

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment ) DOCKET NO. 890003-GU  
(PGA) True-up. ) ORDER NO. 21744  
) ISSUED: 8/18/89

Pursuant to Notice, a Prehearing Conference was held on August 3, 1989, in Tallahassee, before Commissioner John T. Herndon, Prehearing Officer.

APPEARANCES:

ROBERT S. GOLDMAN, Esquire, Messer, Vickers, Caparello, French & Madsen, P. A., P. O. Box 1876, Tallahassee, Florida 32301  
On behalf of Florida Public Utilities Corporation, Gainesville Gas Company, West Florida Natural Gas Company, and Southern Gas Company.

JAMES D. BEASLEY, Esquire, Ausley, McMullen, McGehee, Carothers & Proctor, P. O. Box 391, Tallahassee, Florida 32302  
On behalf of City Gas Company.

JOHN ROGER HOWE, Esquire, Office of the Public Counsel, c/o Florida House of Representatives, The Capitol, Tallahassee, Florida 32301  
On behalf of the Citizens of the State of Florida.

BEN E. GIRTMAN, Esquire, 1020 E. Lafayette Street, Suite 207, Tallahassee, Fl. 32301  
On behalf of Central Florida Gas Company and Plant City Gas Company.

ANSLEY WATSON, JR., Esquire, MacFarlane, Ferguson, Allison & Kelly, P.O. Box 1531, Tampa, Fl. 33601  
On behalf of Peoples Gas System, Inc.

EARLE H. O'DONNELL, Esquire and ROBERT MORROW, Esquire, Sutherland, Asbill & Brennan, 1275 Pennsylvania Avenue, N.W., Washington, D. C. 20004  
On behalf of the Coalition of Local Governments.

DOCUMENT NUMBER-DATE

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ORDER NO. 21744  
DOCKET NO. 890003-GU  
PAGE 2

APPEARANCES:

MARSHA E. RULE, Esquire, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida, 32399-0863  
On behalf of the Commission Staff.

PRENTICE PRUITT, Office of General Counsel, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida, 32399-0861  
Counsel to the Commissioners.

PREHEARING ORDER

Background

As part of the continuing fuel and energy conservation cost recovery proceedings, a hearing is set for August 22-24, 1989, in this docket and in Dockets No. 890001-EI and 890002-EG. The following subjects were noticed for hearing in such dockets:

1. Determination of the Proposed Levelized Fuel Adjustment Factors for all investor-owned utilities for the period October, 1989 through March, 1990;
2. Determination of the Estimated Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period April, 1989 through September, 1989, which are to be based on actual data for the period April, 1989 through May, 1989, and revised estimates for the period June, 1989 through September, 1989;
3. Determination of the Final Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period October 1988 through March, 1989, which are to be based on actual data for that period;

ORDER NO. 21744  
DOCKET NO. 890003-GU  
PAGE 3

4. Determination of the Projected Conservation Cost Recovery Factors for certain investor-owned electric and gas utilities for the period October, 1989 through March, 1990;
5. Determination of the Estimated Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period April, 1989 through September, 1989, which are to be based on actual data for the period April, 1989 through May, 1989, and revised estimates for the period June 1989 through September, 1989;
6. Determination of the Final Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period October, 1988 through March, 1989, which are to be based on actual data for that period;
7. Determination of any Projected Oil Backout Cost Recovery Factors for the period October, 1989 through March, 1990, for the cost of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.16, Florida Administrative Code;
8. Determination of the Estimated Oil Backout Cost Recovery True-Up Factors for the period April, 1989 through September, 1989, for the costs of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.16, Florida Administrative Code, which are to be based on actual data for the period April, 1989 through May, 1989, and revised estimates for the period June, 1989 through September, 1989;

ORDER NO. 21744  
DOCKET NO. 890003-GU  
PAGE 4

9. Determination of the Final Oil backout True-up Amounts for the period October, 1988 through March, 1989, which are to be based on actual data for that period;
10. Determination of Generating Performance Incentive Factor Targets and Ranges for the period October, 1989 through March, 1989;
11. Determination of Generating Performance Incentive Factor Rewards and Penalties for the period October, 1988 through March, 1989; and
12. Determination of the Purchased Gas Adjustment True-Up Amounts for the period October, 1988 through March, 1989, to be recovered during the period October, 1989 through March, 1990.

#### Use of Prefiled Testimony

All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and exhibits, unless there is a sustainable objection. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his testimony at the time he or she takes the stand.

#### Use of Depositions and Interrogatories

If any party desires to use any portion of a deposition or an interrogatory, at the time the party seeks to introduce that deposition or a portion thereof, the request will be subject to proper objections and the appropriate evidentiary rules will govern. The parties will be free to utilize any exhibits requested at the time of the depositions subject to the same conditions.

