjustments is \$5,292,250. The appropriate amount of CWIP for the projected test year is \$1,417,684 (\$6,709,934-\$5,292,250).

The appropriate amount of Total Plant for the projected test year is \$185,784,407. This is a calculation based upon the decisions discussed above.

The appropriate projected test year Depreciation Reserve is \$68,397,507. This is a calculation based upon decisions discussed above. The projected test year Depreciation Reserve shall be increased \$272,832 for Accumulated Depreciation associated with the Clewiston Pipeline Expansion Project; decreased \$127,254 for Accumulated Depreciation related to canceled and delayed projects; increased \$98,561 for Accumulated Depreciation related to non-utility operations; and decreased \$97,107 for Depreciation Reserve related to non-utility operations. The total of these adjustments is an increase of \$262,032. Therefore, the appropriate amount of the Depreciation Reserve for the projected test year is \$68,397,507.

\$1,223,629 of Working Capital was allocated at 12.5%, or \$152,594 to non-utility operations. An additional \$50,487 shall be removed from utility to adjust the non-utility portion of Working Capital to 16.626% based on the three-factor allocation method discussed above.

Accounts Receivable - Other and Materials and Supplies were not allocated to non-utility at all. These accounts shall be reduced \$56,435 and \$178,532, respectively to adjust the portion of non-utility to 16.626%.

The Company has included \$270,557 in Account 870, Supervision and Engineering, for project development costs for the projected test year. Based on documentation provided, these costs consist of labor, car allowances, training, administrative, communications, travel, outside consultants and materials and supplies. Prior to 2000, the Company expended all of these costs. In 2000, however,

ORDER NO. PSC-01-0316-PAA-GU  
DOCKET NO. 000768-GU  
PAGE 11

the Company began to capitalize some of these costs as preliminary survey and investigation charges in compliance with the Uniform System of Accounts.

The Uniform System of Accounts under Balance Sheet Account 183.2, Other Preliminary Survey and Investigation Charges, states:

This account shall be charged with all expenditures for preliminary survey plans, investigations, etc. made for the purpose of determining the feasibility of utility projects under contemplation, ..."

If construction results, this account shall be credited and the appropriate utility plant account charged. If the work is abandoned, the charge shall be made to Account 426.5 - Other Deductions, or the appropriate operating expense account.

The \$270,557 in Account 870 represents the total amount of the charges allocated to the Company by NUI without any amounts being capitalized. On an actual basis for 2000, approximately 30% of the actual expenses for project development have been capitalized. It is difficult to determine whether this percentage is reasonable given the fact that there is no prior history to which it can be compared. Based on the facts as known, however, we find an adjustment shall be made to capitalize 30% of the charges included in the projected test year. Therefore, expenses shall be reduced by \$81,167 and working capital shall be increased by \$40,584. In addition, the Company shall establish specific guidelines for determining which expenses shall be capitalized and for determining when a project shall be considered abandoned and when the associated capitalized expenses shall be charged to operating expenses.

We find that the appropriate projected test year Working Capital is \$3,543,416. This is a calculation based upon the decisions made to reflect non-utility operations, corporate allocations, project development costs and the amortization of the gain on the sale of the Medley property.

We find that the appropriate projected test year Rate Base is \$120,930,316. This is a calculation based upon decisions discussed above.

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V. COST OF CAPITAL

City proposed a return on equity (ROE) of 11.7%. In his deposition, Witness Roger Morin stated that he arrived at his recommendation of 11.7% by performing five risk premium analyses. The first two risk premium analyses are the Capital Asset Pricing Model (CAPM) and an empirical CAPM. The other three risk premium analyses were performed on prospective, historical, and allowed risk premium data from the natural gas distribution industry aggregate data. In addition, Mr. Morin performed a Discount Cash Flow (DCF) analysis on three surrogates for City's gas distribution business which included: a group consisting of the natural gas distribution utilities that make up Moody's natural gas distribution utility index, a group of generation divested electric utilities, and City's parent company, NUI. Mr. Morin's models use July, 2000, market data and allow for a 5% flotation cost, i.e., the cost to shareholders of issuing common stock.

The results of Mr. Morin's risk premium and DCF analyses range from 10.2% to 13.1%. Mr. Morin states that the midpoint for the risk premium models and the CAPMs is 11.1% and that the midpoint for the selected DCF models is 12.6%. He recommends the average of these two midpoints of 11.7% as his estimate of the appropriate ROE for City.

For his CAPM, Mr. Morin used a beta of .66 and a market risk premium of 6.9% derived from a historical risk premium and prospective DCF model. With a flotation cost adjustment of 5%, the CAPM result is 10.9%. Mr. Morin's analysis, using the empirical CAPM, produced a return of 11.4%. At deposition, Mr. Morin stated that the difference between the traditional CAPM analysis and his empirical CAPM analysis is intended to compensate for what he believes is a downward bias reflected in beta statistics that are less than 1.0.

Concerning the other three risk premium models, prospective, historical, and allowed, the prospective risk premium result of 10.2% is the most useful. The historical risk premium models are based on historical, earned returns which include several years when negative risk premiums occurred, i.e., bond returns exceeded earned returns on stocks. Prospectively, such a result is illogical since common stock is riskier than bonds and, therefore,

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investors require a higher return for common stock. In addition, using allowed returns in a risk premium model is circular. The allowed returns may be based on the analysis of previous stipulated ROEs, which may or may not be based on financial market data.

Mr. Morin's DCF results for Moody's index of natural gas distribution companies, generation divestiture electric utilities and City's parent company, NUI, used two different recognized earnings growth rates, IBES and Value Line. The results for the three groups mentioned and the two growth rates ranged from a high of 18.9% to a low of 12.4%. Analysts differ on what the appropriate growth rate shall be for the DCF model. Mr. Morin uses a projected earnings growth rate in his DCF model. Mr. Morin's DCF results would have been lower if a dividend growth rate, instead of a earnings growth rate, was used in his models.

The required return depends on investor expectations and can be estimated using financial models that, in turn, use inputs from the stock and bond markets. The required return is the minimum return necessary to attract capital. Investors' required return for an investment is the appropriate measure for deciding the appropriate cost rate for common equity because it meets the capital attraction and comparable risks standards of the Hope and Bluefield cases. A projected earnings growth rate is one type of growth rate that can be used in a DCF model to calculate a company's ROE. One criticism of using projected earnings growth is that it is more volatile than dividend growth rates. By using a dividend growth rate, a more stable and measurable stream of return can be estimated to match investors' expectations.

Regarding the risk position of City, the business risk of local distribution companies (LDCs) has increased due to some remaining uncertainties surrounding open access, competition from fuel oil and propane, and greater bargaining power of customers and suppliers. In addition, the Commission's recent decision to allow all non-residential customers to choose their natural gas supplier shall raise competition between marketers and LDCs, in turn exerting a downward pressure on natural gas prices (Docket No. 960725-GU, Order No. PSC-00-0630-FOF-GU). Mr. Morin testifies that City's financial risk is above average due to a lower than average common equity ratio and its small size. Mr. Morin further remarks that, although a slightly higher return would be warranted for City

due to its size, the risk is largely offset by the favorable regulatory environment under which the company operates.

Ultimately, deciding the appropriate cost rate for common equity is a subjective process. In our opinion, Mr. Morin's DCF results would provide a lower return if a dividend growth rate instead of a earnings growth rate were used. We believe that an earnings growth rate is more volatile than a dividend growth rates. We believe using a dividend growth rate produces a more measurable stream of return in which to provide a better estimate of investors' expectations. In addition, we take exception with Mr. Morin's use of the historical and allowed risk premium models because of the inclusion of negative risk premiums in the historical risk premium model and the allowed risk premium model's circularity.

We believe that Mr. Morin's CAPM and prospective risk premium models provide a reasonable range for the cost of common equity. Therefore, we believe it is appropriate to average Mr. Morin's CAPM and prospective risk premium models to calculate an ROE. In addition, we will make an adjustment for City's smaller size and less than average equity ratio. Averaging Mr. Morin's risk premium models and adjusting for a smaller equity ratio would result in a cost rate for common equity of 11.5%. By using this method, we believe it allows for consideration of City's financial risk and meets the capital attraction and comparable risks standards of the Hope and Bluefield cases.

Our decisions typically allow a range for ROE of plus or minus 100 basis points for regulatory purposes such as measuring earnings and setting interim rates. Therefore, we find that the appropriate cost rate for common equity be 11.5%, plus or minus 100 basis points.

Per MFR Schedule G-3, Page 2 of 11, the Company proposes to include accumulated deferred taxes of \$10,488,832 in its projected 2001 test year capital structure. The accumulated deferred taxes have been specifically identified. Consistent with its last two rate cases, the per book amount, \$20,221,678, is reduced a total of \$9,732,846 for the taxes related to the NUI acquisition adjustment (\$5,939,530) and its non-utility leased appliance operations (\$3,793,316).

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Per MFR Schedule G-3, Page 2 of 11, consistent with its last two rate cases, the Company proposes to include ITCs of \$883,654 in its projected 2001 test year capital structure at zero cost. The ITCs have been specifically identified. We find that the amount and the cost rate, as filed, are appropriate.

Per MFR Schedule G-3, Page 2 of 11, the Company proposes to include accumulated deferred taxes of \$10,488,832 in its projected 2001 test year capital structure. This \$10,488,832 includes FAS 109 regulatory assets and liabilities. As such, the Company has appropriately reflected FAS 109 in its capital structure, such that it is revenue neutral.

In previous City rate cases, the company had agreed to use NUI's ratios of investors' sources of capital in its capital structure. NUI is the source of investor capital for City. Therefore, the company filed a subsidiary capital structure using the ratios of investor sources of capital adjusted to reflect NUI's capital structure.

NUI's capital structure was projected for the test year by including debt and common stock issues subsequent to the base year and allowing for the amortization of existing debt. An amount for leased appliances was removed directly from NUI's equity before calculating an equity ratio of 43.38%. By using these calculated ratios, City adjusted its capital structure to reflect the relative ratios of investor capital maintained at the parent company level. City then removed the total dollar amount of leased appliances, on a pro-rata basis, from its rate base. Although, it has been the Commission's practice to remove all non-utility investment at the company level specifically from common equity, there have been concerns with the low equity ratio of City. Consequently, we believed it to be prudent to allow the pro-rata adjustment of non-utility investments in City's capital structure over investor sources. This treatment is consistent with our decision in Order No. PSC-94-1570-FOF-GU issued December 19, 1994, regarding one of City Gas' previous rate cases. In addition, the company specifically removed the deferred tax amounts associated with the non-utility leased appliances in the capital structure.

In its MFRs, the company did not include capital leases in the calculation of its long-term debt. We believe capital leases shall

be treated as debt. Therefore, specific adjustments have been made to investor sources to compensate for the inclusion of capital leases in the calculation of long-term debt. The resulting adjustment to NUI's ratio of investors' sources resulted in a change to its equity ratio from 43.38% to 43.49%. Capital leases are a form of long-term debt and shall be included in the calculation of long-term debt for capital structure purposes.

City is a wholly-owned subsidiary of NUI, which provides all investor capital to its subsidiaries. City has been financed entirely with common equity by its parent company. Therefore, for ratemaking purposes, we find that the appropriate capital structure for City's projected test year ending September 30, 2001, shall be based on the relative percentages of investor capital maintained at the parent level. City specifically identified the balances for ITCs, deferred income taxes, and customer deposits. The appropriate capital structure for City is discussed in more detail above.

Based on the utility's MFR filing and including the adjustment to long-term debt, the appropriate weighted average cost of long-term debt is 6.58%. Pro-rata adjustments were then made over investor sources to reconcile capital structure to rate base. We believe that the company's cost rate for customer deposits of 6.73%, is reasonable. In addition, we agree with the company that the ITCs and deferred taxes should have a zero cost rate. As was previously discussed, 11.50% is the appropriate cost rate for common equity.

Based on the relative amounts of investor capital, ITCs, deferred income taxes, customer deposits and the respective cost rates discussed above, the resulting weighted average cost of capital is 7.88%. Attachment 2 shows the components, amounts, cost rates and weighted average cost of capital associated with the September 30, 2001, projected test year capital structure.

#### VI. NET OPERATING INCOME

The Company made adjustments to remove \$25,129,968 in cost of gas revenues; \$25,004,943 in cost of gas and \$125,025 in taxes -

other; which remove the effect of cost of gas, in net operating income. We find that these adjustments are appropriate.

Additionally, the Company made adjustments to remove \$2,319,744 in conservation revenue; \$2,308,203 in conservation expenses and \$11,541 in taxes - other; which removes the effect on conservation in net operating income. We find that these adjustments are appropriate.

We have reviewed the Company's revenues for the projected test year as filed and is no adjustment is necessary. However, several changes will be made as a result of annualizing the effects of the Clewiston Pipeline Expansion Project. We find that the revenues shall be increased by \$1,866,852 to recognize this change. Therefore, we find that the appropriate amount of projected test year total Operating Revenues is \$35,441,489.

In August, 1997, the Company sold its Medley property for a gain of \$788,169. The Company properly recorded the amount attributed to the regulated portion of \$180,556 above the line. City did not amortize any portion of this gain. In some cases, we have amortized gains on sales of property over five years, with the unamortized portion of the gain included in working capital as a cost-free liability. This regulatory treatment was stated in Order No. 11628, issued February 17, 1983, for Florida Power Corporation. The order stated "We are amortizing these gains/losses over a five-year period. In addition, we are also including the unamortized portion of these gains as cost-free current liabilities in the Company's working capital allowance...".

Had the company actually begun to amortize the gain in August, 1997, the remaining 13-month average unamortized balance for the 2001 test year would have been \$48,148. For ratemaking purposes, the five-year amortization period of the gain should have begun in August, 1997. Including this amount as a liability in working capital has the effect of reducing working capital. Therefore, the rate base shall be reduced by \$48,148 on a 13-month average basis.

An additional adjustment related to this transaction is the yearly amortization amount of \$36,111 ( $\$180,556/5=\$36,111$ ). Amortization of gains are considered a "contra" expense. Therefore, we find that expenses shall be reduced by \$36,111 for

the yearly amortization that was not recognized in the Company's filing.

This adjustment was also made to the Company's interim request, Order No. PSC-00-2101-PCO-GU, issued November 6, 2000.

Common expenses totaling \$3,382,957 shall be allocated to non-utility at 16.626% based on the three-factor method discussed above. The Company allocated these expenses 10.5% on average. The adjustment necessary to allocate these expenses at 16.626% to non-utility operations is a decrease of \$206,963.

Non-utility insurance expense recorded in a subaccount of Account 924, Property Insurance, was not removed from expenses. An adjustment shall be made to remove non-utility insurance expense in the amount of \$37,557.

The Company did not allocate a portion of bill production and postage to non-utility. The Company stated that it includes a line on the utility bill for the appliance charge only as a convenience to its customers. Alternatively, the Company could give its appliance customers a coupon book with which to remit their monthly payments. The Company stated that it could produce and mail a coupon book for an annual charge of \$0.60 per appliance customer or \$23,352 in total. We find that reducing expenses of \$23,352 for 100% of the appliance business's avoided cost is appropriate.

The Company removed \$260,908 for projected test year expenses for membership dues, charitable contributions, and lobbying expenses representing expenses allocated from NUI to City. Based on information provided by the Company, \$4,685 in additional expenses recorded in Account 930.2, Miscellaneous General Expenses, should have been removed from 1999 expenses or \$4,970 after trending for similar type expenses.

