

# MESSER CAPARELLO & SELF, P.A. RECEIVED FPSC

Attorneys At Law

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12 MAY 22 AM 8:00

COMMISSION CLERK

May 22, 2012

## **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

Re: Docket No. 090539-GU

Dear Ms. Cole:

Enclosed for filing on behalf of the parties are two copies of the Natural Gas Transportation Service Agreement between Florida City Gas and Miami-Dade County 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.

Sincerely yours, Floyd R. Self

FRS/amb Enclosure

RECUMENT NUMPER - PATE

03236 MAY 22 º

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

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

THIS AGREEMENT made and entered into as of this 12 day of April, 2012, by and between Pivotal Utility Holdings, Inc. d/b/a Florida City Gas, 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 Company, the "Parties").

#### WITNESSETH:

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

WHEREAS, Customer has requested that Company continue to 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, Customer has a verifiable and documented bypass alternative;

WHEREAS, this Agreement and the Load Enhancement Service Rate Schedule are subject to the approval of the Florida Public Service Commission ("Commission") before the parties may execute this Agreement; and

NOW, THEREFORE, in resolution of the matters set forth in Commission Docket No. 090539-GU and in consideration of the premises and mutual covenants and agreements set forth herein, the Parties agree as follows:

> 03236 MAY 22 № FPSC-COMMISSION CLERK

#### **ARTICLE 1**

#### **TERM OF AGREEMENT**

1. Subject to all other provisions, conditions, and limitations hereof, this Agreement shall become effective as of billings rendered on or after August 1, 2009, upon the Commission's issuance of a final order making this Agreement effective (the "Effective Date"). This Agreement shall continue in full force and effect through December 31, 2013, at which time the Agreement shall terminate (hereinafter, the "Term"). Upon written authorization by Customer, Company shall promptly file this Agreement and any related documentation with the Commission within ten (10) business days of such authorization in order to obtain the necessary Commission approvals. Company shall include Customer in any Commission filings or communications associated with the Commission's approval of this Agreement.

2. Company agrees, upon written request from Customer received by Company not less than one hundred eighty days (180) days prior to the termination date of this Agreement, to review the terms and conditions of the Agreement for the purpose of negotiating a successor agreement. Any successor agreement is contingent upon the Company and Customer mutually agreeing in writing to the terms and conditions for a successor term and the Commission approving such successor agreement. If this Agreement is not approved and made effective by the Commission subject to terms and conditions satisfactory to the Parties, this Agreement shall not become effective, and the parties will continue to negotiate a new agreement.

#### **ARTICLE II**

### **APPLICABILITY OF TARIFF**

1. Based upon governing applicability provisions, the Parties hereby confirm that Customer qualifies for the Load Enhancement 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, Florida and Hialeah, Florida. 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 Load Enhancement 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 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 (or "Orr" 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 (or "Hialeah" Plant) 700 W. 2nd Avenue Hialeah, FL 33010 Account # 211-0754412-011 3,300,000 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.

2 The applicable natural gas transportation rates for service to Customer by Company for the period August 1, 2009 through December 31, 2011 shall be as follows:

Orr (service to the two meters/accounts\$0.01 per thermshall be combined and treated as one)Hialeah\$0.03 per therm

3 Beginning January 1, 2012 and continuing through December 31, 2013, the rate for natural gas transported to the Customer's Orr and Hialeah plants by Company shall be as follows:

Plant	Orr*		Hialeah	
Volume/Rate	Volume	Rate	Volume	Rate
Tier 1	Less than 3.2	\$0.0284	Less than 1.8 million	\$0.0350
	million therms		therms	
Tier 2	3.2 million therms	\$0.0227	1.8 million therms to	\$0.0281
	to less than 3.7		less than 2.3 million	
	million therms		therms	
Tier 3	3.7 million therms	\$ 0.0185	2.3 million therms and	\$ 0.0245
	and higher		higher	

\*Note: Volumes delivered through the two meters at Orr shall be combined cumulatively for the purpose of determining the applicable monthly rate and total annual therms.

4 For service beginning January 1, 2012, Customer will notify Company of its estimated transport volumes for Orr and Hialeah no later than ten (10) days prior to the beginning of each quarter. Company will bill Customer monthly based on the applicable rate for the estimated volumes at Orr and Hialeah provided by Customer.

5 Company will perform an annual true-up of Customer's monthly billings for Orr and Hialeah within forty-five (45) days following the conclusion of the calendar year so that Customer's final rate per therm matches the corresponding rate per therm at each plant respectively, based upon the total annual volumes at each plant, and which may require a refund to or a supplemental payment from Customer based upon actual volumes. 6. There shall be no additional charge over the rates specified in this Article for each therm transported to each facility in excess of MACQ as set forth in Article V 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 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 Director, Transportation Services AGL Resources Inc. 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:

Ms. Carolyn Bermudez Director, Regional Operations Florida City Gas 955 E. 25<sup>th</sup> Street Hialeah, FL 33013 Office: 305-835-3606 Cell: 786-218-0861 Fax: 305-691-7335

OR

Marc Seagrave Manager, Market Development Florida City Gas 955 E. 25<sup>th</sup> Street Hialeah, FL 33013 Office: 305-835-3651 Cell: 786-447-8680

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

With a copy to:

Office of the County Attorney Stephen P. Clark Center 111 Northwest First Street, Suite 2800 Miami, Florida 33128-1993

For Florida City Gas:

Ms. Carolyn Bermudez Florida City Gas Director, Regional Operations 955 E. 25<sup>th</sup> Street Hialeah, FL 33013 Office: 305-835-3606 Cell: 786-218-0861 Fax: 305-691-7335

With a copy to:

General Counsel AGL Resources Inc. 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.

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 CIRCUMANCES 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. After Commission approval, 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.

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: fene N. Killing

By: Deputy Clerk MIAMI-DADE COUNTY, a political ATTEST: subdivision of the State of Florida Harvey Ruvin By its Board of County Commissioners D COUNTY Clerk of the Board By: By: Deputy Clerk MAYOR Approved as to/form and Legal sufficiency By: Assistant County Attorney