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MESSER CAPARELLO & SELF, P.A.

RECEIVED-FPSC

Attorneys At Law

www.lawfla.com

11 MAR -9 PM 3: 29

COMMISSION
CLERK

March 9, 2011

BY HAND DELIVERY

Ms. Ann Cole, Commission Clerk
Office of Commission Clerk
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

claim of confidentiality
 notice of intent
 request for confidentiality
 filed by OPC

For DN 01559-11, which
is in locked storage. You must be
authorized to view this DN.-CLK

Re: Docket No. 090539-GU

Dear Ms. Cole:

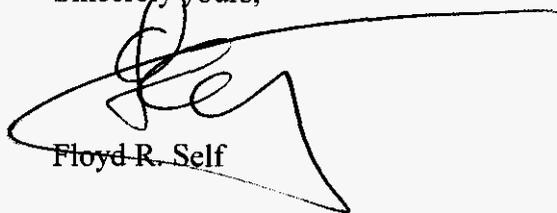
Enclosed for filing on behalf of Florida City Gas is an original and seven copies of Florida City Gas' Amended Request for Confidential Classification in the above referenced docket.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

COM _____
APA _____
ECR 5
GCL _____
RAD _____
SSC _____
ADM _____
OPC _____
CLK _____

Sincerely yours,



Floyd R. Self

FRS/amb
Enclosure

cc: Shannon O. Pierce, Esq.
Parties of Record

DOCUMENT NUMBER - DATE

01558 MAR -9 =

FPSC-COMMISSION CLERK

thereof to address only those few remaining documents that contain confidential information. For purposes of this amended request, FCG is also providing an unredacted copy of each document that is no longer subject to a claim of confidentiality.

4. With respect to those documents that still are considered confidential by FCG, 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 Section 119.07(1), Florida Statutes.

5. “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 administrative body, or private agreement that provides that the information will not be released to the public.” Section 366.093(3), Florida Statutes.

6. 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.

7. 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, Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

8. Attached to this Request is an envelope marked "CONFIDENTIAL" containing one copy of the highlight confidential information being provided. Two public, redacted versions of the confidential information is also provided with this Request.

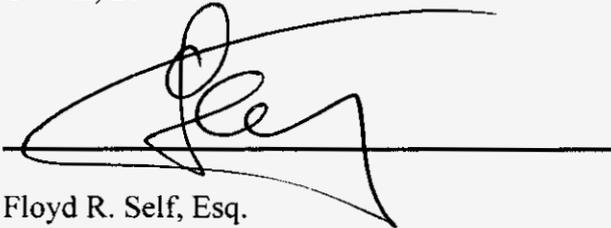
9. Attachment 1 to this Request consists of a chart, which specifically sets forth a line-by-line justification for maintaining specific information in FCG's Response to Miami-Dade County's First Request for Production of Documents, Item No. 2 as confidential. To be clear, this information has not been 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, Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

10. 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.

11. Additionally attached to this Request are un-redacted versions of the documents previously requested for confidential classification under FCG's Request for Confidential Classification but which, pursuant to this Amended Request for Confidential Classification, are no longer requested for confidential classification.

Respectfully submitted this 9th day of March, 2011.

A handwritten signature in black ink, appearing to read 'F. Self', is written over a solid horizontal line.

Floyd R. Self, Esq.
Robert J. Telfer III, Esq.
Messer, Caparello & Self, P.A.
2618 Centennial Place
Tallahassee, Florida 32308
Tel. 850-222-0720
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AGL Resources Inc.
Ten Peachtree Place, 15th Floor
Atlanta, GA 30309
Tel. 404-584-3394

Counsel for Florida City Gas

CERTIFICATE OF SERVICE

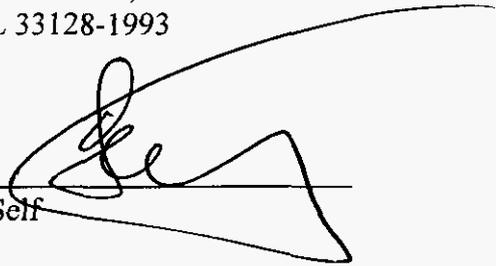
I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Electronic Mail and/or U.S. Mail this 9th day of March, 2011.