Account 926, contains \$803,844 in expenses related to benefits for City employees, and \$1,313,407 for the allocated amount for NUI employees. The amounts in the MFRs were based on the Company's preliminary budget. These amounts were later revised downward to \$606,876 and \$964,731, respectively. In addition, the Company removed \$934,629 in expenses which related to non-regulated employees. An examination of the revised budgeted amounts

indicated that the revised numbers did not include any non-regulated expenses, so the adjustment to remove the \$934,629 in expenses was made in error. The revised budget amount (\$803,844-\$606,876 + \$1,313,407-\$964,731) decreases expense by \$545,644. The improper removal of expenses for non-regulated employees increases expenses by \$934,629. The net increase to Account 926 is \$388,985 (\$934,629-\$545,644).

Also, the Company included a reduction of benefits for capitalized labor in the amount of \$142,992, based on a 35% benefits rate on a capitalized labor amount of \$408,548. The revised budget amount of capitalized labor is \$460,268. The associated benefits are 38% based on 1999 actual data. Therefore, capitalized benefits shall be \$174,902 (\$460,268 x 38%). This recalculation decreases expense by \$31,910 (\$174,902-\$142,992). This recalculation increases capitalized labor. As a result, Plant in Service is increased by \$31,910.

The Company had projected that it would incur total rate case expense of \$369,000, amortized over three years, with \$75,000 of this amount projected to be incurred if this case goes to hearing. The Company now projects a total rate case expense of \$339,905, assuming a hearing is not requested.

The documentation supplied by City has been reviewed, and the expenses incurred by the Company appear to be reasonable and prudent. A four year amortization period is appropriate for two reasons. It has been four years since City filed for a rate increase, and a four year amortization period was approved for the Florida Division of Chesapeake Utilities Corporation in Order No. PSC-00-2263-FOF-GU, issued November 28, 2000. We find that Account 928, Regulatory Commission Expenses, shall be reduced \$38,024, i.e.,  $[(\$369,000/3) - (\$339,905/4)]$ , for the projected test year to reflect the reduced level of rate case amortization.

The company projected \$840,000 in bad debt expense for the year 2001, an increase of \$332,000 from 1999 to 2001. The company projected its bad debt expense to increase only \$15,240 from 1999 to 2000.

Witness Clancy stated on pages 16 and 17 of his testimony that "the increase is a result of a significant deterioration in the



company's customer account collections in 2000 and its current delinquencies in its Miami Division. Write-offs for the past year have been running substantially over the historical experience, which was the basis for the uncollectible provision in 1999." The witness also states the higher level of expense in 2000 and 2001 should produce adequate allowance balances.

On pages 16 and 17 of his testimony, Witness Gruber summarized the methods the company has taken to improve its payments and collection methods to increase payment options for customers in arrears and to improve collections. The new steps to improve collections should help to reduce the uncollectible accounts in 2001 and to mitigate the tremendous projected \$332,000 increase in expense from 1999 to 2001.

In prior cases, we have tested the reasonableness of a company's bad debt expense by using a four year average of net write-offs as a percent of residential and commercial revenues. Based on this calculation for the 1997-2000 period, the average percent of net write offs is .947%. This methodology results in an allowable expense of \$542,559 for 2001. Therefore, we find that an adjustment shall be made to reduce the company's projected expense by \$297,441. This results in a reasonable amount of expense given the Company's stated goal of implementing strategies for reducing the level of bad debts. This adjustment also affects the bad debt component of the revenue expansion factor.

It should also be noted that this adjustment is for ratemaking purposes only. For surveillance, annual report and other reporting purposes, the company's actual bad debt expense shall be reported.

The Company incurred late fees of \$3,540 in the test year related to past due amounts for vehicles leased from SIS Express Car Rental, Inc., and expended to Account 880 - Other Expenses.

Late fees are penalty type expenses and should not be borne by the ratepayers. Therefore, test year expenses shall be reduced \$3,540 and projected expenses reduced \$3,775.

During the historic test year, the appliance operation was responsible for performing meter turn ons, turn offs, etc. Effective with the beginning of fiscal year ended September 30,



2000, the appliance business was separated from the utility business. The Company budgeted expenses in Account 878 - Meter and House Regulator Expenses in the amount of \$654,871 for meter turn ons, turn offs, read onlys and nonpayment turn ons for fiscal year ending September 30, 2001. Although the company budgeted for Account 878, it did not reduce the accounts where the charges for this type of work was performed. These accounts were trended and included in the expenses for projected year end 9/30/01 on MFR Schedule G-2. The total is \$217,910.

Expenses in Account 878 for projected fiscal year end 9/30/01 shall be reduced in the amount of \$217,910 to remove the effect of duplication expenses.

Monthly overhead for Utility Billing Service (UBS), an affiliate company that handles City's billing, was left in Account 921, Office Supplies and Expenses, even as the Company included it in Account 903, Customer Records and Collections Expenses. Duplicative expenses of \$213,823 related to UBS shall be removed from Account 921.

In the historical base year, City consolidated the customer care and collections operations for Elizabethtown Gas Company and City Gas Company. In the Company's process of modifying its accounts and budgets, it included expenses of \$62,885 twice. For this reason, O&M shall be reduced \$62,885.

NUI Corporate expenses allocated to the Company were charged to Account 923 and then allocated to non-utility at 11.2%. We determined the correct non-utility allocation to be 16.626% based on the three-factor allocation method explained above. Therefore, we find that an adjustment shall be made to remove \$273,202 of NUI Corporate expenses for non-utility operations. Similarly, administrative and general expenses were allocated to non-utility at 11.85%. Using the allocation rate of 16.626%, a reduction of \$33,192 to administrative and general expenses shall be made.

The Company is now using Elizabethtown Dispatching to dispatch its after-hours and emergency calls. We believe that the portion of the Elizabethtown Dispatching budget to be included in the Company's utility operations should be based on the ratio of City customers to total customers served for those periods in which City

customers utilize the service adjusted for high call volume days and evenings. At present, the Company has 100,719 customers out of a total of 352,025 customers for a normal allocation rate of 28.611%. We suggest twice the allocation rate for high volume days, 57.222%.

The Company monitored the number of calls on all shifts for two weeks and found that 34% of all calls are after hours. The Company provided us with a list of days and hours when Florida operations were supported because of unusually high call volume. From July 1, 2000 to December 2, 2000, there were 16 high volume days, 8 of which were high volume during regular hours as well. It is projected that through the end of 2000, there will be 4 more high volume days, 2 of which will occur throughout regular hours as well as after hours. The calculation for City's allocation is as follows:

Budget:	\$1,642,573
After-hours portion:	\$558,475 (34%)
Regular-hours portion:	\$1,084,098 (66%)

After-hours portion allocated to City:  
     $[(20/182 \text{ of days}) \times 57.222\% \times \$558,475]$   
    +  $[(162/182) \times 28.611\% \times \$558,475]$   
    = \$177,346)

Regular-hours portion allocated to City:  
     $[(10/182) \times 57.222\% \times \$1,084,098]$   
    = \$34,085

Total City allocation: \$211,431.

We do not believe a portion of the regular-hours budget should be allocated to City on days when there is not unusually high call volume since City customers do not utilize the dispatching service then. Based on the preceding calculations, an adjustment shall be made to reduce dispatching expenses by \$199,623.

The Company included projected legal expenses of \$40,328 in Account 923 derived from \$38,013 of legal expenses incurred in 1999 relating to the Homestead Lateral acquisition. These costs were moved to the acquisition adjustment without being removed from Account 923. An adjustment shall be made to reduce Account 923 by \$40,328 to correct this error.

Six months of Call Center rent, \$29,911, was included in Account 931, Rents. This rent is now considered a part of NUI Corporation and is allocated to the Company at 25% in Account 903. Therefore the duplicative amount, \$29,911, shall be removed from Account 931. In addition, \$75,000 was projected for full year rent in Account 903 even though \$67,092 was actually realized. An adjustment shall be made to reduce rent by the Company's portion, or \$1,977, for this misprojection.

We find that the payroll rate increase, general inflation rate, and the customer growth rate used by the Company are appropriate.

Each O&M account was examined and the appropriate trend basis was used by the Company for each account.

The company purchased a two and a half year supply of odorant in 1998. The company included \$17,180 in Account 887 - Maintenance of Mains in 1999 and trended to \$18,226 in the projected test year.

Consistent with prior Commission decisions and in the company's last rate case, Order No. PSC-96-1404-FOF-GU, issued November 20, 1996, in Docket No. 960502-GU, the Company made an adjustment to amortize similar costs over a two year period. The company also made an adjustment, reducing expenses \$6,152 in its interim case, to amortize these costs over two and a half years. This adjustment was not made in the projected test year.

Therefore, it is appropriate to reduce 1999 expenses \$6,868 or projected expenses \$7,286 to reflect the application of the "inflation only" trend factors.

The appropriate amount of projected test year O&M expense is \$18,177,770. This is a calculation based on the decisions made above.

The appropriate amount of projected test year Depreciation and Amortization Expense is \$7,332,329. This is a calculation based on decisions discussed above. The projected test year Depreciation Expense shall be increased \$418,278 for Accumulated Depreciation associated with the Clewiston Pipeline Expansion Project; decreased \$14,228 for Accumulated Depreciation related to canceled and

delayed projects; increased \$32,651 for Accumulated Depreciation related to non-utility operations; decreased \$35,549 for Depreciation Reserve related to non-utility operations; and decreased \$36,111 to amortize the gain on the sale of the Medley property. The total of these adjustments is an increase of \$365,041. Therefore, we find that the appropriate amount of the depreciation expense for the projected test year is \$7,332,329.

We find that the appropriate amount of Taxes Other Than Income Taxes is \$2,484,259. Per MFR G-2, Page 1 of 34, the Company proposes Taxes Other Than Income of \$2,523,303 for year 2001, as follows:

Payroll Taxes	\$ 357,877
State Intangible	6,500
Utility Assessment (RAF)	177,379
Property Taxes	1,958,627
Sales Tax Discounts	(1,080)
Use Tax	<u>24,000</u>

Total	<u>\$ 2,523,303</u>
-------	---------------------

The Utility Assessment Fees were recalculated by applying the Regulatory Assessment Fee (RAF) rate of .005 to the company adjusted revenue of \$33,574,637, resulting in Utility Assessment Fees of \$167,873, and a \$9,506 decrease to the Company requested amount of \$177,379. We also increase the Company Adjusted Revenue by \$1,866,852. Applying the .005 RAF rate to the \$1,866,852 increase in revenue, results in additional RAFs of \$9,334. The required adjustment is therefore a net decrease of \$172.

The Company proposes \$1,958,627 in property taxes. The Company did not allocate property taxes to non-utility operations. Property taxes for common plant allocated to non-utility properties are approximately \$15,261, calculated as follows:

<u>Location</u>	<u>Amount</u>	<u>Non-utility %</u>	<u>Non-utility</u>
Miami 955 E. 25 St.	\$22,526.67	41%	\$ 9,235.93
Miami 933 E. 25 St.	13,606.74	19%	2,585.28
Titusville	1,239.21	58%	718.74

ORDER NO. PSC-01-0316-PAA-GU  
DOCKET NO. 000768-GU  
PAGE 25

Rockledge	9,383.97	29%	<u>2,721.35</u>
Non-utility Property Taxes			<u>\$15,261.31</u>

Taxes were reduced by \$15,261 for property taxes related to non-utility common plant. Projected property taxes of \$1,958,627 have been reduced by \$15,261 to \$1,943,366.

Use tax has been reduced by \$23,612. In Year 1999, the Company included \$388 in Taxes Other for Use Tax. In Year 2000, there is not adequate detail to determine the amount of Use tax in Taxes Other. In Year 2001, the Company included \$24,000 in Taxes Other for Use tax. Because we were unable to determine the reason for the increase, we reduced the Year 2001 amount to the Year 1999 amount, a reduction of \$23,612.

Our adjustments to Taxes Other reduces the Company proposed amount of \$2,523,304 by \$39,045 to the approved amount of \$2,484,259.

We find that the appropriate Income Tax Expense, including current and deferred income taxes, and interest reconciliation is \$1,072,507. Per Company MFR G-2, Page 1 of 34, the Company requested Income Tax Expense of \$(81,193) for year 2001. Review of the Company's calculation disclosed that the Company calculated its interest reconciliation incorrectly, using an incorrect interest expense in its calculation of tax expense. To correct the Company's error and adjust for changes in rate base and capital structure, income tax expense was increased by \$40,918. In addition, Income Tax Expense was increased by \$1,112,781 for other adjustments to NOI. This increases Income Tax Expense by \$1,153,700 from \$(81,193) to \$1,072,507.

We find that the appropriate level of total operating expenses for the projected test year is \$29,066,864. This is a fallout calculation based on the decisions discussed above.

We find that the appropriate amount of projected test year Net Operating Income is \$6,374,625. (Attachment 3) This is a fallout calculation based on the decisions discussed above.

We find that the appropriate revenue expansion factor is 1.6269. Calculation of the revenue expansion factor/net operating

ORDER NO. PSC-01-0316-PAA-GU  
DOCKET NO. 000768-GU  
PAGE 26

income multiplier, as filed, and as approved, is shown on Attachment 4. The difference between the Commission and the company is the bad debt component in the expansion factor, resulting from the Commission's adjustment to bad debt expense.

We find that the appropriate projected test year revenue deficiency is \$5,132,356. This is a fallout calculation based on the decisions discussed above.

#### VII. INTERIM INCREASE

In this docket, the requested interim test year was the 12 months ended September 30, 1999. City was granted an interim increase by Order No. PSC-00-2101-PCO-GU, issued November 6, 2000.

Any interim increase is reviewed when final rates are derived to determine if any portion should be returned to the ratepayers. In this case, where the test period for permanent rates significantly overlap the interim period, the rate case review requirements should be used for affirmation of the interim increase.

Interim rates went into effect November 16, 2000, approximately six weeks after the beginning of the projected 2001 projected test year, and will continue for approximately three more months of the projected test year. Therefore, the test period for permanent rates includes the period interim rates are in effect. The use of information used to determine rate case requirements has been subject to investigation to determine the appropriateness for rate setting.

We find that no refund of the interim increase is required, since the increase approved for the projected test year exceeds the interim increase awarded.

#### VIII. REPORTING REQUIREMENTS

City will be required to submit, within 60 days after the date of the PAA Order in this docket, a description of all entries or adjustments to its future annual reports, rate of return reports,

published financial statements, and books and records that will be required as a result of the Commission's findings in this rate case.

#### IX. RATE DESIGN AND TARIFF CHANGES

The appropriate billing determinants to be used in the projected test year are indicated on Attachment No. 6, page 15. These billing determinants include the effect of annualizing the customer and therm growth associated with the Clewiston Pipeline Expansion Project.

The appropriate cost of service methodology to be used in allocating costs to the various rate classes is reflected in the Commission's cost of service study included in Attachment No. 6, pages 1-15. The study reflects the adjustments made to rate base, operations and maintenance expense, net operating income and projected test year base rate revenues.

All new rates and charges shall be effective for meter readings on or after 30 days from the date of the vote approving them. This will insure that customers are aware of the new rates prior to being billed for usage under the new rates. The rates and charges are detailed on Attachment No. 7.