ORDER NO. 21744  
 DOCKET NO. 890003-GU  
 PAGE 5

Order of Witnesses

The witness schedule is set forth below in order of appearance by the witness's name, subject matter, and the issues which will be covered by his or her testimony.

The witness schedule listed below is a continuation of the witness schedule contained in the prehearing order for Docket No. 890002.

The parties have stipulated that testimony of witnesses on the list below whose names are preceded by an asterisk shall be inserted into the record at hearing as though read, cross-examination shall be waived, and that witness shall be excused from attendance at the hearing.

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
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No witnesses are contemplated in this docket.

EXHIBIT LIST

The parties have stipulated that the exhibits on the list below which are preceded by an asterisk shall be admitted into the record without objection.

FPUC HAS BEEN ASSIGNED EXHIBIT NUMBERS 301-399  
 Exhibits 303-304 were identified in Docket No. 8980002

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*305	None	Schedules A-1, A-2, A-6

OPC HAS BEEN ASSIGNED EXHIBIT NUMBERS 1201-1299  
 At this time, no exhibits have been identified.

STAFF HAS BEEN ASSIGNED EXHIBIT NUMBERS 1301-11399  
 At this time, no exhibits have been identified.

CFCG HAS BEEN ASSIGNED EXHIBIT NUMBERS 1401-1499  
 Exhibit 1401-1402 were identified in Docket No. 890002.

ORDER NO. 21744  
 DOCKET NO. 890003-GU  
 PAGE 6

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*1403	None	Schedules A-1, A-2

CITY GAS HAS BEEN ASSIGNED EXHIBIT NUMBERS 1501-1599  
 Exhibit 1501 was identified in Docket No. 890002.

GAINESVILLE GAS HAS BEEN ASSIGNED EXHIBIT NUMBERS 1601-1699  
 Exhibit 1601 was identified in Docket No. 890002.

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*1602	None	Schedules A-1, A-2

PEOPLES GAS HAS BEEN ASSIGNED EXHIBIT NUMBERS 1701-1799  
 Exhibits 1701-1702 were identified Docket 890002.

ST. JOE HAS BEEN ASSIGNED EXHIBIT NUMBERS 1801-1899  
 At this time, no exhibits have been identified.

WFNG HAS BEEN ASSIGNED EXHIBIT NUMBERS 1901-1999  
 Exhibits 1901-1903 were identified in Docket No. 890002.

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*1904	None	Calculation of true-up factor, calculation of true-up and PGA summary, therm sales, Schedule A-2

IGC HAS BEEN ASSIGNED EXHIBIT NUMBERS 2201-2299  
 At this time, no exhibits have been identified.

MILLER HAS BEEN ASSIGNED EXHIBIT NUMBERS 2301-2399  
 At this time, no exhibits have been identified.

PBCUC HAS BEEN ASSIGNED EXHIBIT NUMBERS 2401-2499  
 At this time, no exhibits have been identified.

ORDER NO. 21744  
 DOCKET NO. 890003-GU  
 PAGE 7

PLANT CITY HAS BEEN ASSIGNED EXHIBIT NUMBERS 2501-2599

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*2501	None	Schedules A-1 and A-2

SFNG HAS BEEN ASSIGNED EXHIBIT NUMBERS 2601-2699

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*2601	None	Schedules A-1 and A-2

SGC HAS BEEN ASSIGNED EXHIBIT NUMBERS 2701-1799  
 Exhibit 2701 was identified in Docket No. 890002.

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*2702	None	Revised True-up Calculation, Revised True-up and Interest Schedule, and Schedules A-1, A-2

PARTIES' STATEMENT OF BASIC POSITION

Staff's Statement of Basic Position

The appropriate PGA true-up amounts, estimated therm sales, and true-up factors for each utility are listed in Attachment A hereto.

Central Florida Gas Company's Statement of Basic Position

The Commission should approve the final true-up amount for the period October 1, 1988 through March 31, 1989, and the true-up factor to be applied to bills rendered for meter readings taken between October 1, 1989 and March 31, 1990.

City Gas Company of Florida's Statement of Basic Position

The Company's true-up amounts, estimated therm sales, and true-up factors should be approved as filed.

ORDER NO. 21744  
DOCKET NO. 890003-GU  
PAGE 8

Florida Public Utilities Company's Statement of Basic Position

The Commission should approve the Company's PGA factor of .563 cents per therm, to be applied to customer bills during the period October 1, 1989 through March 31, 1990, so as to collect the Company's underrecovery for the period October 1, 1988 through March 31, 1989.

Gainesville Gas Company's Statement of Basic Position

The Commission should approve the Company's PGA factor of .604 cents per therm, to be applied to customer bills during the period October 1, 1989 through March 31, 1990, so as to refund the Company's overrecovery for the period October 1, 1988 through March 31, 1989.