Anna Williams, Esq.
Martha Brown, Esq.
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Mr. Melvin Williams
Florida City Gas
933 East 25th Street
Hialeah, FL 33013

Shannon O. Pierce
AGL Resources, Inc.
Ten Peachtree Place, 15th Floor
Atlanta, GA 30309

Henry N. Gillman, Esq.
David Stephen Hope, Esq.
Miami-Dade County
111 NW First Street, Suite 2800
Miami, FL 33128-1993



Floyd R. Self

DOCUMENT	PAGE NO(S).	COLUMNS	LINE NO(S).	STATUTORY JUSTIFICATION
FCG'S Confidential Response to Miami-Dade County's First Request for Production of Documents, Item No. 2	3	N/A	16-17	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.
FCG'S Confidential Response to Miami-Dade County's First Request for Production of Documents, Item No. 2	11	N/A	11 and 12	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.
FCG'S Confidential Response to Miami-Dade County's First Request for Production of Documents, Item No. 2	19	N/A	16 and 17	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.
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1 1. *On Page 5 of the petition, Paragraph 11, you assert that FCG will recover its cost to*
2 *serve Miami-Dade County at the proposed rates. Please provide calculations showing*
3 *the cost to provide the service as described in the contract, and the derivation of the*
4 *proposed rate.*

5 Response: See the spreadsheet included herewith as Attachment 1. Upon further
6 review, the Company believes that this assertion was incorrect and should not have
7 been included in the original petition. If necessary, the Company will file to amend its
8 original petition at the appropriate time.

9 The 1998 contract was offered at a rate that recovered less than the cost of service
10 applicable to the contract due to the prospect of customer bypass. The rate was not
11 changed in the current contract, as the customer requested an extension of the same
12 rate. As explained in greater detail below, continued service to Miami-Dade at the
13 contract rate provides incremental load to the Florida City Gas (FCG or the Company)
14 system therefore allowing certain O&M costs to be allocated to Miami Dade that
15 would otherwise have to be recovered by the general body or ratepayers.

16 2. *Please explain the derivation of the maximum annual contract quantity (MACQ) for*
17 *each site and why such a maximum is necessary.*

18 Response: The MACQ clause was added to the contract because Miami Dade County
19 has considered expanding its facilities. As the extension of service was offered as an
20 accommodation to the customer, any new service requiring expanded gas deliveries or
21 new facilities will not be served under the proposed rate. Any proposed new service
22 will be negotiated at that time and any new contract or amendment to the present
23 contract will be submitted to the Commission for approval.

24 3. *Please explain the derivation of the minimum annual volume and maximum daily*
25 *quantity of gas specified and why such limits are necessary.*

26 Response: The stated minimum annual volume and maximum daily quantity of gas
27 volumes are each carried over from the original agreement. At the time of the original
28 agreement, the company required Miami Dade to meet certain volume thresholds in
29 order to qualify for the discounted contract rate. The derivation of the maximum daily
30 quantities was based on Miami-Dade's estimated daily consumption and on the

1 capacity of Miami-Dade's equipment. The derivation of the minimum annual volume
2 was believed by FCG at the time of the original contract to be necessary for Miami
3 Dade to qualify for the discount and provide support for its allocation of O&M costs.

4 4. *Please describe how the loss of Miami-Dade County would impact the general body of*
5 *ratepayers if the contract is not approved.*

6 Response: Under the Contract, if the Commission does not approve the contract as
7 written, the parties will enter into new negotiations to create a contract that can meet
8 Commission approval. It is important for the Company to continue serving Miami-
9 Dade as it provides significant incremental load to Florida City Gas system and its
10 service does allow certain O&M costs to be allocated to Miami Dade that would
11 otherwise have to be recovered by the general body or ratepayers. FCG also has the
12 potential of securing future growth opportunities associated with Miami Dade, as
13 Miami Dade County has six EMD engines at the same location burning diesel oil, and
14 Miami Dade is currently reviewing bids to convert these engines to natural gas.
15 Additionally, service to Miami Dade contributes \$853,392 to FCG's annual margins.

16 [REDACTED]
17
18 5. *What other options does Miami-Dade County have to secure gas, if the contract is not*
19 *approved?*

20 Response: The first option for Miami Dade is to re-enter negotiations with FCG to
21 revise the proposed contract in a manner that will meet the standards for Commission
22 approval. The second option is for Miami Dade to bypass FCG and connect directly to
23 the Florida Gas Transmission line which is located outside its Alexander Orr facilities.
24 The proximity of this transmission line could prompt Miami-Dade to negotiate direct
25 interconnection for its entire account.