Pursuant to Section 366.06(4), Florida Statutes, if the Commission's action is protested by a party other than the utility, the utility may put its requested rates into effect under bond, escrow or corporate undertaking subject to refund. If the utility does put the rate into effect in this manner, it must first give notice to the Commission and file the appropriate tariffs. The utility must keep accurate records of amounts received in accordance with Section 366.06(3), Florida Statutes.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the findings of fact set forth herein are approved. It is further

ORDER NO. PSC-01-0316-PAA-GU  
DOCKET NO. 000768-GU  
PAGE 28

ORDERED that all matters contained in the schedules attached hereto are incorporated herein by reference. It is further

ORDERED that City Gas Company of Florida's application for increased rates is hereby approved as set forth in the body of this Order. It is further

ORDERED that City Gas Company of Florida is authorized to collect increased revenues of \$5,132,356. It is further

ORDERED that no refund of the interim increase approved by Order No. PSC-00-2101-PCO-GU, issued November 6, 2000, shall be required. It is further

ORDERED that City Gas Company of Florida shall file revised tariffs reflecting the increased rates and charges approved in this Order and all other documents described herein, within 60 days from the date of this Order. It is further

ORDERED that the rate increase shall be effective on billings rendered for all meter readings taken on or after February 15, 2001. It is further

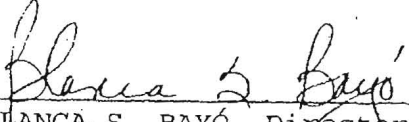
ORDERED that the provisions of this Order are issued as proposed agency action and shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that this docket shall be closed upon issuance of a Consummating Order unless a person, whose substantial interests are affected by the Commission's decision, files a protest within 21 days of the issuance of the proposed agency action.



ORDER NO. PSC-01-0316-PAA-GU  
DOCKET NO. 000768-GU  
PAGE 29

By ORDER of the Florida Public Service Commission, this 5th  
day of February, 2001.

  
BLANCA S. BAYO, Director  
Division of Records and Reporting

( S E A L )

KDW

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on February 26, 2001.

ORDER NO. PSC-01-0316-PAA-GU  
DOCKET NO. 000768-GU  
PAGE 30

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

# **EXHIBIT H**

Commission Staff Data Requests No. 1 to FCG

The information in this and related pages was automatically generated from the Case Management System (CMS) of the FPSC and may be incomplete. For COMPLETE and OFFICIAL information from CMS, you MUST contact the Office of Commission Clerk at (850) 413-6770.

**Docket 080672**

Petition for approval of Special Gas Transportation Service agreement with Miami-Dade County by Florida City Gas.

- [Document Filings Index](#)
- [Events List](#)
- [Utilities](#)
- [Parties of Record and Interested Parties](#)
- [Staff Assigned](#)

**WARNING: THIS TIME SCHEDULE IS TENTATIVE AND SUBJECT TO REVISION**

Time Schedule (CASR) for Docket 080672

Description	Previous Due Date	Due Date	Completed Date
Petition Filed	none	11/13/2008	11/13/2008
Revised CASR Due	03/27/2009	02/20/2009	none
Close Docket	none	02/25/2009	02/25/2009

**Utilities Involved in Docket 080672**

Utility Companies (1)	Select Company
Florida City Gas (GU602)	<input type="button" value="Select"/>

**Parties of Record and Interested Parties in Docket 080672**

Parties of Record (2)	Interested Persons (0)
<b>Akerman Law Firm (08d)</b> Matt Feil 106 East College Avenue, Suite 1200 Tallahassee, FL 32301 Phone: 850-425-1614 FAX: 222-0103 Email: matt.feil@akerman.com	
<b>Florida City Gas</b> Mr. Jay Sutton 4180 South U.S. Highway 1 Rockledge, FL 32955-5309 Phone: (321) 638-3401 FAX: (321) 633-6733 Email: jsutton@aglresources.com	

**Staff Assigned to Docket 080672**

<b>PSC Staff</b>
<b>Commission Suite</b>
Katrina McMurrian -- Pre-Hearing Officer
<b>Division of Economic Regulation</b>
Connie Kummer
<b>Office of the General Counsel</b>
Anna Williams
Martha Brown



Denver  
Fort Lauderdale  
Jacksonville  
Los Angeles  
Madison  
Miami  
New York  
Orlando  
Tallahassee  
Tampa  
Tysons Corner  
Washington, DC  
West Palm Beach

Suite 1200  
106 East College Avenue  
Tallahassee, FL 32301  
www.akerman.com  
850 224 9634 tel / 850 222 0103 fax

January 20, 2009

**VIA HAND DELIVERY**

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

RECEIVED-FPSC  
09 JAN 20 PM 4:47  
COMMISSION  
CLERK

**Re: Docket No. 080672-GU – Petition for Approval of a Special Gas Transportation Agreement with Miami-Dade County by Florida City Gas**

Dear Ms. Cole:

Enclosed for filing is an original and seven copies of Florida City Gas's Request for Confidential Classification. A separate envelope containing confidential documents related to the filing and a diskette is also enclosed.

Your assistance in this matter is greatly appreciated. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Matthew Feil

COM

ECR

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QPC

WCP

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SGA

ADM

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Enclosures

DOCUMENT NUMBER-DATE

00499 JAN 20 8

FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for Approval of a Special )  
Gas Transportation Agreement with Miami- )  
Dade County by Florida City Gas )  
\_\_\_\_\_ )

Docket No. 080672-GU  
Filed: January 20, 2009

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Florida City Gas ("FCG" or "Company"),<sup>1</sup> by and through its undersigned counsel, and pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby requests confidential classification of certain material contained in FCG's Responses to Informal Staff Data Requests filed on December 30, 2008, identified collectively as **Document No. 11956-08**. Attached to this Request is an envelope marked "CONFIDENTIAL" containing the sole copy of the highlighted confidential information being provided. Two public, redacted versions of the confidential information is also provided with this Request. In support of this Request, FCG states as follows:

1. Subsection 366.093(1), Florida Statutes, provides that upon request, records received by the PSC which are "found by the commission to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1)."

2. "Proprietary confidential business information" is defined as meaning "information, regardless of form or characteristics, which is owned or controlled by the ... company, is intended to be and is treated by the ... company as private in that the disclosure of the information would cause harm to the ratepayers or the company's business operations, and has not been disclosed unless disclosed pursuant to a statutory provision, an order of a court or

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<sup>1</sup> Florida City Gas is an operating division of Pivotal Utility Holdings, Inc.

DOCUMENT NUMBER-DATE  
00499 JAN 20 8  
PSC-COMMISSION CLERK

administrative body, or private agreement that provides that the information will not be released to the public." Section 366.093(3), Florida Statutes.

3. Proprietary confidential business information includes, but is not limited to, information concerning:

- (a) Trade secrets.
- (b) Internal auditing controls and reports of internal auditors.
- (c) Security measures, systems, or procedures.
- (d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms.
- (e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.
- (f) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities.

Section 366.093(3), Florida Statutes.

4. The confidential portions of the information being provided to the Commission fall within these statutory definitions, and therefore constitute proprietary confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

5. Attachment 1 to this Request consists of a chart, which specifically sets forth a line-by-line justification for maintaining specific information in **Document No. 11956-08** as confidential. To be clear, this information has not been released to the public, and is treated by FCG as private, confidential information, the release of which could have a severe impact on business operations and private negotiations. The subject information is therefore proprietary

confidential business information and is entitled to protection under Section 366.093 and Rule 25-22.006.

6. Pursuant to Section 366.093(4), Florida Statutes, and Rule 25-22.006(9), Florida Administrative Code, FCG requests that the information described above as proprietary confidential business information be protected from disclosure for a period of at least 18 months and all information should be returned to FCG as soon as the information is no longer necessary for the Commission to conduct its business.

Respectfully submitted this 20<sup>th</sup> day of January, 2009.

By: 

Matthew Feil

**AKERMAN SENTERFITT**

106 East College Avenue, Suite 1200

Tallahassee, FL 32301

(850) 425-1614

(850) 222-0103

matt.feil@akerman.com



---

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of this Request has been served upon the following by Hand Delivery (\*) and/or U.S. Mail this 20<sup>th</sup> January, 2009.

Martha C. Brown\*  
Anna Williams \*  
Office of the General Counsel  
Room 370, Gunter Building  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Connie Kummer  
Chief  
Bureau of Certification, Economics & Tariffs  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

By:   
Matthew Feil  
**AKERMAN SENTERFITT**  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32301  
(850) 425-1614  
(850) 222-0103  
matt.feil@akerman.com

**ATTACHMENT 1**

<u>Location</u>	<u>Information</u>	<u>Justification</u>
Informal Staff Data Request Response, Page 2, Response to Question 4, Lines 10 – 11.	Highlighted numbers	These proprietary numbers contain customer-specific information, or information from which customer-specific information may be easily derived. Such customer-specific information is not released to the public and, if disclosed, harms ratepayers' rights to privacy. These numbers also, if made public, would negatively impact the competitive interests of the company (and hence ratepayers) in the company's negotiations of other agreements.
Informal Staff Data Request Response, Excel Spreadsheet labeled as "Attachment 1" to the Responses, Page 1 of 1, Columns 2 <u>and</u> 3, lines 9 – 10 <u>and</u> lines 19 – 20. <sup>2</sup>	Highlighted numbers	These proprietary numbers contain customer-specific information, or information from which customer-specific information may be easily derived. Such customer-specific information is not released to the public and, if disclosed, harms ratepayers' rights to privacy. These numbers also, if made public, would negatively impact the competitive interests of the company (and hence ratepayers) in the company's negotiations of other agreements.

<sup>2</sup> Columns 2 and 3 are the columns labeled "Per 1999 Rate Design" and "Per Nov '08 Surveillance Report," respectively. The lines identified start with the first line where a numerical value appears under both columns 2 and 3, i.e. "O&M Expense." There are only line assignments for lines with numerical values under columns 2 and 3; in other words, assume no line designation for blank lines and headings.

COMMISSIONERS:

MATTHEW M. CARTER II, CHAIRMAN  
LISA POLAK EDGAR  
KATRINA J. MCMURRIAN  
NANCY ARGENZIANO  
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK  
ANN COLE  
COMMISSION CLERK  
(850) 413-6770

# Public Service Commission

## ACKNOWLEDGEMENT

DATE: January 20, 2009

TO: Matthew Fell, Akerman Law Firm

FROM: Ruth Nettles, Office of Commission Clerk

RE: Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 080672 or, if filed in an undocketed matter, concerning FCG's responses to informal staff data requests filed on 12/30/08, and filed on behalf of Florida City Gas. The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Marguerite Lockard, Deputy Clerk, at (850) 413-6770.

DOCUMENT NUMBER-DATE  
00500 JAN 20 09  
FPSC-COMMISSION CLERK

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850  
An Affirmative Action/Equal Opportunity Employer

PSC Website: <http://www.floridapsc.com>

Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

*as of 3/10/09 - J*

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\* PDF documents, shown in Red and marked with an asterisk, are the image of the official document on file in the Bureau of Records. Any supplementary document formats are provided for your convenience and may not accurately reflect the contents of the official document.

To download viewer plug-ins: Adobe Acrobat PDF and Microsoft Office Product Viewers (Word, Excel, PowerPoint, etc.)

**Document Detail for Docket Number: 080672 (19 documents found)**

*WASD mty kld on  
2/11/09 J*

Document	Date	Description
01514-09	02/25/2009	ECR/Kummer; GCL/Williams, Brown - Memo dated 2/25/09 to CLK/Cole advising FCG withdrew petition on 2/17/09; no pending issues remain and docket can be closed; docket closed by XCM. <b>File Name File Size Download 56 Download DSL</b> * 01514-09.pdf 120 KB 21 sec 3 sec
01326-09	02/17/2009	FCG (Feil) - Notice of withdrawal of petition. <b>File Name File Size Download 56 Download DSL</b> * 01326-09.pdf 146 KB 24 sec 3 sec
01317-09	02/16/2009	ECR/Kummer - Memo dated 2/16/09 to CLK/McLean requesting confidential DN's 11956-08, 00330-09, 00709-09, and 00712-09 be returned to source. <b>File Name File Size Download 56 Download DSL</b> * 01317-09.pdf 81 KB 15 sec 3 sec
00712-09	01/28/2009	FCG (Feil) - (CONFIDENTIAL) Certain portions of responses to an informal staff data request, made verbally on 1/2/09, as a follow-up to a spreadsheet previously filed as confidential in a 12/30/08 notice of intent.
00711-09	01/28/2009	FCG (Feil) - Notice of intent to request confidential classification [of DN 00712-09]. [CLK note: CD forwarded to GCL.] <b>File Name File Size Download 56 Download DSL</b> * 00711-09.pdf 125 KB 21 sec 3 sec
00710-09	01/28/2009	FCG (Feil) - Redacted version of confidential DN 00709-09. <b>File Name File Size Download 56 Download DSL</b> * 00710-09.pdf 84 KB 15 sec 3 sec
00709-09	01/28/2009	FCG (Feil) - (CONFIDENTIAL) Certain material contained in FCG's responses to informal staff data requests filed on 1/13/09, identified collectively as DN 00330-09.
00708-09	01/28/2009	FCG (Feil) - Request for confidential classification [of DN 00709-09]. [CLK note: CD forwarded to GCL.] <b>File Name File Size Download 56 Download DSL</b> * 00708-09.pdf 180 KB 29 sec 3 sec
00535-09	01/21/2009	ECR/Barnes - Memo dated 1/20/09 to CLK/McLean with attached listing of confidential documents as of 1/9/09; of 353 listed documents, 28 should be returned [to source] and 325 should be retained. <b>File Name File Size Download 56 Download DSL</b> * 00535-09.pdf 2 MB 5 min 1 sec 9 sec
00501-09	01/20/2009	FCG (Feil) - Redacted version of confidential DN 00500-09.

State of Florida



RECEIVED-FPSC

FEB 25 AM 9:39

# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

COMMISSION  
CLERK

-M-E-M-O-R-A-N-D-U-M-

---

**DATE:** February 25, 2009

**TO:** Ann Cole, Commission Clerk - PSC, Office of Commission Clerk

**FROM:** Connie S. Kummer, Chief of Certification & Tariffs, Division of Economic Regulation *CS*  
Anna R. Williams, Attorney, Office of the General Counsel *MCB/A R W*  
Martha C. Brown, Senior Attorney, Office of the General Counsel *MCB*

**RE:** Administrative closure of Docket No. 080672-GU, Petition for Approval a Special Gas Transportation Agreement with Miami-Dade County by Florida City Gas

---

Pursuant to Section 2.07(C)(2)(d)(4), of the Administrative Procedures Manual, staff requests that Docket No. 060672-GU be closed administratively. The docket was opened on November 13, 2008, to address a special contract between Florida City Gas and Miami Dade County. On February 17, 2009, Florida City Gas filed a notice of withdrawal of the petition. Staff is not aware of any pending issues that need to be addressed by the Commission regarding the filing, and therefore the docket may be closed.

CK:kb

*OK to Close*  
*2-25-09*  
*MS*

DOCUMENT NUMBER-DATE

01514 FEB 25 8

FPSC-COMMISSION CLERK

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State of Florida



**Public Service Commission**

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

**DATE:** February 16, 2009  
**TO:** Marguerite H. McLean, Commission Deputy Clerk II, Office of Commission Clerk  
**FROM:** Connie S. Kummer, Chief of Certification & Tariffs, Division of Economic Regulation *CSK*  
**RE:** Docket No. 080672-GU - Petition for approval of Special Gas Transportation Service agreement with Miami-Dade County by Florida City Gas.

RECEIVED-FPSC  
09 FEB 16 PM 4:00  
COMMISSION CLERK

Please return the following confidential documents to the source.

- 11956-08 FCG (Feil) - (CONFIDENTIAL) Certain portions of responses to staff's informal data requests. [x-ref. DN 00500-09]
- 00330-09 FCG (Feil) - (CONFIDENTIAL) Certain portions of responses to staff's informal data requests. [x-ref. DN 00709-09]
- 00709-09 FCG (Feil) - (CONFIDENTIAL) Certain material contained in FCG's responses to informal staff data requests filed on 1/13/09, identified collectively as DN 00330-09.
- 00712-09 FCG (Feil) - (CONFIDENTIAL) Certain portions of responses to an informal staff data request, made verbally on 1/2[/09], as a follow-up to a spreadsheet previously filed as confidential in a 12/30/08 notice of intent.

