

1 **Q. Does this change in responsibilities since you filed your direct testimony**  
 2 **require any changes or have any other impact on your direct testimony?**

3 A. The only change would be to update my current position to reflect my new duties  
 4 with FCG. The facts and analyses I have provided have not changed because of  
 5 my new duties.

6 **Q. What is the purpose of your rebuttal testimony?**

7 A. My rebuttal testimony addresses the cost of service associated with the rates in the  
 8 2008 Natural Gas Transportation Service Agreement (“2008 TSA”) at issue in the  
 9 docket and the Competitive Rate Adjustment (“CRA”) testimony of the various  
 10 Miami-Dade Water and Sewer Department (“MDWASD”) witnesses. Contrary to  
 11 their beliefs, the analysis I have provided to calculate the incremental costs to  
 12 provide transportation service to the three MDWASD plants is appropriate. In  
 13 addition, I discuss the benefits to customers of the CRA and why it is important to  
 14 the Company’s ability to meets its revenue requirements. Finally, I discuss how  
 15 much money MDWASD owes FCG for its failure to pay the tariff rates.

16 **Q. Do you have any exhibits associated with your rebuttal testimony?**

17 A. Yes, I am responsible for the following rebuttal exhibit:

COM 5  
 APA \_\_\_\_\_  
ECR \_\_\_\_\_  
 GCL I  
 RAD \_\_\_\_\_  
 SSC \_\_\_\_\_  
 ADM \_\_\_\_\_  
 OPC \_\_\_\_\_  
 CLK CE RPR

<u>Exhibit No.</u>	<u>Description</u>
CB-6	Alexander Orr and Hialeah Plant Original Costs (Records from FCG Supplemental Response to Staff Second Set of Interrogatories No. 22)

DOCUMENT NUMBER-DATE

02282 APR -5 =

FPSC-COMMISSION CLERK

1 presented to the Commission for approval, we need to be united in demonstrating  
2 to the Commission that there is an appropriate tariff provision that authorizes the  
3 proposed service agreement, that there is verifiable information for any bypass  
4 alternatives, and that the rates recover their incremental costs.

5 **Q. Mr. Langer claims that there is no FCG investment in the facilities serving**  
6 **the MDWASD plants. Do you agree?**

7 **A.** No. Mr. Langer is correct that MDWASD did pay and contribute certain costs  
8 associated with the service lines and meters. However, at the same time the  
9 Company also incurred some incremental capital costs associated with the high  
10 pressure mains and other capital costs for the Alexander Orr and Hialeah plants,  
11 \$526,234.30 and \$30,330.83, respectively. See my Exhibit \_\_ (CB-6, Alexander  
12 Orr and Hialeah Plant Records from FCG Supplemental Response to Staff's  
13 Second Interrogatories to Florida City Gas, No. 22). These costs are included as  
14 the basis of my analysis.

15 **Q. So, your analysis excluded any contributed costs paid for by MDWASD?**

16 **A.** Yes, that is correct.

17 **Q. Mr. Langer and Mr. Saffer assert that FCG has more than recovered its**  
18 **investment in the facilities serving MDWASD. Do you agree?**

19 **A.** No. First, I believe this position is predicated on the assumption that MDWASD  
20 contributed all of the facilities necessary to providing service and that any  
21 additional expenditures to serve the MDWASD plants would be nominal and thus  
22 would have been recovered by now. As you can see in Exhibit \_\_ (CB-6), the  
23 Company has made substantial investments to service. Moreover, based upon this

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13 addition, I discuss the benefits to customers of the CRA and why it is important to  
14 the Company’s ability to meet its revenue requirements. Finally, I discuss how  
15 much money MDWASD owes FCG for its failure to pay the tariff rates.

16 **Q. Do you have any exhibits associated with your rebuttal testimony?**

17 A. Yes, I am responsible for the following rebuttal exhibit:

<u>Exhibit No.</u>	<u>Description</u>
18 CB-6	19 <del>February 20, 1997</del> Alexander Orr and Hialeah Plant 20 <u>Original Costs</u> <del>Rate Design</del> <u>Incremental Cost of Service</u> 21 <u>Study</u> 22 <u>(Records from FCG Supplemental Response to Staff</u> 23 <u>Second Set of Interrogatories No. 22)</u>

— Informational Only —

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FCG Carolyn Bermudez Rebuttal Testimony  
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1 negotiations, just like documented information regarding viable bypass  
2 alternatives will be relevant. These are all factors that must be considered and  
3 evaluated as a part of the negotiation process. When a new agreement is  
4 presented to the Commission for approval, we need to be united in demonstrating  
5 to the Commission that there is an appropriate tariff provision that authorizes the  
6 proposed service agreement, that there is verifiable information for any bypass  
7 alternatives, and that the rates recover their incremental costs.

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10 **A.** No. Mr. Langer is correct that MDWASD did pay and contribute certain costs  
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13 pressure mains and other capital costs for the Alexander Orr and Hialeah plants,  
14 \$387,250,526,234.30 and \$833,239,30,330.83, respectively. See my Exhibit \_\_  
15 (CB-6, ~~February 20, 1997~~ Alexander Orr and Hialeah Plant Rate Design  
16 Incremental Cost of Service Study Records from FCG Supplemental Response to  
17 Staff's Second Interrogatories to Florida City Gas, No. 22). These costs are  
18 included as the basis of my analysis.

19 **Q. So, your analysis excluded any contributed costs paid for by MDWASD?**

20 **A.** Yes, that is correct.