26 6. *What is the purpose for the new language on Page 11, Article XIII, Miscellaneous,*
27 *paragraph 6, of the new contract? What additional protection does it provide over the*
28 *previously included Force Majeure language?*

29 Response: The previously included Force Majeure language protects both parties
30 from liability as a result of events that are outside the control of the parties. If a Force

1 Majeure event occurs, then the parties are excused from liability for damages to the
2 other arising out of that Force Majeure event. Alternatively, the new language in
3 Article XIII, paragraph 6, does not excuse the parties from liability for certain types of
4 events in the way the Force Majeure clause provides, but rather limits the types of
5 damages that the aggrieved party can seek against the other party when such other
6 party is liable. This new language provides that the aggrieved party can seek
7 compensation for its direct damages, but unless the cause of action arises out of a
8 particularly serious offense (e.g., the gross negligence or willful misconduct of the
9 other party), then the aggrieved party should not be able to sue for these indirect,
10 special, consequential or punitive damages, which are difficult to predict and quantify
11 and are typically limited in contracts between commercial parties.

Responses Attachment 1
Miami Dade Water Plant - Rate Design Comparison

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	Per 1999 Rate Design	Per Nov'08 Surveillance Report
Miami Dade Water and Sewer Water Plant - Alexander Orr Cost of Service and Rate Design		
Description	Total	Total
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)	4,243,010	3,500,000
Incremental Cost Rate	\$0.01745	\$0.05448
Miami Dade Water and Sewer Water Plant - Hialeah Water Plant and South District Cost of Service and Rate Design		
Description	Total	Total
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)	3,159,440	2,400,000
Incremental Cost Rate	\$0.04646	\$0.09312

Approved Rate of Return

DOCKET NO. 090539-GU

7.85%

7.36%

1 *Privileged and Confidential*

2 Responses to Question 4

3 Q: *What percentage of FCG total load does the Miami/Dade load subject to this contract represent?*

4 A: *The percentage of FCG total load Miami Dade contract represents is 8.51%.*

5 Q: *What is the potential new load associated with the six EMD engines?*

6 A: *The potential new load associated with the six EMD engines is 128,000 CFH.*

7 Q: *What would it cost Miami/Dade to bypass FCG and connect directly to FGT?*

8 A: *FCG does not have this information.*

9 Q: *What is the dollar amount that of fixed costs would be collected from the other ratepayers if Miami/Dade
10 did bypass FCG?*

11 A: 

13 Q: *Wouldn't the loss of Miami/Dade reduce costs to the remainder of the ratepayers by the amount
14 currently collected through the CRA?*

15 A: *The loss of Miami-Dade would reduce the costs to the remainder of the ratepayers by
16 \$744,134 the amount currently collected through the CRA recovery factor, but this reduction
17 would be offset by the amount of \$109,258 that would have to be collected from the rest of the
18 ratepayers if FCG loses this customer.*

19 Attachment 1

20 Q: *How were the numbers in column 2 derived?*

21 A: *The numbers in column 2 were from the original cost analysis of NUI, the numbers in
22 column 3 were derived by applying the customer cost allocation factor in FPSC Order PSC-04-
23 0128-PAA-GU, Docket No. 030569-GU, for the GS-1250K customer class to FCG's annual
24 expenses. See attached excerpt.*

25 Q: *Does the last column represent the system average cost or the average cost to serve commercial
26 industrial customers similar to Miami/Dade?*

1 A: The last column represents the average cost to serve commercial/industrial customers
2 similar to Miami-Dade, calculated under the formula approved for Miami Dade's rate class in
3 our last rate case.

4 Q: Why is the cost for the Alexander Orr plant less (on a percentage basis of the 'surveillance report'
5 number) than the Hialeah plant?

6 A: The original investment of \$833,239 to serve the Hialeah plant was higher than the
7 investment of \$387,250 to serve the Alexander Orr plant causing a higher requirement for
8 return on investments.

9 Q: Provide FCG's total customer count and number of commercial/industrial customers.

10 A: The total number of FCG customers is 102,736. Total FCG commercial/industrial
11 customers is 6,198. Miami-Dade counts as a total of 3 commercial/industrial customers, with
12 two active services at the Alexander Orr facility and one service at the Hialeah plant.

13 Q: Of total FCG commercial/industrial customer load, what percentage does Miami-Dade represent?

14 A: Based on 2008, January – November information, Miami-Dade MACQ represents 8.28% of
15 FCG system load and 10.11% of commercial/industrial customer load.