Thank you.

CSK:kb

COM  
ECR  
GCL  
OPC  
RCP  
SSC  
SGA  
ADM  
CLK *Marguerite*

DOCUMENT NUMBER-DATE

01317 FEB 16 8

FPSC-COMMISSION CLERK

**REDACTED**

1. *On Page 5 of the petition, Paragraph 11, you assert that FCG will recover its cost to serve Miami-Dade County at the proposed rates. Please provide calculations showing the cost to provide the service as described in the contract, and the derivation of the proposed rate.*

Response: See the spreadsheet included herewith as Attachment 1. Upon further review, the Company believes that this assertion was incorrect and should not have been included in the original petition. If necessary, the Company will file to amend its original petition at the appropriate time.

The 1998 contract was offered at a rate that recovered less than the cost of service applicable to the contract due to the prospect of customer bypass. The rate was not changed in the current contract, as the customer requested an extension of the same rate. As explained in greater detail below, continued service to Miami-Dade at the contract rate provides incremental load to the Florida City Gas (FCG or the Company) system therefore allowing certain O&M costs to be allocated to Miami Dade that would otherwise have to be recovered by the general body or ratepayers. \*

2. *Please explain the derivation of the maximum annual contract quantity (MACQ) for each site and why such a maximum is necessary.*

Response: The MACQ clause was added to the contract because Miami Dade County has considered expanding its facilities. As the extension of service was offered as an accommodation to the customer, any new service requiring expanded gas deliveries or new facilities will not be served under the proposed rate. Any proposed new service will be negotiated at that time and any new contract or amendment to the present contract will be submitted to the Commission for approval.

3. *Please explain the derivation of the minimum annual volume and maximum daily quantity of gas specified and why such limits are necessary.*

COM \_\_\_\_\_  
ECR 1  
GCL \_\_\_\_\_  
OPC \_\_\_\_\_  
RCP \_\_\_\_\_  
SSC \_\_\_\_\_  
SGA \_\_\_\_\_  
ADM \_\_\_\_\_  
CLK \_\_\_\_\_

Response: The stated minimum annual volume and maximum daily quantity of gas volumes are each carried over from the original agreement. At the time of the original agreement, the company required Miami Dade to meet certain volume thresholds in order to qualify for the discounted contract rate. The derivation of the maximum daily quantities was based on Miami-Dade's estimated daily consumption and on the

capacity of Miami-Dade's equipment. The derivation of the minimum annual volume was believed by FCG at the time of the original contract to be necessary for Miami Dade to qualify for the discount and provide support for its allocation of O&M costs.

4. *Please describe how the loss of Miami-Dade County would impact the general body of ratepayers if the contract is not approved.*

Response: Under the Contract, if the Commission does not approve the contract as written, the parties will enter into new negotiations to create a contract that can meet Commission approval. It is important for the Company to continue serving Miami-Dade as it provides significant incremental load to Florida City Gas system and its service does allow certain O&M costs to be allocated to Miami Dade that would otherwise have to be recovered by the general body or ratepayers. FCG also has the potential of securing future growth opportunities associated with Miami Dade, as Miami Dade County has six EMD engines at the same location burning diesel oil, and Miami Dade is currently reviewing bids to convert these engines to natural gas. Additionally, service to Miami Dade contributes [REDACTED] to FCG's annual margins. Of this, [REDACTED] is recovered through the CRA tariff rider and [REDACTED] is recovered directly from Miami Dade under the contract rate.

5. *What other options does Miami-Dade County have to secure gas, if the contract is not approved?*

Response: The first option for Miami Dade is to re-enter negotiations with FCG to revise the proposed contract in a manner that will meet the standards for Commission approval. The second option is for Miami Dade to bypass FCG and connect directly to the Florida Gas Transmission line which is located outside its Alexander Orr facilities. The proximity of this transmission line could prompt Miami-Dade to negotiate direct interconnection for its entire account.

6. *What is the purpose for the new language on Page 11, Article XIII, Miscellaneous, paragraph 6, of the new contract? What additional protection does it provide over the previously included Force Majeure language?*

Response: The previously included Force Majeure language protects both parties from liability as a result of events that are outside the control of the parties. If a Force



Majeure event occurs, then the parties are excused from liability for damages to the other arising out of that Force Majeure event. Alternatively, the new language in Article XIII, paragraph 6, does not excuse the parties from liability for certain types of events in the way the Force Majeure clause provides, but rather limits the types of damages that the aggrieved party can seek against the other party when such other party is liable. This new language provides that the aggrieved party can seek compensation for its direct damages, but unless the cause of action arises out of a particularly serious offense (e.g., the gross negligence or willful misconduct of the other party), then the aggrieved party should not be able to sue for these indirect, special, consequential or punitive damages, which are difficult to predict and quantify and are typically limited in contracts between commercial parties.

**Responses Attachment 1****Miami Dade Water Plant - Rate Design Comparison**

	Per 1999 Rate Design	Per Nov'08 Surveillance Report
<b>Miami Dade Water and Sewer Water Plant - Alexander Orr Cost of Service and Rate Design</b>		
<b>Description</b>	<b>Total</b>	<b>Total</b>
O&M Expenses	\$3,500	\$87,671
Depreciation	\$11,230	\$45,503
Taxes Other Than Income	\$10,302	\$12,094
State Tax @ 5.5%	\$2,943	\$2,535
Federal Tax @ 34.00%	\$15,674	\$14,367
Sub-total	\$43,649	\$162,171
Required Return on Investment (Rate base x ROR)	\$30,399	\$28,502
Total Incremental Cost of Service	\$74,048	\$190,672
Estimated Average Annual Volume (therms)		
Incremental Cost Rate		

<b>Miami Dade Water and Sewer Water Plant - Hialeah Water Plant and South District Cost of Service and Rate Design</b>		
<b>Description</b>	<b>Total</b>	<b>Total</b>
O&M Expenses	\$6,500	\$87,671
Depreciation	\$24,164	\$45,503
Taxes Other Than Income	\$10,649	\$12,094
State Tax @ 5.5%	\$6,331	\$2,535
Federal Tax @ 34.00%	\$33,726	\$14,367
Sub-total	\$81,370	\$162,171
Required Return on Investment (Rate base x ROR)	\$65,409	\$61,326
Total Incremental Cost of Service	\$146,779	\$223,497
Estimated Average Annual Volume (therms)		
Incremental Cost Rate		

Approved Rate of Return:

7.85%

7.36%

# **EXHIBIT I**

FCG Undated Letter to MDWASD



# Florida City Gas

933 East 25<sup>th</sup> Street  
Hialeah, FL 33013

[www.floridacitygas.com](http://www.floridacitygas.com)

Dear Greg and David:

Florida City Gas appreciates our commercial relationship with Miami Dade Sewer and Water Department (MDSWD). I want to personally assure each of you that we are committed to extending our service to you into the future in an economical manner, and under an agreement that can be approved by the Florida Public Service Commission. I want to and work with you to resolve this matter promptly.

Since our meeting in February, the Company has been involved in an exchange of letters with your consultant, Mr. Jack Langer. Instead of continuing this unproductive exchange, I would like to meet with each of you directly in order to move forward with extending our commercial relationship.

In advance of our meeting, please allow me to address Mr. Langer's most recent letter of April 8, 2009. Our response to each issue he presented is as follows:

**Point 1:** The original contract between the Company and MDSWD was provided under the Contract Demand Service (KDS) section of our tariff. The Company does have a flexible gas service (FGS) tariff. However, our original agreement did not provide for service to MDSWD under that tariff, and at no point during our 10-year service has the Authority been served under the FGS tariff. .

**Point 2:** If MDSWD desires to explore service under the FGS tariff going forward, such service would be provided under the current FCG tariff that became effective on December 7, 2004. The FGS tariff has a number of provisions that would apply to service being initiated for MDSWD.

- a. A customer must have a viable economic energy alternative to service from the Company, and it must provide verifiable documentation that the energy alternative is both available and economically viable. Mr. Langer has not identified that alternative to-date.
- b. When a viable economic alternative exists, the Company must demonstrate to the satisfaction of the Public Service Commission that gas service to its customer at a lower rate based on the alternative source will not cause any additional cost to the Company's other rate classes.
- c. Third, the rate charged to a customer under the FGS tariff "shall not be set lower than the incremental cost the company incurs to serve the customer"; and

- d. Fourth, service under the FGS tariff is not financially supported by the Company's CRA rider, as is service under the KDS tariff under which MDSWD is presently served. The CRA rider provides a subsidy equal to approximately eighty-seven (87%) of the revenues collected by the Company for service to MDSWD.
- e. With the requirement that a FGS tariff customer pay no less than the incremental cost of service, and the fact that CRA support is not available, service to MDSWD under the FGS tariff would require a substantial additional charge over and above our incremental cost of service to make sure the Company's other rate classes will not unduly bear the cost of providing continuing service to MDSWD.

**Point 3:** The contract with MDSWD executed in 1998 has expired, despite Mr. Langer's statements. The ongoing service from the Company is available only on a month to month basis pursuant to the First Amendment to that contract. This extension was necessary only to seek the approval of the Commission to enter into a new agreement. Absent action by the Commission on a revised agreement, due to the objections we highlighted for MDSWD in our January letter (attached) the month to month service will have to expire soon.

**Point 4:** We are current providing service under the First Amendment agreement that became effective July 1, 1998, and we are fulfilling that agreement.

**Point 5:** Under the terms of the First Amendment and New 2008 Agreement, Commission approval is a prerequisite to the any new contract becoming effective. There are no provisions in the FCG tariff that allows service to a customer under a special contract without Commission approval.

**Point 6:** FCG has done all things prudent and necessary to present and support passage of the New 2008 Agreement to the Commission. Approval of the New 2008 Agreement by the Commission will not be forthcoming. The Commission staff has advised the Company that it will make a "unfavorable recommendation" of the new contract as MDSWD does not qualify for service as a KDS customer, and because the proposed rates do not recover, at a minimum, the Company's incremental cost of service. This advice from the Commission staff led to the points we discussed at our meeting with MDSWD in February to begin renegotiations on an agreement that could gain Commission support. The Company believes it to be counterproductive to proceed in a case where a negative outcome is known.

Overall, we agree that MDSWD and the Company negotiated in good faith to arrive at a successor contract last year. The Commission staff supports our efforts to reach an accord with MDWSD in renegotiating the New 2008 Agreement to produce a contract that can meet the Commission's requirements. However, the extension under the First Amendment cannot be extended indefinitely.

Attached is a proposal we have developed under the advice we received from the Commission staff. We believe this new proposal can provide an economical service for MDWSD and can be approved by the Commission. In his letter, Mr. Langer indicates a desire to negotiate a new

agreement that is based on our FGS tariff. We can discuss that approach along with other approaches that will be more economical for MDWSD, once we have verification of the alternative supply.

Our ability to continue service under the current month-to-month arrangement is very limited, and we believe time is of the essence. This is certainly not the manner in which either party envisioned continued service to MDWSD, but I am confident we can arrive at a mutually beneficial resolution of this important matter. Thank you and I look forward to meeting with you soon.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Mel Williams".

Melvin Williams

## **EXHIBIT J**

FCG Letter to MDWASD dated June 22, 2009



RECEIVED  
JUN 22 PM 1:51  
DIRECTOR'S OFFICE  
AND SUPER DEPT  
OF STATE



# **EXHIBIT K**

MDWASD's Protest of FCG Invoices



September 29, 2009

Ms. Donna Peeples  
Vice President & Chief Marketing Officer  
AGL Resources  
Ten Peachtree Place  
Atlanta, GA 30309

Re: July 2009 Invoices

<u>Account #</u>	<u>Invoice #</u>	<u>Amount</u>
211-0754412-011	200908-2402-AR531R	\$13,600.36
211-0756225-011	200908-2403-AR531R	\$ 9,615.79
211-0756239-011	200908-2404-AR531R	\$ 1,988.16

Dear Ms. Peeples:

Please be informed that payment of the above-referenced invoices is made by the Miami-Dade Water and Sewer Department (the "Department") under protest. We request that these funds be placed into an escrow account pending resolution of the dispute concerning the appropriate rate to be charged the Department.

As you are aware, in June 2008, the Department and Florida City Gas ("FCG") entered into a Transportation Service Agreement ("TSA"). FCG submitted the TSA to the Florida Public Service Commission for approval in November 2008. However, prior to consideration by the Public Service Commission, the TSA was unilaterally withdrawn by FCG without discussion with the Department. Thus, the PSC was never given the opportunity to consider and approve the terms which the Department and FCG agreed upon.

Please be further advised that the Department is consulting with the County Attorney's Office regarding the Department's legal remedies including the filing of a complaint with the PSC.

Sincerely,

John W. Renfrow, P.E.  
Director

c: Jack Langer  
Hank Linginfelter

*Delivering Excellence Every Day*

ADA Coordination

Agenda Coordination

Animal Services

Art in Public Places

Audit and Management Services

Aviation

Building

Building Code Compliance

Business Development

Capital Improvements Construction Coordination

Citizens' Independent Transportation Trust

Commission on Ethics and Public Trust

Communications

Community Action Agency

Community & Economic Development

Community Relations

Consumer Services

Corrections & Rehabilitation

Cultural Affairs

Elections

Emergency Management

Employee Relations

Empowerment Trust

Enterprise Technology Services

Environmental Resources Management

Fair Employment Practices

Finance

Fire Rescue

General Services Administration

Historic Preservation

Homeless Trust

Housing Agency

Housing Finance Authority

Human Services

Independent Review Panel

International Trade Consortium

Juvenile Assessment Center

Medical Examiner

Metro-Miami Action Plan

Metropolitan Planning Organization

Park and Recreation

Planning and Zoning

Police

Procurement Management

Property Appraiser

Public Library System

Public Works

Safe Neighborhood Parks

Seaport

Solid Waste Management

Strategic Business Management

Team Metro

Transit

Task Force on Urban Economic Revitalization

Vizcaya Museum And Gardens

Water & Sewer



# Florida City Gas

## MIAMI DADE WATER & SEWER

ACCOUNTS PAYABLE

C/O MIAMI DADE & WATER DEPARTMENT

P.O. BOX 330316

MIAMI, FL 33233

INVOICE NO:	200908-2402-AR53IR
Billing Date:	31-Aug-09
Account Number:	211-0754412-011 ✓
Rate:	GS-1250K

Payment Terms - 20 days from bill date

SERVICE ADDRESS FOR: 700 W 2ND AVE., HIALEAH, FL

Invoice for Transportation Service for the Period: July 2009

Date of Service	Description	Amount
July 1 - July 22, 2009	Transportation Service	\$4,166.62 ✓
July 23 - July 31, 2009	Transportation Service	\$9,433.74 ✓
<b>Total July 2009</b>		<b>\$13,600.36</b> ✓
Overdue Invoice 200907-2246-AR53I		\$5,023.01
<b>Total Amount Due:</b>		<b>\$18,623.37</b>

### Bill Calculation

	Therms	Rate	Amount
<b>July 1-22, 2009</b>			
Margin Rate	138,887.4 ✓	\$0.03000 ✓	\$4,166.62 ✓
<b>Total charges July 1-22, 2009</b>			<b>\$4,166.62</b> ✓
<b>July 23-31, 2009</b>			
Service Charge (Prorated 9 days)			145.16
Demand (Prorated 9 days)	2,460.8	\$0.28900	\$711.17
Margin Rate	64,666.8	\$0.12225	\$7,905.52
ECCR Rate	64,666.8	\$0.00000	\$0.00
CRA Rate	64,666.8	\$0.01039	\$671.89
<b>Total Charges July 23-31, 2009</b>			<b>\$9,433.74</b> ✓