Indiantown Gas Company, Inc.'s Statement of Basic Position

This party filed no Prehearing Statement and did not participate in the prehearing conference.

Miller Gas Company's Statement of Basic Position

This party filed no prehearing statement and did not participate in the prehearing conference.

Palm Beach Co. Utilities Corporation's Statement of Basic Position

This party filed no prehearing statement and did not participate in the prehearing conference.

PGS's Statement of Basic Position

The Commission should approve an underrecovery of \$939,646, including interest, as PGS's true-up amount for the period October 1, 1988 through March 31, 1989. Based upon PGS's estimated sales of 250,000,000 therms for the period October 1, 1989 - March 31, 1990, the Commission should approve a true-up factor of \$0.00376 per therm for application to its customers' bills rendered for meter readings taken from October 1, 1989 through March 31, 1990, in order to recover the aforementioned underrecovery of purchased gas costs.



ORDER NO. 21744  
DOCKET NO. 890003-GU  
PAGE 9

Plant City Natural Gas Company's Statement of Basic Position

The Commission should approve the final true-up amount for the period October 1, 1988 through March 31, 1989, and the true-up factor to be applied to bills rendered for meter readings taken between October 1, 1989 and March 31, 1990.

South Florida Natural Gas Company's Statement of Basic Position

The true-up factors as provided in South Florida Natural Gas Company's Petition and attachments are the appropriate ones to be utilized for the period October, 1989 through March, 1990.

Southern Gas Company's Statement of Basic Position

The Commission should approve the Company's PGA factor of .451 cents per therm, to be applied to customer bills during the period October 1, 1989 through March 31, 1990, so as to collect the Company's underrecovery for the period October 1, 1988 through March 31, 1989.

West Florida Natural Gas Company's Statement of Basic Position

The Commission should approve the Company's PGA factor of .362 cents per therm, to be applied to customer bills during the period October 1, 1989 through March 31, 1990, so as to collect the Company's underrecovery for the period October 1, 1988 through March 31, 1989.

OPC's Statement of Basic Position

Public Counsel agrees with Staff on all issues.

STATEMENT OF ISSUES AND POSITIONS

Stipulated items are marked with an asterisk (\*).

- \*1. STIPULATED ISSUE: What is the appropriate net true-up amount for the October 1988 through March 1989 period?

STAFF: The following are the appropriate amounts for the period October 1, 1988 through March 31, 1989, to be applied during the period October 1, 1989 through March 31, 1990:

ORDER NO. 21744  
DOCKET NO. 890003-GU  
PAGE 10

	<u>Over (Under)</u> <u>Recovery</u>
Central Florida Gas Company	\$104,305
City Gas Company of Florida	(266,375)
Florida Public Utilities	(176,234)
Gainesville Gas Company	104,814
Indiantown Gas Company	30,106
Miller Gas Company	15,777
Palm Beach Co. Utilities Corp.	2,792
Peoples Gas System	(939,646)
Plant City Natural Gas	10,988
St. Joe Natural Gas Company	32,756
South Florida Natural Gas Co.	( 7,846)
Southern Gas Company	(113,018)
West Florida Natural Gas Co.	( 71,443)

ORDER NO. 21744  
 DOCKET NO. 890003-GU  
 PAGE 11

CFCG: \$104,305 overrecovery.

CITY GAS: \$266,375 underrecovery.

FPUC: \$176,234 underrecovery.

GAINESVILLE GAS: \$104,814 overrecovery.

INDIANTOWN GAS: \$30,106 overrecovery.

MILLER GAS: \$15,777 overrecovery.

PBCUC: \$2,792 overrecovery.

PEOPLES: \$939,646 underrecovery, including interest.

PLANT CITY: \$10,988 overrecovery.

ST. JOE: \$32,756 overrecovery, which includes estimated interest through September 31, 1989.

SFNG: \$7,846 underrecovery.

SOUTHERN: \$113,018 underrecovery.

WFNG: \$71,443 underrecovery.

OPC: Public Counsel will accept Staff's positions for purposes of this docket.

- \*2. STIPULATED ISSUE: What is the projected therm sales of natural gas during the period October 1989 through March, 1990?