16 Q: Provide FCG's estimate of Miami-Dade's cost to bypass FCG services.

17 A: FCG estimates that Miami-Dade's cost to by-pass FCG services will be approximately
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Responses Attachment 4
Miami Dade Water Plant - Ra. Design Comparison

A		B	C
		Per 1999 Rate Design	Per Nov'08 Surveillance Report
1			
2	Miami Dade Water and Sewer Water Plant - Alexander Orr		
3	Cost of Service and Rate Design		
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28 Approved Rate of Return DOCKET NO. 090539-GU 7.85% - 36%
 FCG'S CONFIDENTIAL RESPONSE TO MIAMI-DADE
 COUNTY'S FIRST POD, ITEM NO. 2
 PAGE 21 OF 40

1 *Privileged and Confidential*

2
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32 Attachment 1

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38 **04-0128-PAA-GU, Docket No. 030569-GU, for the GS-1250K customer class to FCG's**
39 **annual expenses. See attached excerpt.**

40
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43
DOCKET NO. 090539-GU
110709 JAN 28 08
FPSC - COMMISSION CLERK

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A		B	C	D	E	F	G	H	I
		Per 1999 Rate Design	Per Nov 08 Surveillance Report	ROR	Nov 2008 12 months expenses	Customer Cost Alloc Factor	Total	Estimated Split of Taxes	
Miami Dade Water and Sewer Water Plant - Alexander Orr Cost of Service and Rate Design									
Description		Total	Total						
O&M Expenses		\$3,500	\$87,671		\$18,106,414	0.004842	\$87,671		
Depreciation		\$11,230	\$45,503		\$9,397,578	0.004842	\$45,503		
Taxes Other Than Income		\$10,302	\$12,094		\$2,467,675	0.004842	\$12,094		
State Tax @ 5.5%		\$2,943	\$2,535		\$3,490,872	0.004842	\$16,903	0.15	\$2,535
Federal Tax @ 34.00%		\$15,674	\$14,367		\$3,490,872	0.004842	\$16,903	0.85	\$14,367
Sub-total		\$43,649	\$162,171				Sub-total of items above		
Required Return on Investment ** (Rate base x ROR)		\$30,399	\$28,502		\$387,250	0.0736	\$28,502	The capital investment times approved rate of return pg 84 of PSC-04-0128-PAA-GU	
Total Incremental Cost of Service		\$74,048	\$190,672				Formula adding sub-total plus ROI		
Estimated Annual Volume (therms)		4,243,010	3,500,000				Based on prior three years average consumption		
Incremental Cost Rate		\$0.01745	\$0.05448				The incremental Cost of Service divided by Estimated Annual volume		
Miami Dade Water and Sewer Water Plant - Hialeah Water Plant and Black Point Cost of Service and Rate Design									
Description		Total	Total						
O&M Expenses		\$6,500	\$87,671		\$18,106,414	0.004842	\$87,671		
Depreciation		\$24,164	\$45,503		\$9,397,578	0.004842	\$45,503		
Taxes Other Than Income		\$10,649	\$12,094		\$2,497,675	0.004842	\$12,094		
State Tax @ 5.5%		\$6,331	\$2,535		\$3,490,872	0.004842	\$16,903	0.15	\$2,535
Federal Tax @ 34.00%		\$33,726	\$14,367		\$3,490,872	0.004842	\$16,903	0.85	\$14,367
Sub-total		\$81,370	\$162,171				Sub-total of items above		
Required Return on Investment *** (Rate base x ROR)		\$65,409	\$61,326		\$833,239	0.0736	\$61,326	The capital investment times approved rate of return pg 84 of PSC-04-0128-PAA-GU	
Total Incremental Cost of Service		\$146,778	\$223,497				Formula adding sub-total plus ROI		
Estimated Annual Volume (therms)		3,159,440	2,400,000				Based on prior three years average consumption		
Incremental Cost Rate		\$0.04646	\$0.09312				The incremental Cost of Service divided by Estimated Annual volume		

DOCKET NO. 090539-GU
FCG'S CONFIDENTIAL RESPONSE TO MIAMI-DADE COUNTY'S FIRST POD, ITEM NO. 2
PAGE 36 OF 40

Approved Rate of Return 7.85% 7.36%

November 2008 12 months expenses using the Surveillance Report calculations (See attached document)

Approved Customer Cost allocation factors from order PSC-04-0128-PAA-GU dated 2/9/04 pg 95

Approved rate of return from order PSC-04-0128-PAA-GU dated 2/9/04 pg 84

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

Floyd R. Self
P.O. Box 15579
Tallahassee FL 32317

Re: Acknowledgement of Confidential Filing in Docket No. 090539-GU

This will acknowledge receipt by the Florida Public Service Commission, Office of Commission Clerk, of a CONFIDENTIAL DOCUMENT filed on March 9, 2011, in the above-referenced docket.

Document Number 01559-11 has been assigned to this filing, which will be maintained in locked storage.

If you have any questions regarding this document, please contact Kim Peña, Records Management Assistant, at (850) 413-6393.