### Account Information

\*\* Gas Supplier: Interconn Resources Inc. \*\*

Miami-Dade Water & Sewer Dept.  
Water Production Division

#### Contacts

Billing/Metering \_\_\_\_\_ Dina De Jesus \_\_\_\_\_ 305-835-3648  
Bank Issues \_\_\_\_\_ Lee Smith \_\_\_\_\_ 404-584-4688

EW101-730102-722020-WS73022-16002  
9-2-09 CP

WASD LINE PLANT = 187,360 ccf x 1.065 = 199,538 THERMS  
INTERCONN BILLING = 210,545.8 THERMS

*[Handwritten Signature]*

Miami Dade Water Sewer Acct.# 2110754412011

Daily Consumption Tracking		MCF	DTH
Day		Daily Metered	Daily Metered
1		0.0	0
2		0.0	0
3		298.0	317
4		639.0	680.5
5		667.0	710.4
6		677.0	721
7		671.0	714.6
8		669.0	712.5
9		665.0	708.2
10		667.0	710.4
11		667.0	710.4
12		669.0	712.5
13		663.0	706.1
14		671.0	714.6
15		677.0	721
16		676.0	719.9
17		675.0	718.9
18		674.0	717.8
		10,325.0	10996.2 ✓

Total Volume In CCF:103,250.0

Average BTU Factor : 1.065

Total Volume in Therms: 109,962.0 Margin Rate Adjustment

# Florida City Gas - Gas Volume Worksheet

08/07/200: Gas Volume Worksheet for MIAMI DADE WATER  
 Billing Month: 7/1/2009

Acct.No.: 2110754412011  
 Rate Schedule: GS-1250K

Usage (In MCF)		Usage (In DTH)	
Day	Total Measured	BTU Factor	Total Measured
01	0.0	1.085	0
02	0.0	1.085	0
03	0.0	1.085	0
04	0.0	1.085	0
05	0.0	1.085	0
06	0.0	1.085	0
07	0.0	1.085	0
08	0.0	1.085	0
09	0.0	1.085	0
10	0.0	1.085	0
11	0.0	1.085	0
12	0.0	1.085	0
13	0.0	1.085	0
14	0.0	1.085	0
15	0.0	1.085	0
16	0.0	1.085	0
17	0.0	1.085	0
18	0.0	1.085	0
19	675.0	1.085	718.875
20	683.0	1.085	727.395
21	676.0	1.085	719.94
22	682.0	1.085	726.33
23	677.0	1.085	721.005
24	681.0	1.085	725.265
25	687.0	1.085	731.855
26	684.0	1.085	728.46
27	684.0	1.085	728.46
28	679.0	1.085	723.135
29	668.0	1.085	708.29
30	653.0	1.085	695.445
31	661.0	1.085	703.965
8,788.0			9,359.22

## MONTHLY BALANCING

Total Volume in CCF: 87,880.0  
 Average BTU Factor: 1.085

Total Volume in Therms: 93,592.2 ✓



# Florida City Gas

ALEXANDER ORR JR WTR TRMT  
ACCOUNTS PAYABLE  
P.O. BOX 330316  
MIAMI, FL 33233

INVOICE NO:	200908-2403-AR53IR
Billing Date:	31-Aug-09
Account Number:	211-0756225-011 ✓
Rate:	GS-1250K

Payment Terms - 20 days from bill date

SERVICE ADDRESS FOR: 6800 SW 87TH AVE, MIAMI, FL

Invoice for Transportation Service for the Period: July 2009

Date of Service	Description	Amount
July 1 - July 22, 2009	Transportation Service	\$802.17 ✓
July 23 - July 31, 2009	Transportation Service	\$8,813.62 ✓
<b>Total July 2009</b>		<b>\$9,615.79</b> ✓
Overdue Invoice 200907-2247-AR53I		\$2,309.42
<b>Total Amount Due:</b>		<b>\$11,925.21</b>

## Bill Calculation

	Therms	Rate	Amount
July 1-22, 2009			
Margin Rate	80,217.0 ✓	\$0.01000 ✓	\$802.17 ✓
<b>Total charges July 1-22, 2009</b>			<b>\$802.17</b> ✓

	Therms	Rate	Amount
July 23-31, 2009			
Service Charge (Prorated 9 days)			145.16
Demand (Prorated 9 days)	3,242.9	\$0.28900	\$937.20
Margin Rate	58,287.5	\$0.12225	\$7,125.65
ECCR Rate	58,287.5	\$0.00000	\$0.00
CRA Rate	58,287.5	\$0.01039	\$605.61
<b>Total Charges July 23-31, 2009</b>			<b>\$8,813.62</b> ✓

## Account Information

\*\* Gas Supplier: Interconn Resources Inc. \*\*

Contacts			
Billing/Metering	Dina De Jesus	305-835-3648	
Bank Issues	Lee Smith	404-584-4688	

Miami-Dade Water & Sewer Dept.  
Water Production Division

EW101- 720102- 722020- WS73013- 16001  
9-2-09 CP

WASD LINE PLANT = 130,080 CCF x 1.065 = 138,535 THERMS  
INTERCONN BILLING = 138,503 THERMS

*[Handwritten Signature]*

Alexander ORR Jr WTR Trmt Account # 2110756225011

Daily Consumption Tracking		MCF	DTH
Day		Daily Metered	Daily Metered
1		690.0	734.9
2		602.0	641.1
3		594.0	632.6
4		589.0	627.3
5		607.0	646.5
6		603.0	642.2
7		592.0	630.5
8		601.0	640.1
9		616.0	656
10		635.0	676.3
11		623.0	663.5
12		624.0	664.6
13		156.0	166.1
14		0.0	0
15		0.0	0
16		0.0	0
17		0.0	0
18		0.0	0
		7532.0	8021.7

Total Volume in CCF: 75,320.0

Average BTU Factor: 1.065

Total Volume In Therms: 80,217.0 See Margin Rate Adjustment

# Florida City Gas - Gas Volume Worksheet

08/07/200: Gas Volume Worksheet for ALEXANDER ORR  
Billing Month: 7/1/2009

Acct.No.: 2110756225011  
Rate Schedule: GS-1250K

Day	Usage (in MCF)	BTU Factor	Usage (in DTH)
	Total Measured		Total Measured
01	0.0	1.085	0
02	0.0	1.085	0
03	0.0	1.085	0
04	0.0	1.085	0
05	0.0	1.066	0
06	0.0	1.066	0
07	0.0	1.085	0
08	0.0	1.085	0
09	0.0	1.066	0
10	0.0	1.085	0
11	0.0	1.085	0
12	0.0	1.085	0
13	0.0	1.066	0
14	0.0	1.085	0
15	0.0	1.065	0
16	0.0	1.065	0
17	0.0	1.085	0
18	0.0	1.085	0
19	0.0	1.066	0
20	0.0	1.066	0
21	0.0	1.065	0
22	0.0	1.065	0
23	65.0	1.066	69.225
24	573.0	1.065	610.245
25	654.0	1.085	698.51
26	665.0	1.065	708.225
27	688.0	1.085	732.72
28	726.0	1.065	772.125
29	677.0	1.065	721.005
30	710.0	1.065	756.15
31	716.0	1.065	762.64
	5,473.0		5,828.75

## MONTHLY BALANCING

Total Volume in CCF: 54,730.0  
Average BTU Factor: 1.065

Total Volume in Therms: 58,287.6





# Florida City Gas

ALEXANDER ORR WTR TRMT  
ACCOUNTS PAYABLE  
P.O. BOX 330316  
MIAMI, FL 33233

INVOICE NO:	200908-2404-AR53IR
Billing Date:	31-Aug-09
Account Number:	211-0756239-011 ✓
Rate:	GS-1250K

Payment Terms - 20 days from bill date

SERVICE ADDRESS FOR: 6800 SW 87TH AVE, MIAMI, FL

Invoice for Transportation Service for the Period: July 2009

Date of Service	Description	Amount
July 1 - July 22, 2009	Transportation Service	\$151.12 ✓
July 23 - July 31, 2009	Transportation Service	\$1,837.04 ✓
<b>Total July 2009</b>		<b>\$1,988.16</b> ✓
Overdue Invoice 200907-2248-AR53I		\$200.28
Overdue Invoice 200702-0074-AR53I		\$338.75
<b>Total Amount Due:</b>		<b>\$2,188.44</b>

## Bill Calculation

	Therms	Rate	Amount
<b>July 1-22, 2009</b>			
Margin Rate	15,112.5	\$0.01000 ✓	\$151.12 ✓
<b>Total charges July 1-22, 2009</b>			<b>\$151.12</b> ✓
<b>July 23-31, 2009</b>			
Service Charge (Prorated 9 days)			145.16
Demand (Prorated 9 days)	893.0	\$0.28900	\$258.08
Margin Rate	10,809.8	\$0.12225	\$1,321.49
ECCR Rate	10,809.8	\$0.00000	\$0.00
CRA Rate	10,809.8	\$0.01039	\$112.31
<b>Total Charges July 23-31, 2009</b>			<b>\$1,837.04</b> ✓

## Account Information

\*\* Gas Supplier: Interconn Resources Inc. \*\*

**Miami-Dade Water & Sewer Dept.**  
**Water Production Division**

### Contacts

Billing/Metering-----Dina De Jesus-----305-835-3648  
Bank Issues-----Lee Smith-----404-584-4688

EW101- 730106- 722020- WS73011- 16001  
9-2-09 CP

WASD GAS READINGS = 24,520 CCF X 1.065 = 26,114 THERMS  
INTERCONN BILLING = 25,922 THERMS

*[Handwritten Signature]*  
TOM REYNOLDS - CHIEF

Alexander ORR WTR Plant Account # 2110756239011

Daily Consumption Tracking		MCF	DTH
Day		Daily Metered	Daily Metered
1		75.0	79.9
2		100.0	106.5
3		51.0	54.3
4		55.0	58.6
5		104.0	110.8
6		42.0	44.7
7		83.0	88.4
8		54.0	57.5
9		83.0	88.4
10		71.0	75.6
11		76.0	80.9
12		77.0	82
13		52.0	55.4
14		82.0	87.3
15		42.0	44.7
16		31.0	33
17		44.0	46.9
18		84.0	89.5
		1206.0	1284.4

Total Volume in CCF: 12,060.0

Average BTU Factor: 1.065

Total Volume in Therms: 12,844.0 See Margin Rate Adjustment

# Florida City Gas - Gas Volume Worksheet

08/07/2008 Gas Volume Worksheet for ALEXANDER ORR  
Billing Month: 7/1/2009

Acct.No.: 2110756239011  
Rate Schedule: GS-1250K

Usage (In MCF)			Usage (In DTH)	
Day	Total Measured	BTU Factor	Total Measured	
01	0.0	1.065	0	
02	0.0	1.065	0	
03	0.0	1.065	0	
04	0.0	1.065	0	
05	0.0	1.065	0	
06	0.0	1.065	0	
07	0.0	1.065	0	
08	0.0	1.065	0	
09	0.0	1.065	0	
10	0.0	1.065	0	
11	0.0	1.065	0	
12	0.0	1.065	0	
13	0.0	1.065	0	
14	0.0	1.065	0	
15	0.0	1.065	0	
16	0.0	1.065	0	
17	0.0	1.065	0	
18	0.0	1.065	0	
19	18.0	1.065	19.17	
20	110.0	1.065	117.15	
21	0.0	1.065	0	
22	85.0	1.065	90.525	
23	31.0	1.065	33.015	
24	154.0	1.065	164.01	
25	160.0	1.065	170.4	
26	119.0	1.065	126.735	
27	108.0	1.065	112.89	
28	112.0	1.065	119.28	
29	160.0	1.065	169.75	
30	141.0	1.065	150.165	
31	42.0	1.065	44.73	
1,228.0			1,307.82	

## MONTHLY BALANCING

Total Volume In CCF: 12,280.0  
Average BTU Factor: 1.065

Total Volume In Therms: 13,078.2



October 21, 2009

Ms. Donna Peeples  
Vice President & Chief Marketing Officer  
AGL Resources  
Ten Peachtree Place  
Atlanta, GA 30309

Re: August 2009 Invoices

<u>Account #</u>	<u>Invoice #</u>	<u>Amount</u>
211-0754412-011	200909-2480-AR531	\$27,433.22
211-0756225-011	200909-2481-AR531	\$ 3,728.13
211-0756239-011	200909-2482-AR531	\$ 4,395.81
211-0786676-001	200908-2406-AR531	\$ 1,016.15
211-0786676-001	200909-2484-AR531	\$ 1,313.98

Dear Ms. Peeples,

Please be informed that payment of the above-referenced invoices is made by the Miami-Dade Water and Sewer Department (the "Department") under protest. We request that these funds be placed into an escrow account pending resolution of the dispute concerning the appropriate rate to be charged the Department.

As you are aware, in June 2008, the Department and Florida City Gas ("FCG") entered into a Transportation Service Agreement ("TSA"). FCG submitted the TSA to the Florida Public Service Commission for approval in November 2008. However, prior to consideration by the Public Service Commission, the TSA was unilaterally withdrawn by FCG without discussion with the Department. Thus, the PSC was never given the opportunity to consider and approve the terms which the Department and FCG agreed upon.

Please be further advised that the Department is consulting with the County Attorney's Office regarding the Department's legal remedies including the filing of a complaint with the PSC.

Sincerely,

John W. Renfrow, P.E.  
Director

Cc: Jack Langer  
Hank Linginfelter

*Delivering Excellence Every Day*

# INVOICE for the Month of August 2009

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 25TH STREET  
HIALEAH, FL 33013

Page: 1  
Invoice No: 200909-2480-AR531  
Invoice Date: 09/09/2009  
Customer Number: 2110754412011 ✓  
Due Date: 09/29/2009  
Rate: GS-1250K  
Location: 362

MIAMI DADE WATER SEWER  
ACCOUNTS PAYABLE  
C/O MIAMI DADE & WATER DEPT  
P.O. BOX 330316  
MIAMI FL 33233

Service Address: (LP)  
700 W 2ND AVE  
HIALEAH

AMOUNT DUE: \$ 46,095.71

\$  
Amount Remitted

Please Return This Portion With Your Payment

**Please Remit To:**

**By Check:**  
Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta GA 31107-0720

**By Wire:**

Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 061000227  
Account # 2000032625891

**Billing Inquiries:**  
Telephone: 305/835-3648

Account Number: 2110754412011  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	UOM	@ Rate	Amount
<b>TRANSPORTATION SERVICE</b>						
1		Service Charge	0.00	EA	0.00000	500.00
2		Demand Rate	8,476.00	THM	0.28900	2,449.56
3		Margin Rate	222,751.70	THM	0.12225	27,231.40
4		ECOR Rate	222,751.70	THM	0.00000	0.00
5		CRA Rate	222,751.70	THM	0.01039	2,314.39
<b>ADJUSTMENTS</b>						
6		Service Charge - Adjustment	0.00	EA	0.00000	(354.84)
7		Demand Rate - Adjustment	0.00	THM	0.00000	(1,738.39)
8		Margin Rate - Adjustment	0.00	THM	0.00000	(2,668.37)
9		CRA Rate - Adjustment	0.00	THM	0.00000	(300.53)

**SUBTOTAL:**

27,433.22

OVERDUE INVOICE 200908-2480-AR531

18,662.49

**TOTAL AMOUNT DUE:**

46,095.71

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.  
MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"

