

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Conservation Goals,)
Rule 25-17.004, Florida Administrative)
Code, Goals For Natural Gas Utilities.)
_____)

DOCKET NO. 860185-GU
ORDER NO. 22179
ISSUED: 11-14-89

NOTICE OF RULEMAKING

NOTICE is hereby given that the Commission, pursuant to Section 120.54, Florida Statutes, has initiated rulemaking to repeal Rule 25-17.004, relating to conservation goals for natural gas utilities.

The attached Notice of Rulemaking will appear in the November 22, 1989 edition of the Florida Administrative Weekly. If requested, a hearing will be held at the following time and place:

9:30 a.m., Wednesday, March 7, 1990*
Room 106, Fletcher Building
101 East Gaines Street
Tallahassee, Florida

*Thursday, March 8 and Friday, March 9, 1990 have also been reserved if needed.

Written requests for hearing and written comments or suggestions on the rules must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida, 32399-0863, no later than December 13, 1989.

By Direction of the Florida Public Service Commission, this 14th day of NOVEMBER, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

SBr

by: Kay Flynn
Chief, Bureau of Records

DOCUMENT NUMBER-DATE

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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 860185-GU
RULE TITLE:
Goals for Natural Gas Utilities

RULE NO.:
25-17.004

PURPOSE AND EFFECT: The methodology prescribed in the current rule sets numerical targets for the 1980's only. Future conservation goals for gas utilities cannot be determined under the rule as it now exists. This rule should be repealed and conservation goals consistent with the goals expressed in existing Rule 25-17.001, Florida Administrative Code, should be adopted.

SUMMARY: Rule 25-17.004, Florida Administrative Code, was originally enacted in 1980 to implement the Florida Energy Efficiency and Conservation Act (FEECA), Chapters 366.81-.85 and 403.519, Florida Statutes. Goals in the rule are designed to reduce oil dependency in the state, to decrease loss of natural gas by specific actions, to increase the efficiency of the use of natural gas, to increase utilities' involvement in federal regulation, and to perform a specified number of energy audits. The goals in the rule set performance targets to be reached throughout the 1980's. Activism in federal regulation and leak prevention activities do not have target dates, but these are the activities of a well-managed gas utility and need not be in rule form.

The goals expressed in existing Rule 25-17.001, Florida Administrative Code, echo those expressed in this rule. This fact combined with the reasons expressed above, justify the repeal of this rule.

RULEMAKING AUTHORITY: 366.05(1), 366.82(1)-(4), Florida Statutes.

LAW IMPLEMENTED: 366.82(1)-(4), Florida Statutes.

SUMMARY OF THE ESTIMATE OF ECONOMIC IMPACT OF THESE RULES: Benefits would accrue to the extent that repeal of the conservation goals rules results in more timely implementation of cost-effective conservation efforts by Florida utilities. Costs would likely arise only to the extent that repeal of the rules would engender additional monitoring, program filing, or hearing costs not incurred under the current rule; through foregone opportunities for deferral of additional electric generating capacity; or through loss of opportunities to reduce dependence on oil and oil-derived energy. With the adoption of

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the goals expressed in existing Rule 25-17.001, Florida Administrative Code, and the implementation of those goals by the natural gas utilities reviewable at subsequent Commission hearings, it appears likely that Florida natural gas utilities and their ratepayers would incur no long-run "net" cost increases by the repeal of this rule.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING. IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., Wednesday, March 7, 1990
PLACE: Room 106, 101 East Gaines Street, Tallahassee, Florida.
THE PERSON TO BE CONTACTED REGARDING THESE RULES AND THE ECONOMIC IMPACT STATEMENT IS: Bureau Chief, Electric and Gas Section, Division of Legal Services, 101 East Gaines Street, Tallahassee, Florida 32399-0863

THE FULL TEXT OF THE RULES IS:

25-17.004 Goals for Natural Gas Utilities.

(1) Natural gas and electric utility systems shall promote the use of natural gas as a substitute for oil or oil derived energy where to do so is cost effective within Florida. The annual increase in the number of high priority end users should be at least 2% by January 1, 1983 and 3% by December 31, 1985. By 1989, natural gas utilities should have enough high priority end users to absorb any gas which becomes available as a result of the Fuel Use Act, as amended.

(2) Natural gas utilities shall pursue aggressively those steps at the federal level that will result in more gas becoming deliverable to Florida customers of all classes in order to displace oil.

(3) Natural gas utilities shall increase their leak detection, cathodic protection and similar maintenance programs to such an extent that unaccounted for gas does not exceed 1 1/2%.

(4) The residential conservation service audit and other consumer programs shall have the goal of reducing average residential customer usage of natural gas for space and water heating 25% from 1980 usage level by 1985 for those customers implementing cost effective conservation measures.

(5) Customer response to audits shall be 7,988 by

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January 1, 1982 and 13,328 by January 1, 1984 with goals computed using the same methodology as required for electric utilities by 25-17.003(1) for customers whose usage exceeds 400 therms in the base years. The audit programs shall concentrate on the largest usage customers as first priority.

Specific Authority: 366.05(1), 366.82(1)-(4), F.S.

Law Implemented: 366.82(1)-(4), F.S.

History: New 12/2/80, Amended 12/30/82, formerly 25-17.04,
Repealed_____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Joe McCormick
NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:
Florida Public Service Commission

DATE PROPOSED RULES APPROVED: October 17, 1989

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.