STAFF:

	<u>Estimated Therm sales</u>
Central Florida Gas Company	30,331,335
City Gas Company of Florida	39,473,000
Florida Public Utilities	31,316,960

ORDER NO. 21744  
 DOCKET NO. 890003-GU  
 PAGE 12

STAFF:

	<u>Estimated Therm sales</u>
Gainesville Gas Company	17,349,021
Indiantown Gas Company	2,200,000
Miller Gas Company	2,480,000
Palm Beach Co. Utilities Corp.	1,135,415
Peoples Gas System	250,000,000
Plant City Natural Gas	4,276,000
St. Joe Natural Gas Company	7,000,00
South Florida Natural Gas Co.	1,670,000
Southern Gas Company	25,060,000
West Florida Natural Gas Co.	19,758,397
<u>CFCG:</u> 30,331,335 therms.	
<u>CITY GAS:</u> 39,473,000 therms.	
<u>FPUC:</u> 31,316,960 therms.	
<u>GAINESVILLE GAS:</u> 17,349,021 therms.	
<u>INDIANTOWN GAS:</u> 2,200,000 therms.	
<u>MILLER GAS:</u> 2,480,000 therms.	
<u>PBCUC:</u> 1,135,415 therms.	
<u>PEOPLES:</u> 250,000,000 therms.	
<u>PLANT CITY:</u> 4,276,000 therms.	

ORDER NO. 21744  
 DOCKET NO. 890003-GU  
 PAGE 13

ST. JOE: 7,000,000 therms.

SFNG: 1,670,000 therms.

SOUTHERN: 25,060,000 therms.

WFNG: 19,758,397 therms.

OPC: Public Counsel will accept Staff's positions for purposes of this docket.

- \*3. STIPULATED ISSUE: What is the appropriate true-up factor for application on customer bills during the October 1989 through March 1990 period?

STAFF:

	True-up Factor Cents per <u>Therm</u>
Central Florida Gas Company	( .344)
City Gas Company of Florida	.675
Florida Public Utilities	.563
Gainesville Gas Company	( .604)
Indiantown Gas Company	( 1.368)
Miller Gas Company	( .636)
Palm Beach Co. Utilities Corp.	( .246)
Peoples Gas System	.376
Plant City Natural Gas	( .257)
St. Joe Natural Gas Company	( .468)
South Florida Natural Gas Co.	.470

ORDER NO. 21744  
 DOCKET NO. 890003-GU  
 PAGE 14

STAFF:

True-up  
 Factor  
 Cents per  
Therm

Southern Gas Company	.451
West Florida Natural Gas Co.	.362

CFCG: (.344)¢/ per therm.

CITY GAS: \$.00675 per therm refund before gross receipts taxes.

FPUC: .563¢/per therm.

GAINESVILLE GAS: (.604)¢/per therm.

INDIANTOWN GAS: (1.368)¢/per therm.

MILLER GAS: (.636)¢/per therm.

PBCUC: (.246)¢/per therm.

PEOPLES: \$0.00376 per therm.

PLANT CITY: (.257)¢/per therm.

ST. JOE: (\$.00468) therm.

SFNG: .47¢/per therm.

SOUTHERN: .451¢/per therm.

WFNG: .362¢/per therm.

OPC: Public Counsel will accept Staff's positions for purposes of this docket.

ORDER NO. 21744  
DOCKET NO. 890003-GU  
PAGE 15

STIPULATED ISSUES

Issues 1, 2, and 3 were stipulated by all parties.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that these proceedings shall be governed by this order unless modified by the Commission.

By ORDER of Commissioner John T. Herndon, as Prehearing Officer, this 18th day of AUGUST, 1989.

John T. Herndon  
JOHN T. HERNDON, Commissioner  
and Prehearing Officer

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ORDER NO. 21744  
DOCKET NO. 890003-GU  
PAGE 16

ATTACHMENT A  
(Per Staff's Statement of Basic Position)

PGA TRUE-UP FACTORS FOR THE PERIOD OCTOBER 1, 1988  
THROUGH MARCH 31, 1989 TO BE APPLIED  
DURING THE PERIOD OCTOBER 1, 1989  
THROUGH MARCH 31, 1990

	<u>Over (Under)</u> <u>Recovery</u>	<u>Estimated</u> <u>Therm sales</u>	<u>True-up</u> <u>Factor</u> <u>Cents per</u> <u>Therm</u>
Central Florida Gas Company	\$104,305	30,331,335	( .344)
City Gas Company of Florida	(266,375)	39,473,000	.675
Florida Public Utilities	(176,234)	31,316,960	.563
Gainesville Gas Company	104,814	17,349,021	( .604)
Indiantown Gas Company	30,106	2,200,000	( 1.368)
Miller Gas Company	15,777	2,480,000	( .636)
Palm Beach Co. Utilities Corp.	2,792	1,135,415	( .246)
Peoples Gas System	(939,646)	250,000,000	.376
Plant City Natural Gas	10,988	4,276,000	( .257)
St. Joe Natural Gas Company	32,756	7,000,000	( .468)
South Florida Natural Gas Co.	( 7,846)	1,670,000	.470
Southern Gas Company	(113,018)	25,060,000	.451
West Florida Natural Gas Co.	(71,443)	19,758,397	.362