**Miami-Dade Water & Sewer Dept.**  
**Water Production Division**

EU401-730102-722020-WS73022-16002  
9-29-09 CP

RECEIVED

2009 SEP 10 AM 8:44

MIAMI DADE  
WATER & SEWER DEPT.  
ACCOUNTS PAYABLE

INTERCONN = 222,753 THERMS  
WASD LINE PLANT = 209,470 CEF X 1.063 =  
222,667 THERMS

*[Signature]*

FOR THE WATER OFFICE

# Florida City Gas - Gas Volume Worksheet

09/08/2009 Gas Volume Worksheet for MIAMI DADE WATER  
 Billing Month: 8/1/2009

Acct.No.: 2110754412011  
 Rate Schedule: GS-1250K

Day	Usage (In MCF)	BTU Factor	Usage (In DTH)
	Total Measured		Total Measured
01	655.0	1.083	686.265
02	656.0	1.083	697.328
03	659.0	1.083	700.517
04	655.0	1.083	696.265
05	659.0	1.083	700.517
06	666.0	1.083	707.958
07	661.0	1.083	702.643
08	669.0	1.083	711.147
09	672.0	1.083	714.336
10	678.0	1.083	720.714
11	679.0	1.083	721.777
12	681.0	1.083	723.903
13	685.0	1.083	728.155
14	679.0	1.083	721.777
15	683.0	1.083	728.029
16	678.0	1.083	720.714
17	684.0	1.083	727.092
18	681.0	1.083	723.903
19	682.0	1.083	724.966
20	674.0	1.083	716.462
21	685.0	1.083	728.155
22	687.0	1.083	730.281
23	682.0	1.083	724.966
24	687.0	1.083	730.281
25	690.0	1.083	733.47
26	689.0	1.083	732.407
27	689.0	1.083	732.407
28	679.0	1.083	721.777
29	680.0	1.083	722.84
30	675.0	1.083	717.525
31	676.0	1.083	718.588
	20,655.0		22,275.17

## MONTHLY BALANCING

Total Volume In CCF: 209,650.0  
 Average BTU Factor: 1.083

Total Volume In Therms: 222,751.7 ✓

Revised Bill for the Month of August

ALEXANDER ORR JR WTR TRMT  
P.O BOX 330316 ATT. ACCTS. PA  
MIAMI FL 33233

INVOICE NO:	200909-2481-AR531
Billing Date:	09-Sep-09
Account Number:	211-0756225-011
Rate:	GS-1250K

Payment Terms - 20 days from bill date

SERVICE ADDRESS | ALEXANDER ORR JR WTR TRMT 6800 SW 87TH AVE MIAMI

Invoice for Transportation Service for the Period 01-Aug-09 TO 01-Sep-09

CONSUMPTION DAT. 01-Aug-09 to 01-Sep-09

Start Index	End Index	Change In Index	Pressure Factor	CCFs	BTU Factor	Therms
					1.063	0.0

Bill Calculation

	Therms	Rate	Amount
Service Charge			500.00
Demand Rate	11,170.0	0.28900	3228.13
Margin Rate		0.12225	
ECCR Rate		0.00000	0.00
CRA Rate		0.01039	0.00
Total Bill	0.0		\$3,728.13

Miami-Dade Water & Sewer Dept.  
Water Services Division

Account Information

EW101-730102-722020-WS13013-16001  
10-7-09 CP

\*\* Your current gas supplier is INTERCONN RSCD \*\*

Contacts

Billing/Metering-----Dina De Jesus-----305-835-3648  
Bank Issues-----Lee Smith-----404-584-4688

INTERCONN BILLING = 0 THERMS  
ORR LINE PLANT = NOT OPERATIONAL DURING AUGUST.

# Florida City Gas - Gas Volume Worksheet

09/08/2008 Gas Volume Worksheet for ALEXANDER ORR  
Billing Month: 8/1/2009

Acct.No.: 2110756225011  
Rate Schedule: GS-1250K

Usage (in MCF)		Usage (in DTH)	
Day	Total Measured	BTU Factor	Total Measured
01	600.0	1.063	637.8
02	630.0	1.063	669.69
03	640.0	1.063	680.32
04	650.0	1.063	690.95
05	650.0	1.063	690.95
06	640.0	1.063	680.32
07	640.0	1.063	680.32
08	600.0	1.063	637.8
09	630.0	1.063	669.69
10	640.0	1.063	680.32
11	650.0	1.063	690.95
12	650.0	1.063	690.95
13	640.0	1.063	680.32
14	640.0	1.063	680.32
15	600.0	1.063	637.8
16	630.0	1.063	669.69
17	640.0	1.063	680.32
18	650.0	1.063	690.95
19	650.0	1.063	690.95
20	640.0	1.063	680.32
21	640.0	1.063	680.32
22	600.0	1.063	637.8
23	630.0	1.063	669.69
24	640.0	1.063	680.32
25	650.0	1.063	690.95
26	650.0	1.063	690.95
27	640.0	1.063	680.32
28	640.0	1.063	680.32
29	600.0	1.063	637.8
30	630.0	1.063	669.69
31	640.0	1.063	680.32
18,670.0		20,909.21	

## MONTHLY BALANCING

Total Volume In CCF: 186,700.0  
Average BTU Factor: 1.063

Total Volume In Therms: 209,092.1

?

READINGS WERE ESTIMATED.  
ACTUAL USAGE FOR AUGUST  
WAS 0.  
LINE PLANT NOT OPERATIONAL!



# INVOICE for the Month of August 2009

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 25TH STREET  
HIALEAH, FL 33013

Page: 1  
Invoice No: 200909-2482-AR531  
Invoice Date: 09/09/2009  
Customer Number: 2110756239011 ✓  
Due Date: 09/29/2009  
Rate: GS-1250K  
Location: 362

ALEXANDER ORR WTR PLANT  
Accounts Payable  
P.O. BOX 330316  
MIAMI FL 33233

Service Address:  
6800 SW 87TH AVE (CEN.)  
MIAMI

AMOUNT DUE: \$ 7,986.65

\$  
Amount Remitted:

Please Return This Portion With Your Payment

Please Remit To:

By Check:  
Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta GA 31107-0720

By Wire:

Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 061000227  
Account # 2000032625891

Billing Inquiries:  
Telephone: 305/835-3648

Account Number: 2110756239011  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	UOM	@ Rate	Amount
<b>TRANSPORTATION SERVICE</b>						
1		Service Charge	0.00	EA	0.00000	500.00
2		Demand Rate	3,076.00	THM	0.28900	888.96
3		Margin Rate	32,198.30	THM	0.12225	3,936.24
4		KCCR Rate	32,198.30	THM	0.00000	0.00
5		CRA Rate	32,198.30	THM	0.01039	334.56
<b>ADJUSTMENTS</b>						
6		Service Charge - Adjustment	0.00	EA	0.00000	(354.84)
7		Demand Rate - Adjustment	0.00	THM	0.00000	(630.88)
8		Margin Rate - Adjustment	0.00	THM	0.00000	(254.64)
9		CRA Rate - Adjustment	0.00	THM	0.00000	(23.57)
<b>SUBTOTAL:</b>						<b>4,395.01</b>
OVERDUE INVOICE 200908-2404-AR531						3,232.09
OVERDUE INVOICE 200702-0074-AR531						338.75

TOTAL AMOUNT DUE:

~~Miami Dade Water & Sewer Dept.~~

~~Water Production Division~~

7,986.65

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.

MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"

EW101-730106-722020-10513011-16000  
9-29-09 CP

RECEIVED

2009 SEP 10 AM 8:44

MAH DADE  
WATER & SEWER DEPT.  
ACCOUNTS PAYABLE

INTERCONN = 32,195 THERMS  
WASD GAS READINGS = 29,840 CCF X 1.063 = 31,720 THERMS

# Florida City Gas - Gas Volume Worksheet

09/08/2009 Gas Volume Worksheet for ALEXANDER ORR  
Billing Month: 8/1/2009

Acct.No.: 2110756239011  
Rate Schedule: GS-1250K

Day	Usage (In MCF)	BTU Factor	Usage (In DTH)
	Total Measured		Total Measured
01	98.0	1.063	102.048
02	30.0	1.063	31.89
03	18.0	1.063	19.134
04	119.0	1.063	126.497
05	112.0	1.063	119.068
06	162.0	1.063	172.208
07	89.0	1.063	94.607
08	26.0	1.063	27.638
09	63.0	1.063	66.339
10	97.0	1.063	103.111
11	42.0	1.063	44.646
12	69.0	1.063	73.347
13	63.0	1.063	66.339
14	181.0	1.063	192.403
15	139.0	1.063	147.767
16	63.0	1.063	66.339
17	162.0	1.063	172.208
18	120.0	1.063	127.56
19	115.0	1.063	122.245
20	78.0	1.063	82.914
21	171.0	1.063	181.773
22	69.0	1.063	73.347
23	161.0	1.063	169.513
24	134.0	1.063	142.442
25	114.0	1.063	121.182
26	43.0	1.063	45.708
27	151.0	1.063	160.513
28	114.0	1.063	121.182
29	83.0	1.063	88.229
30	95.0	1.063	100.985
31	90.0	1.063	95.67
	3,029.0		3,219.83

## MONTHLY BALANCING

Total Volume In CCF: 30,290.0  
Average BTU Factor: 1.063

Total Volume In Therms: 32,198.3

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 25TH STREET  
HIALEAH, FL 33013

INVOICE for the Month of August 2009

Page: 1  
Invoice No: 200908-2484-AR531  
Invoice Date: 08/09/2009  
Customer Number: 2110786876001  
Due Date: 08/29/2009  
Rate: GS-1250K  
Location: 362

WASA/BLACK POINT  
C/O MIAMI DADE WATER & SEWER DEPART  
ATTN. ACCOUNTS PAYABLE  
P.O. BOX 330318  
MIAMI FL 33233

Service Address:  
8950 SW 232ND ST  
MIAMI

AMOUNT DUE: \$ 1,313.98

\$ Amount Remitted

Please Return This Portion With Your Payment

Please Remit To:

By Check:  
Florida City Gas  
Location 1180  
P.O. Box 5720  
Atlanta GA 31107-0720

By Wire:  
Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 061000227  
Account # 2000032825881

Billing Inquiries:  
Telephone: 305/835-3848

Account Number: 2110786876001  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	UOM	@ Rate	Amount
TRANSPORTATION SERVICE						
1		Service Charge	0.00	EA	0.00000	100.00
2		Demand Rate	1,705.00	TWH	0.10000	516.15
3		Margin Rate	21.30	TWH	0.12000	2.60
4		NOCC Rate	21.30	TWH	0.00000	0.00
5		ORA Rate	21.30	TWH	0.01000	0.21
ADJUSTMENTS						
6		Service Charge - Adjustment	0.00	EA	0.00000	(354.84)
7		Demand Rate - Adjustment	0.00	TWH	0.00000	(165.30)
SUBTOTAL:						377.03
OVERDUE INVOICE 200908-2406-AR531						1,016.15
TOTAL AMOUNT DUE:						1,313.98

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.  
MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"  
Pressure Factor 10

RECEIVED

2009 SEP 10 AM 8:44

MIAMI DADE  
WATER & SEWER DEPT.  
ACCOUNTS PAYABLE

ADMINISTRATION

# INVOICE for the Month of July 2009

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 26TH STREET  
HALEAH, FL 33013

Page: 1  
Invoice No: 200908-2408-AR531  
Invoice Date: 08/10/2009  
Customer Number: 2110766676001  
Due Date: 08/30/2009  
Rate: GS-1250K  
Location: 362

WASA/BLACK POINT  
C/O MIAMI DADE WATER & SEWER DEPT  
ATTN. ACCOUNTS PAYABLE  
P.O. BOX 330316  
MIAMI FL 33233

Service Address:  
6950 SW 232ND ST  
MIAMI

AMOUNT DUE: \$ 1,016.15

Amount Remitted

Please Return This Portion With Your Payment

Please Remit To:

By Check:  
Florida City Gas  
Location 1190  
P.O. Box 6720  
Atlanta GA 31107-0720

By Wire:  
Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 081000227  
Account # 2000032620001

Billing Inquiries:  
Telephone: 305/835-3648

Account Number: 2110766676001  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	Unit	@ Rate	Amount
TRANSPORTATION SERVICE						
1		Service Charge	0.00	EA	0.00000	\$00.00
2		Demand Rate	1.765.00	TWH	0.26300	\$463.15
3		Margin Rate	0.00	TWH	0.12230	\$0.00
4		SCCH Rate	0.00	TWH	0.00000	\$0.00
5		CBA Rate	0.00	TWH	0.01030	\$0.00

SUBTOTAL:

TOTAL AMOUNT DUE:

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.  
MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"  
Pressure Factor 10

RECEIVED

SEP 18 AM 4:25

WATER & SEWER DEPT.  
ACCOUNTS PAYABLE

MIAMI DADE

OK to pay -  
Credit issued on Sept  
invoice for adjustments  
for Service Charge +  
Demand Charge  
John Long



October 23, 2009

Ms. Donna Peeples  
Vice President & Chief Marketing Officer  
AGL Resources  
Ten Peachtree Place  
Atlanta, GA 30309

Re: September 2009 Invoices

<u>Account #</u>	<u>Invoice #</u>	<u>Amount</u>
211-0754412-011	200910-2558-AR531	\$30,635.43
211-0756225-011	200910-2559-AR531	\$ 3,728.13
211-0756239-011	200910-4560-AR531	\$ 3,125.35
211-0786676-001	200910-2562-AR531	\$ 1,016.15

Dear Ms. Peeples,

Please be informed that payment of the above-referenced invoices is made by the Miami-Dade Water and Sewer Department (the "Department") under protest. We request that these funds be placed into an escrow account pending resolution of the dispute concerning the appropriate rate to be charged the Department.

As you are aware, in June 2008, the Department and Florida City Gas ("FCG") entered into a Transportation Service Agreement ("TSA"). FCG submitted the TSA to the Florida Public Service Commission for approval in November 2008. However, prior to consideration by the Public Service Commission, the TSA was unilaterally withdrawn by FCG without discussion with the Department. Thus, the PSC was never given the opportunity to consider and approve the terms which the Department and FCG agreed upon.

Please be further advised that the Department is consulting with the County Attorney's Office regarding the Department's legal remedies including the filing of a complaint with the PSC.

Sincerely,



John W. Renfrow, P.E.  
Director

c: Jack Langer

Hank Linginfelter

*Delivering Excellence Every Day*

ADA Coordination  
Agenda Coordination  
Animal Services  
Art in Public Places  
Audit and Management Services  
Aviation  
Building  
Building Code Compliance  
Business Development  
Capital Improvements Construction Coordination  
Citizens' Independent Transportation Trust  
Commission on Ethics and Public Trust  
Communications  
Community Action Agency  
Community & Economic Development  
Community Relations  
Consumer Services  
Corrections & Rehabilitation  
Cultural Affairs  
Elections  
Emergency Management  
Employee Relations  
Empowerment Trust  
Enterprise Technology Services  
Environmental Resources Management  
Fair Employment Practices  
Finance  
Fire Rescue  
General Services Administration  
Historic Preservation  
Homeless Trust  
Housing Agency  
Housing Finance Authority  
Human Services  
Independent Review Panel  
International Trade Consortium  
Juvenile Assessment Center  
Medical Examiner  
Metro-Miami Action Plan  
Metropolitan Planning Organization  
Park and Recreation  
Planning and Zoning  
Police  
Procurement Management  
Property Appraiser  
Public Library System  
Public Works  
Safe Neighborhood Parks  
Seaport  
Solid Waste Management  
Strategic Business Management  
Team Metro  
Transit  
Task Force on Urban Economic Revitalization  
Vizcaya Museum And Gardens  
Water & Sewer

Miami-Dade County Water & Sewer  
3071 S.W. 38th Avenue  
Miami, FL 33146  
October 24th, 2009

Ms. Donna Peebles  
Vice President & Chief Marketing Officer  
AGL Resources  
Ten Peachtree Place  
Atlanta, GA 30309

Re: September 2009 Invoices

<u>Account #</u>	<u>Invoice #</u>	<u>Amount</u>
211-0754412-011	200910-2558-AR531	\$30,635.43
211-0756225-011	200910-2559-AR531	\$ 3,728.13
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211-0786676-001	200910-2562-AR531	\$ 1,016.15

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Please be further advised that the Department is consulting with the County Attorney's Office regarding the Department's legal remedies including the filing of a complaint with the PSC.

