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October 12, 2018

BY E-PORTAL

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

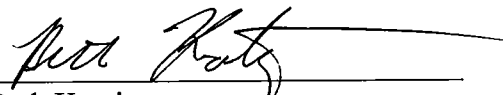
Re: Docket No. 20180004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Stauffer:

Attached for filing, please find Florida City Gas' Prehearing Statement in the above-referenced docket.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK
cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas)
Conservation Cost Recovery)
Clause)
_____)

Docket No. 20180004-GU
Filed: October 12, 2018

**FLORIDA CITY GAS
PREHEARING STATEMENT**

Florida City Gas (“FCG” or “the Company”) hereby submits this Prehearing Statement pursuant to Order Establishing Procedure, Order No. PSC-2018-0115-PCO-GU, and states as follows:

1. KNOWN WITNESSES

FCG intends to offer the following testimonies sponsored by FCG witness Miguel Bustos into the evidentiary record in this proceeding:

Witness	Subject Matter	Issue No.
Direct Testimony of Miguel Bustos, submitted on April 27, 2018.	Supports FCG’s final Conservation Cost Recovery (“CCR”) true-up amount related to the twelve-month period ended December 31, 2017	1
Direct Testimony of Miguel Bustos, submitted August 10, 2018	Presents the revised estimate of FCG’s CCR true-up for the period June 2018 through December 2018; presents FCG’s projection of total CCR costs for the period January 2019 through December 2019; and presents the development of CCR Factors to be applied to customers’ bills during 2019.	2-7

2. KNOWN EXHIBITS

FCG intends to offer the following exhibits sponsored by FCG witness Miguel Bustos into the evidentiary record in this proceeding:

Witness	Proffered By	Exhibit No.	Description
Miguel Bustos	FCG	MB-1	Calculation of FCG's final CCR true-up amount related to the twelve-month period ended December 31, 2017
Miguel Bustos	FCG	MB-2	Schedules supporting the calculation of FCG's proposed 2019 CCR Factors

3. BASIC POSITION

The Company's true-up amounts and conservation cost recovery factors as shown in Issues 1 through 6 are appropriate and should be approved and become effective.

4. STATEMENT OF ISSUES AND POSITIONS

FCG's statement of issues and positions in this proceeding are as follows:

ISSUE 1: What are the final conservation cost recovery adjustment true-up amounts for the period January 2017 through December 2017?

Florida City Gas: An over-recovery of \$166,106, calculated based upon an end-of-period net true up over-recovery of \$759,107.

ISSUE 2: What are the appropriate conservation adjustment actual/estimated true-up amounts for the period January 2018 through December 2018? [Current year true-up amount]

Florida City Gas: An over-recovery of \$430,115.

ISSUE 3: What are the appropriate total conservation adjustment true-up amounts to be collected/refunded from January 2019 through December 2019?

Florida City Gas: An over-recovery of \$596,281.

ISSUE 4: What are the total conservation cost recovery amounts, net of the true-up amount, to be collected during the period January 2019 through December 2019?

Florida City Gas: A total net amount of \$4,819,099.

ISSUE 5: What are the conservation cost recovery factors for the period January 2019 through December 2019?

Florida City Gas: The appropriate factors are:

<u>Rate Class</u>	<u>CCR Factor (\$/per therm)</u>
RS-1	\$0.19898
RS-100	\$0.11940
RS-600	\$0.07450
GS-1	\$0.04288
GS-6K	\$0.03263
GS-25K	\$0.03163
Gas Lights	\$0.05150
GS-120K	\$0.02108

ISSUE 6: Should the Commission approve revised tariffs reflecting the natural gas conservation cost recovery amounts and establishing natural gas conservation cost recovery factors determined to be appropriate in this proceeding?

Florida City Gas: Yes. The Commission should approve revised tariffs reflecting the new energy conservation cost charges determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision.

ISSUE 7: What should be the effective date of the new conservation cost recovery factors for billing purposes?

Florida City Gas: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2019 through December 2019. Billing cycles may start before January 1, 2019 and the last cycle may be read after December 31, 2019, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

5. STIPULATED ISSUES

FCG is not a party to any stipulations at this time. However, FCG remains willing to work with all parties to resolve any outstanding issues, and believes it should be possible to reach a stipulation on each of the above-listed issues as they relate to FCG.

6. PENDING MOTIONS

FCG is not aware of any motions currently pending before the Commission for disposition.

7. REQUESTS/CLAIMS FOR CONFIDENTIALITY

FCG has no pending requests or claims for confidentiality.

8. OBJECTIONS TO WITNESS QUALIFICATIONS

FCG has no objections to the qualifications of any witness, and further states that it is not aware of any objections or challenges to the qualifications of any FCG witness.

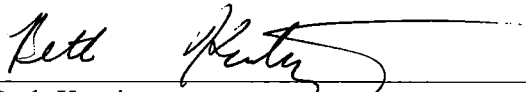
9. REQUEST FOR SEQUESTRATION OF WITNESSES

FCG has no pending requests for sequestration of any witness, and further states that it is not aware of any such request related to any FCG witness.

10. COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

FCG states that it believes it is in full compliance with the Commission's Order Establishing Procedure.

Respectfully submitted this 12th day of October, 2018.


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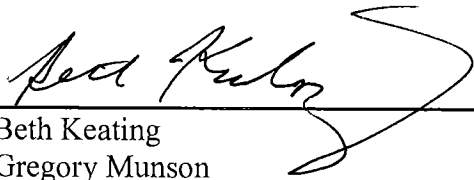
Attorneys for Florida City Gas

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic or US Mail to the following parties of record this 12th day of October, 2018:

Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantow Mike Cassel Florida Public Utilities Company 1750 S 14th Street, Suite 200 Fernandina Beach FL 32034 mcassel@fpuc.com	MacFarlane Ferguson Law Firm Ansley Watson, Jr. /Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com AB@macfar.com
Messer Law Firm Paula M. Sparkman P.O Box 15579 Tallahassee, FL 32317 psparkman@lawfla.com	Office of Public Counsel J.R. Kelly/Charles Rehwinkel/Patty Christensen c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Kelly.JR@leg.state.fl.us Rehwinkel.charles@leg.state.fl.us Christensen.Patty@leg.state.fl.us
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Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 jmelendy@floridasbestgas.com	Florida Public Service Commission Rachael Dziechciarz 2540 Shumard Oak Boulevard Tallahassee, FL 32399 rdziehc@psc.state.fl.us

<p>Florida City Gas Carolyn Bermudez 933 East 25th Street Hialeah, FL 33013-3498</p> <p>cbermude@nexterenergy.com miguel.bustos@nexterenergy.com</p>	
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