Sincerely,

John W. Renfrow, P.E.  
Director

Cc: Jack Langer  
Hank Linginfelter

# INVOICE for the Month of September 2009

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 25TH STREET  
HIALEAH, FL 33013

Page: 1  
Invoice No: 200910-2558-AR531  
Invoice Date: 10/08/2009  
Customer Number: 2110754412011 ✓  
Due Date: 10/28/2009  
Rate: GS-1250K  
Location: 362

MIAMI DADE WATER SEWER  
ACCOUNTS PAYABLE  
C/O MIAMI DADE & WATER DEPT  
P.O. BOX 330316  
MIAMI FL 33233

Service Address: (LP)  
700 W 2ND AVE  
HIALEAH

AMOUNT DUE: \$ 63,130.78

Please Return This Portion With Your Payment

\$ Amount Remitted

**Please Remit To:**

**By Check:**  
Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta GA 31107-0720

**By Wire:**

Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 061000227  
Account # 2000032625891

**Billing Inquiries:**  
Telephone: 305/835-3648

Account Number: 2110754412011  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	UOM	@ Rate	Amount
<b>TRANSPORTATION SERVICE</b>						
1		Service Charge	0.00	EA	0.00000	500.00 ✓
2		Demand Rate	8,476.00	THM	0.28900	2,449.56 ✓
3		Margin Rate	208,729.40	THM	0.12225	25,517.17 ✓
4		ECCR Rate	208,729.40	THM	0.00000	0.00 ✓
5		CRA Rate	208,729.40	THM	0.01039	2,168.70 ✓
<b>SUBTOTAL:</b>						<b>30,635.43</b> ✓
OVERDUE INVOICE 200909-2480-AR531						27,433.22
OVERDUE INVOICE 200908-2402-AR531						5,062.13
<b>TOTAL AMOUNT DUE :</b>						<b>63,130.78</b>

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.  
MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"  
Pressure Factor 10

MIAMI DADE

WATER & SEWER DEPT  
ACCOUNTS PAYABLE

2009 OCT 20 PM 3:53

RECEIVED

Miami Dade Water & Sewer Dept,  
Water Production Division

EW101-730102-722020-WS73022-16002

10-19-09

RECEIVED

2009 OCT 14 AM 11:47

MIAMI DADE  
WATER & SEWER DEPT  
ACCOUNTS PAYABLE

INTERCONN = 208,734 THERMS

WASD Lime Plant = 146,610 CCFX 1.065 = 209,390

THERMS

TOM SEGARS - CHIEF

# INVOICE for the Month of September 2009

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 25TH STREET  
HIALEAH, FL 33013

Page: 1  
Invoice No: 200910-2559-AR531  
Invoice Date: 10/08/2009  
Customer Number: 2110756225011 ✓  
Due Date: 10/28/2009  
Rate: GS-1250K  
Location: 362

ALEXANDER ORR JR WTR TRMT  
P.O BOX 330316 ATT. ACCTS. PA  
MIAMI FL 33233

Service Address:  
6800 SW 87TH AVE (2P)  
MIAMI

AMOUNT DUE: \$ 7,456.26

Please Return This Portion With Your Payment

\$  
Amount Remitted

**Please Remit To:**

**By Check:**  
Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta GA 31107-0720

**By Wire:**  
Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 081000227  
Account # 2000032625891

Billing Inquiries:  
Telephone: 305/835-3648

Account Number: 2110756225011  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	UOM	@ Rate	Amount
<b>TRANSPORTATION SERVICE</b>						
1		Service Charge	0.00	EA	0.00000	500.00
2		Demand Rate	11,170.00	THM	0.28900	3,228.13
3		Margin Rate	0.00	THM	0.12225	0.00
4		ECCR Rate	0.00	THM	0.00000	0.00
5		CRA Rate	0.00	THM	0.01039	0.00
<b>ADJUSTMENTS</b>						
6		Margin Rate - Adjustment	(209,092.10)	THM	0.00000	(25,561.51)
7		CRA Rate - Adjustment	(209,092.10)	THM	0.00000	(2,172.47)
<b>SUBTOTAL:</b>						(24,005.85)
OVERDUE INVOICE 200909-2481-AR531						28,816.34
OVERDUE INVOICE 200908-2403-AR531						2,645.77

**TOTAL AMOUNT DUE:**

**\$ 3,728.13**

7,456.26

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.

MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"

Pressure Factor 10

Miami-Dade Water & Sewer Dept.  
Water Production Division

EW101-730102-722020-WS1303-16221  
10-19-09 CP

RECEIVED,

2009 OCT 14 AM 11:46

Ⓢ LINE PLANT NOT OPERATIONAL  
DURING THE MONTH OF SEPT.  
INTERCONN BILLING = 0 THERMS

CONTRACTS CHIEF



10/07/2009 Gas Volume Worksheet for ALEXANDER ORR  
Billing Month: 9/1/2009

Acct.No.: 2110756225011  
Rate Schedule: GS-1250K

Usage (in MCF)		Usage (in DTH)	
Day	Total Measured	BTU Factor	Total Measured
01	0.0	1.065	0
02	0.0	1.065	0
03	0.0	1.065	0
04	0.0	1.065	0
05	0.0	1.065	0
06	0.0	1.065	0
07	0.0	1.065	0
08	0.0	1.065	0
09	0.0	1.065	0
10	0.0	1.065	0
11	0.0	1.065	0
12	0.0	1.065	0
13	0.0	1.065	0
14	0.0	1.065	0
15	0.0	1.065	0
16	0.0	1.065	0
17	0.0	1.065	0
18	0.0	1.065	0
19	0.0	1.065	0
20	0.0	1.065	0
21	0.0	1.065	0
22	0.0	1.065	0
23	0.0	1.065	0
24	0.0	1.065	0
25	0.0	1.065	0
26	0.0	1.065	0
27	0.0	1.065	0
28	0.0	1.065	0
29	0.0	1.065	0
30	0.0	1.065	0
0.0			0.00

**MONTHLY BALANCING**

Total Volume in CCF: 0.0  
Average BTU Factor: 1.065

Total Volume in Therms:

0.0

RECEIVED  
2009 OCT 14 AM 11:47  
MIAMI DADE  
WATER & SEWER DEPT.  
ACCOUNTS PAYABLE

10/07/2009 Gas Volume Worksheet for MIAMI DADE WATER  
 Billing Month: 9/1/2009

Acct.No.: 2110754412011  
 Rate Schedule: GS-1250K

Usage (in MCF)		Usage (in DTH)	
Day	Total Measured	BTU Factor	Total Measured
01	666.0	1.065	709.29
02	676.0	1.065	719.94
03	670.0	1.065	713.55
04	661.0	1.065	703.965
05	660.0	1.065	702.9
06	655.0	1.065	697.575
07	658.0	1.065	700.77
08	656.0	1.065	697.575
09	652.0	1.065	694.38
10	657.0	1.065	699.705
11	657.0	1.065	699.705
12	663.0	1.065	706.095
13	670.0	1.065	713.55
14	677.0	1.065	721.005
15	675.0	1.065	718.875
16	665.0	1.065	708.225
17	674.0	1.065	717.81
18	678.0	1.065	722.07
19	670.0	1.065	713.55
20	667.0	1.065	710.355
21	667.0	1.065	710.355
22	658.0	1.065	700.77
23	652.0	1.065	694.38
24	654.0	1.065	696.51
25	666.0	1.065	709.29
26	655.0	1.065	697.575
27	649.0	1.065	691.185
28	635.0	1.065	676.275
29	531.0	1.065	565.515
30	526.0	1.065	560.19
19,599.0			20,872.94

#### MONTHLY BALANCING

Total Volume in CCF: 195,990.0  
 Average BTU Factor: 1.065

Total Volume in Therms: 208,729.4 ✓

RECEIVED

2009 OCT 14 AM 11:47

MIAMI DADE  
 WATER & SEWER DEPT.  
 ACCOUNTS PAYABLE

# INVOICE for the Month of September 2009

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 25TH STREET  
HIALEAH, FL 33013

Page: 1  
Invoice No: 200910-2560-AR531  
Invoice Date: 10/08/2009  
Customer Number: 2110756239011 ✓  
Due Date: 10/28/2009  
Rate: GS-1250K  
Location: 362

ALEXANDER ORR WTR PLANT  
Accounts Payable  
P.O. BOX 330316  
MIAMI FL 33233

Service Address:  
6800 SW 87TH AVE (GEN)  
MIAMI

AMOUNT DUE: \$ 9,123.84

\$  
Amount Remitted

Please Return This Portion With Your Payment

Please Remit To:

By Check:  
Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta GA 31107-0720

By Wire:  
Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 061000227  
Account # 2000032625891

Billing Inquiries:  
Telephone: 305/835-3648

Account Number: 2110756239011  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	UOM	@ Rate	Amount
<b>TRANSPORTATION SERVICE</b>						
1		Service Charge	0.00	EA	0.00000	500.00 ✓
2		Demand Rate	3,076.00	THM	0.28900	888.96 ✓
3		Margin Rate	13,091.00	THM ✓	0.12225	1,600.37 ✓
4		ECCR Rate	13,091.00	THM	0.00000	0.00
5		CRA Rate	13,091.00	THM ✓	0.01039	136.02 ✓
<b>SUBTOTAL:</b>						<b>3,125.35</b> ✓
OVERDUE INVOICE 200909-2482-AR531						4,395.81
OVERDUE INVOICE 200908-2404-AR531						1,263.93
OVERDUE INVOICE 200702-0074-AR531						338.75

**TOTAL AMOUNT DUE:**

**9,123.84**

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.

MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"

Pressure Factor: 1.065

**Miami-Dade Water & Sewer Dept  
Water Production Division**

EW101-730106-722020-WS13011-16001  
10-19-09 CP

MIAMI DADE  
WATER & SEWER  
ACCOUNTS PAYABLE

2009 OCT 20 PM 3:33

RECEIVED

RECEIVED

2009 OCT 14 AM 11:47

MIAMI DADE  
WATER & SEWER DEPT.  
ACCOUNTS PAYABLE

INTERCONN = 13,091 THERMS

WASD GAS READINGS = 290600CF x 1.065 = 24,559 THERMS  
(METER REPLACED)

FOR LEADS CHIEF

10/07/2009 Gas Volume Worksheet for ALEXANDER ORR  
Billing Month: 9/1/2009

Acct.No.: 2110756239011  
Rate Schedule: GS-1250K

Usage (in MCF)		Usage (in DTH)	
Day	Total Measured	BTU Factor	Total Measured
01	91.0	1.065	96.915
02	83.0	1.065	88.395
03	18.0	1.065	19.17
04	0.0	1.065	0
05	0.0	1.065	0
06	0.0	1.065	0
07	0.0	1.065	0
08	0.0	1.065	0
09	0.0	1.065	0
10	0.0	1.065	0
11	0.0	1.065	0
12	0.0	1.065	0
13	0.0	1.065	0
14	0.0	1.065	0
15	0.0	1.065	0
16	71.0	1.065	75.615
17	55.0	1.065	58.575
18	53.0	1.065	56.445
19	35.0	1.065	37.275
20	83.0	1.065	88.395
21	55.0	1.065	58.575
22	74.0	1.065	78.81
23	67.0	1.065	71.355
24	109.0	1.065	116.085
25	83.0	1.065	88.395
26	80.0	1.065	85.2
27	78.0	1.065	80.94
28	55.1	1.065	58.682
29	74.4	1.065	79.238
30	66.7	1.065	71.036
1,229.2		1,309.10	

**MONTHLY BALANCING**

Total Volume in CCF: 12,292.0  
Average BTU Factor: 1.065

Total Volume in Therms: 13,091.0

RECEIVED

2009 OCT 14 AM 11:47  
MIAMI DADE  
WATER & SEWER DEPT.  
ACCOUNTS PAYABLE

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 26TH STREET  
HIALEAH, FL 33013

INVOICE for the Month of September 2009

Page: 1  
Invoice No: 200910-2562-AR531  
Invoice Date: 10/08/2009  
Customer Number: 2110786676001  
Due Date: 10/28/2009  
Rate: GS-1250K  
Location: 382

WASA/BLACK POINT  
C/O MIAMI DADE WATER & SEWER DEPART  
ATTN. ACCOUNTS PAYABLE  
P.O. BOX 330316  
MIAMI FL 33233

Service Address:  
8950 SW 232ND ST  
MIAMI

AMOUNT DUE: \$ 2,330.13

Please Return This Portion With Your Payment

\$  
Amount Remitted

Please Remit To:

By Check:  
Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta GA 31107-0720

By Wire:  
Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 061000227  
Account # 2000032626891

Billing Inquiries:  
Telephone: 305/836-3848

Account Number: 2110786676001  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	UOM	Rate	Amount
<b>TRANSPORTATION SERVICE</b>						
1		Service Charge	0.00	EA	0.00000	360.00
2		Demand Rate	1,786.00	YHM	0.00000	516.18
3		Margin Rate	0.00	YHM	0.12328	0.00
4		SCC2 Rate	0.00	YHM	0.00000	0.00
5		CRA Rate	0.00	YHM	0.01039	0.00
<b>SUBTOTAL:</b>						1,016.18
OVERDUE INVOICE 200909-2484-AR531						197.83
OVERDUE INVOICE 200908-2402-AR531						1,016.18

**TOTAL AMOUNT DUE:** 2,330.13

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.  
MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"  
Pressure Factor 10

EW501-850001-722020

WS85031-17003

Steve Kronheim

RECEIVED

MIAMI DADE  
WATER & SEWER DEPT.  
ACCOUNTS PAYABLE  
2009 OCT 14 AM 11:46

10/07/200: Gas Volume Worksheet for WASA BLACK POINT  
Billing Month: 9/1/2009

Acct.No.: 2110786676001  
Rate Schedule: GS-1250K

Usage (In MCF)		Usage (In DTH)	
Day	Total Measured	BTU Factor	Total Measured
01	0.0	1.065	0
02	0.0	1.065	0
03	0.0	1.065	0
04	0.0	1.065	0
05	0.0	1.065	0
06	0.0	1.065	0
07	0.0	1.065	0
08	0.0	1.065	0
09	0.0	1.065	0
10	0.0	1.065	0
11	0.0	1.065	0
12	0.0	1.065	0
13	0.0	1.065	0
14	0.0	1.065	0
15	0.0	1.065	0
16	0.0	1.065	0
17	0.0	1.065	0
18	0.0	1.065	0
19	0.0	1.065	0
20	0.0	1.065	0
21	0.0	1.065	0
22	0.0	1.065	0
23	0.0	1.065	0
24	0.0	1.065	0
25	0.0	1.065	0
26	0.0	1.065	0
27	0.0	1.065	0
28	0.0	1.065	0
29	0.0	1.065	0
30	0.0	1.065	0
0.0			0.00

**MONTHLY BALANCING**

Total Volume in CCF: 0.0      Total Volume in Therms: 0.0  
Average BTU Factor: 1.065

RECEIVED  
2009 OCT 14 AM 11:46  
MIAMI DADE  
WATER & SEWER DEPT.  
ACCOUNTS PAYABLE



Carlos Alvarez, Mayor

Water & Sewer  
P.O. Box 330316 • 3071 SW 38th Avenue  
Miami, Florida 33233-0316  
T 305-665-7477 F 786-552-8763

miamidade.gov

November 18, 2009

Mr. Henry P. Linginfelter  
President  
AGL Resources  
Ten Peachtree Place  
Atlanta, GA 30309

Re: October 2009 Invoices

<u>Account #</u>	<u>Invoice #</u>	<u>Amount</u>
211-0754412-011	200911-2636-AR531	\$ 6,202.82
211-0756225-011	200910-2559-AR531	\$ 2,221.81
211-0756239-011	200910-4560-AR531	\$ 250.14
211-0786676-001	200910-2562-AR531	\$ 00.00

Dear Mr. Linginfelter,

As you should be aware, Miami-Dade County through the Miami-Dade Water and Sewer Department ("Department") intends to file with the Florida Public Service Commission ("FPSC") a Petition for Approval of Special Gas Transportation Service Agreement ("Agreement") that was executed by you on behalf of Pivotal Utility Holdings, Inc. d/b/a Florida City Gas ("FCG") and approved by the Board of County Commissioners and executed by the Mayor of Miami-Dade County. Although the County believes that the Agreement is exempt from FPSC jurisdiction, the County will request FPSC approval as a special contract in accordance with FPSC rules and the terms of the Agreement unless FCG agrees to resubmit the original petition.

Several weeks ago, the County submitted a draft of the petition to counsel for FCG and proposed that FCG join the County in filing the petition with the FPSC. However, to date the County has not received any response.

While you consider our proposal, the County will pay Florida City Gas the charges that the parties agreed to in the executed Agreement and deposit the difference between such charges and the charges recently levied by FCG into an escrow account pending FPSC issuance of an order addressing the Petition.

Please note that FCG is prohibited from terminating transportation service to the County under section 10 subsection (6)(d) of Florida City Gas Tariff (sheet 15) which states that

FCG is not authorized to terminate service to a customer for "failure to pay for a different class of service."

Please advise by November 30th, 2009 whether FCG will resubmit the original petition to the FPSC or will join the County in filing its petition. In either event, we hope to amicably continue our longstanding business relationship.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Renfrow", with a long horizontal flourish extending to the right.

John W. Renfrow, P.E.  
Director

c: Joseph A. Ruiz, Jr.  
Jack Langer  
Matthew Feil, Esq.

Attachments



# INVOICE for the Month of October 2009

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 25TH STREET  
HIALEAH, FL 33013

Page: 1  
Invoice No: 200911-2638-AR53I  
Invoice Date: 11/09/2009  
Customer Number: 2110754412011  
Due Date: 11/29/2009  
Rate: GS-1250K  
Location: 362

MIAMI DADE WATER SEWER  
ACCOUNTS PAYABLE  
C/O MIAMI DADE & WATER DEPT  
P.O. BOX 330316  
MIAMI FL 33233

Service Address:  
700 W 2ND AVE (LA)  
HIALEAH

AMOUNT DUE: \$ 35,436.44

\$  
Amount Remitted

Please Return This Portion With Your Payment

Please Remit To:

By Check:

Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta GA 31107-0720

By Wire:

Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 061000227  
Account # 2000032025891

Billing Inquiries:  
Telephone: 305/835-3648

Account Number: 2110754412011  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	UOM	@ Rate	Amount
<b>TRANSPORTATION SERVICE</b>						
1		Service Charge	0.00	EA	0.00000	\$00.00
2		Demand Rate	9,476.00	THM	0.28900	2,749.56
3		Margin Rate	206,760.80	THM	0.12000	24,811.30
4		WCCR Rate	206,760.80	THM	0.00000	0.00
5		CRA Rate	206,760.80	THM	0.01039	2,148.24

SUBTOTAL:

OVERDUE INVOICE 200908-2402-AR53I

30,278.34

6,062.13

\$ 6,202.82

TOTAL AMOUNT DUE:

35,436.44

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.  
MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"  
Pressure Factor 10

Miami Dade Water & Sewer Dept.  
Water Production Division

EW101-730102-722020-WS73022-16002  
11-12-09 CP

INTERCONN = 206,760 THERMS  
WASOLINE PLANT = 205,943 THERMS

*[Signature]*

# Florida City Gas - Gas Volume Worksheet

11/08/2009 Gas Volume Worksheet for MIAMI DADE WATER  
Billing Month: 10/1/2009

Acct.No.: 2110754412011  
Rate Schedule: GS-1250K

Usage (In MCF)		Usage (In DTH)	
Day	Total Measured	BTU Factor	Total Measured
01	577.0	1.062	612.774
02	579.0	1.062	614.898
03	621.0	1.062	659.502
04	634.0	1.062	673.308
05	665.0	1.062	706.23
06	681.0	1.062	723.222
07	603.0	1.062	634.186
08	634.0	1.062	673.308
09	625.0	1.062	663.75
10	634.0	1.062	673.308
11	623.0	1.062	661.626
12	633.0	1.062	672.246
13	632.0	1.062	671.184
14	635.0	1.062	674.37
15	649.0	1.062	689.238
16	547.0	1.062	580.914
17	537.0	1.062	570.294
18	558.0	1.062	592.598
19	650.0	1.062	690.3
20	654.0	1.062	694.548
21	653.0	1.062	693.486
22	650.0	1.062	690.3
23	651.0	1.062	691.362
24	645.0	1.062	684.99
25	651.0	1.062	691.362
26	650.0	1.062	690.3
27	653.0	1.062	693.486
28	654.0	1.062	694.548
29	657.0	1.062	697.734
30	656.0	1.062	698.072
31	676.0	1.062	720.036
	19,489.0		20,676.08

## MONTHLY BALANCING

Total Volume in CCF: 194,890.0  
Average BTU Factor: 1.062

Total Volume in Therms: 208,760.8

# INVOICE for the Month of October 2009

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 25TH STREET  
HIALEAH, FL 33013

Page: 1  
Invoice No: 200911-2837-AR531  
Invoice Date: 11/09/2009  
Customer Number: 2110756225011  
Due Date: 11/29/2009  
Rate: GS-1250K  
Location: 362

ALEXANDER ORR JR WTR TRMT  
P.O BOX 330318 ATT. ACCTS. PA  
MIAMI FL 33233

Service Address:  
8800 SW 87TH AVE (LP)  
MIAMI

AMOUNT DUE: \$ 33,198.22

\$  
Amount Remitted

Please Return This Portion With Your Payment

Please Remit To:

By Check:  
Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta GA 31107-0720

By Wire:  
Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 081000227  
Account # 2000032625891

Billing Inquiries:  
Telephone: 305/835-3648

Account Number: 2110756225011  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	UOM	@ Rate	Amount
TRANSPORTATION SERVICE						
1		Service Charge	0.00	EA	0.00000	500.00
2		Demand Rate	11,170.00	THM	0.28900	3228.19
3		Margin Rate	222,181.00	THM	0.12225	27,161.63
4		KCCR Rate	222,181.00	THM	0.00000	0.00
5		CRA Rate	222,181.00	THM	0.01039	2308.45

SUBTOTAL:

\$ 33,198.22  
\$ 2,221.81  
33,198.22

TOTAL AMOUNT DUE:

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.  
MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"  
Pressure Factor 10

Miami-Dade Water & Sewer Dept.  
Water Production Division

EWRI-730102-722020-WS73013-16001

11-12-09

INTERCONN = 222,180 THERMS  
WASD LINE PLANT = 217,243 THERMS

# Florida City Gas - Gas Volume Worksheet

11/08/2009 Gas Volume Worksheet for ALEXANDER ORR  
Billing Month: 10/1/2009

Acct.No.: 2110756225011  
Rate Schedule: GS-1250K

Usage (in MCF)		BTU Factor	Usage (in DTH)	
Day	Total Measured		Total Measured	
01	0.0	1.082	0	
02	0.0	1.082	0	
03	0.0	1.082	0	
04	0.0	1.082	0	
05	184.0	1.082	195.408	
06	881.0	1.082	914.382	
07	775.0	1.082	823.05	
08	172.0	1.082	182.664	
09	588.0	1.082	603.216	
10	808.0	1.082	858.088	
11	805.0	1.082	854.91	
12	813.0	1.082	863.408	
13	845.0	1.082	897.39	
14	849.0	1.082	901.838	
15	869.0	1.082	922.878	
16	857.0	1.082	910.134	
17	867.0	1.082	920.764	
18	876.0	1.082	930.312	
19	888.0	1.082	940.932	
20	887.0	1.082	941.994	
21	890.0	1.082	946.18	
22	881.0	1.082	935.622	
23	857.0	1.082	910.134	
24	892.0	1.082	947.304	
25	833.0	1.082	884.848	
26	889.0	1.082	922.878	
27	772.0	1.082	819.864	
28	833.0	1.082	872.248	
29	880.0	1.082	700.92	
30	841.0	1.082	893.142	
31	871.0	1.082	925.002	
20,921.0			22,218.10	

## MONTHLY BALANCING

Total Volume in CCF: 209,210.0  
Average BTU Factor: 1.082

Total Volume in Therms: 222,181.0

# INVOICE for the Month of October 2009

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 25TH STREET  
HIALEAH, FL 33013

Page: 1  
Invoice No: 200911-2638-AR531  
Invoice Date: 11/09/2009  
Customer Number: 2110756239011  
Due Date: 11/29/2009  
Rate: GS-1250K  
Location: 362

ALEXANDER ORR WTR PLANT  
Accounts Payable  
P.O. BOX 330316  
MIAMI FL 33233

Service Address:  
6800 SW 87TH AVE (Gen.)  
MIAMI

AMOUNT DUE: \$ 6,309.54

\$  
Amount Remitted

Please Return This Portion With Your Payment

## Please Remit To:

By Check:  
Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta GA 31107-0720

## By Wire:

Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 081000227  
Account # 2000032625891

Billing Inquiries:  
Telephone: 305/835-3648

Account Number: 2110756239011  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	UOM	@ Rate	Amount
<b>TRANSPORTATION SERVICE</b>						
1		Service Charge	0.00	EA	0.00000	544.00
2		Demand Rate	3,076.00	THM	0.28900	888.96
3		Margin Rate	25,014.30	THM	0.10000	2,501.43
4		WCCR Rate	25,014.30	THM	0.00000	0.00
5		CRA Rate	25,014.30	THM	0.01039	259.90

## SUBTOTAL:

OVERDUE INVOICE 200909-2404-AR531  
OVERDUE INVOICE 200702-0074-AR531

5,704.86

1,262.33

\$ 2,501.77

## TOTAL AMOUNT DUE:

6,309.54

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.  
MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"  
Pressure Factor 10

Miami-Dade Water & Sewer Dept.  
Water Production Division

EW101-730106-722020-WS13011-16001

11-12-09 CP

INTERCONN = 25,016 THERMS  
WASD GAS READINGS = 21,240 THERMS

# Florida City Gas - Gas Volume Worksheet

11/08/200: Gas Volume Worksheet for ALEXANDER ORR  
Billing Month: 10/1/2009

Acct.No.: 2110768239011  
Rate Schedule: GS-1250K

Usage (In MCF)		Usage (In DTH)	
Day	Total Measured	BTU Factor	Total Measured
01	65.7	1.062	69.773
02	65.7	1.062	69.773
03	65.7	1.062	69.773
04	65.7	1.062	69.773
05	95.6	1.062	101.527
06	125.0	1.062	132.75
07	70.0	1.062	74.34
08	82.0	1.062	87.084
09	99.0	1.062	105.138
10	98.0	1.062	104.076
11	34.0	1.062	36.108
12	70.0	1.062	80.712
13	78.0	1.062	82.836
14	42.0	1.062	44.604
15	85.0	1.062	90.27
16	111.0	1.062	117.882
17	47.0	1.062	49.914
18	67.0	1.062	71.154
19	98.0	1.062	104.076
20	72.0	1.062	76.464
21	81.0	1.062	86.022
22	70.0	1.062	74.34
23	42.0	1.062	44.604
24	58.0	1.062	62.658
25	56.0	1.062	59.472
26	86.0	1.062	91.332
27	119.0	1.062	126.378
28	68.0	1.062	70.092
29	90.0	1.062	95.68
30	102.0	1.062	108.324
31	42.0	1.062	44.604
2,355.4		2,501.43	

## MONTHLY BALANCING

Total Volume In CCF: 23,554.0  
Average BTU Factor: 1.062

Total Volume In Therms: 25,014.3 ✓

# INVOICE for the Month of October 2009

FLORIDA CITY GAS  
MAJOR ACCOUNTS INVOICE  
933 EAST 25TH STREET  
HIALEAH, FL 33013

Page: 1  
Invoice No: 200911-2640-AR531  
Invoice Date: 11/09/2009  
Customer Number: 2110788676001  
Due Date: 11/29/2009  
Rate: GS-1250K  
Location: 362

WASA/BLACK POINT  
C/O MIAMI DADE WATER & SEWER DEPART  
ATTN. ACCOUNTS PAYABLE  
P.O. BOX 330316  
MIAMI FL 33233

Service Address:  
8950 SW 232ND ST  
MIAMI

CREDIT AMOUNT: (\$ 1,313.98)

Please Return This Portion With Your Payment

\$ Amount Remitted

**Please Remit To:**

**By Check:**  
Florida City Gas  
Location 1190  
P.O. Box 5720  
Atlanta GA 31107-0720

**By Wire:**

Florida City Gas  
Wachovia Bank Atlanta GA  
ABA # 061000227  
Account # 2000032625891

Billing Inquiries:  
Telephone: 305/835-3648

Account Number: 2110788676001  
Gas Supplier: Interconn Resources Inc  
Rate: GS-1250K

Line	Date of Service	Description	Quantity	UOM	@ Rate	Amount
<b>TRANSPORTATION SERVICE</b>						
1		Service Charge	0.00	EA	0.00000	<del>500.00</del>
2		Demand Rate	1,786.00	THM	0.28900	<del>516.15</del>
3		Margin Rate	0.00	THM	0.12225	0.00
4		ECCR Rate	0.00	THM	0.00000	0.00
5		CRA Rate	0.00	THM	0.01039	0.00

**SUBTOTAL:**

~~1,016.15~~

CREDIT 200910-2562-AR531

~~1,016.15~~  
**\$0.00**

**TOTAL AMOUNT DUE :**

~~1,016.15~~

PLEASE INCLUDE YOUR CUSTOMER NUMBER ON YOUR REMITTANCE TO ENSURE PROPER CREDIT.  
MAKE CHECKS PAYABLE TO "FLORIDA CITY GAS"  
Pressure Factor 10

# Florida City Gas - Gas Volume Worksheet

11/09/2008 Gas Volume Worksheet for WASA BLACK POINT  
Billing Month: 10/1/2009

Acct.No.: 2110788678001  
Rate Schedule: GS-1250K

Usage (In MCF)		Usage (In DTH)	
Day	Total Measured	BTU Factor	Total Measured
01	0.0	1.062	0
02	0.0	1.062	0
03	0.0	1.062	0
04	0.0	1.062	0
05	0.0	1.062	0
06	0.0	1.062	0
07	0.0	1.062	0
08	0.0	1.062	0
09	0.0	1.062	0
10	0.0	1.062	0
11	0.0	1.062	0
12	0.0	1.062	0
13	0.0	1.062	0
14	0.0	1.062	0
15	0.0	1.062	0
16	0.0	1.062	0
17	0.0	1.062	0
18	0.0	1.062	0
19	0.0	1.062	0
20	0.0	1.062	0
21	0.0	1.062	0
22	0.0	1.062	0
23	0.0	1.062	0
24	0.0	1.062	0
25	0.0	1.062	0
26	0.0	1.062	0
27	0.0	1.062	0
28	0.0	1.062	0
29	0.0	1.062	0
30	0.0	1.062	0
31	0.0	1.062	0
	0.0		0.00

## MONTHLY BALANCING

Total Volume In CCF:	0.0	Total Volume In Therms:	0.0
Average BTU Factor:	1.062		