

State of Florida

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Division of Appeals
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Public Service Commission

January 28, 1991

ORIGINAL
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Mr. Carroll Webb
Joint Administrative Procedures
Committee
120 Holland Building
Tallahassee, Florida 32399

Re: ~~DOCKET NO. 900532-GU~~, NEW RULES 25-7.047, 25-7.0471,
25-7.0472 AND 25-7.0473

Dear Mr. Webb:

The Commission has approved the adoption of Rules 25-7.047 and 25-7.0473 without changes.

The Commission considered comments on the proposed rules at a public hearing on January 15, 1991. Enclosed is a statement of changes for the proposed Rules 25-7.0471(2) and 25-7.0472(2), that the Commission made in response to those comments.

The rule has an impact on small business and the Small and Minority Business Advocate, the Division of Economic Development and the Minority Business Enterprise Assistance Office have not offered alternatives regarding the impact of the rule on small business.

Sincerely,

Martha C. Brown

MARTHA C. BROWN
Associate General Counsel

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR MCB/cp
- EAG Enclosure
- LEG _____
- LIN _____
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- OTH _____

cc: Steve Tribble, Director,
Div. Records & Reporting

DOCUMENT NUMBER DATE

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PSC-RECORDS/REPORTING

STATEMENT OF CHANGES

In response to informal comments filed by staff of the Joint Administrative Procedures Committee, the Commission has changed the language of proposed Rules 25-7.0471(2) and 25-7.0472(2) to more specifically inform those affected by the rules of the factors it will consider when approving territorial agreements or resolving territorial disputes between natural gas utilities. To preserve the discretion the legislature has granted the Commission to respond to all issues that may arise in the context of a particular case, the Commission has added language to the rules that states that the Commission will also consider "other relevant issues that may arise from the circumstances of a particular case."

The specific changes to the proposed rules are:

1. **Rule 25-7.0471(2).** Change ". . . the Commission may consider, but not be limited to consideration of" to ". . . the Commission shall consider:" Add (d) to subsection (2), which reads; "other relevant factors that may arise from the circumstances of a particular case."
2. **Rule 25-7.0472(2).** Change ". . . the Commission may consider, but is not limited to consideration of" to ". . . the Commission shall consider:" Add 9. to (c) of subsection (2) which reads "Other costs that may be relevant to the circumstances of a particular case." Add (d) to subsection (2), which reads, "other relevant factors that may arise from the circumstances of a particular case."

1 25-7.0471 Territorial Agreements for Natural Gas Utilities.

2 (1) All territorial agreements between natural gas
3 utilities shall be submitted to the Commission for approval.
4 Each territorial agreement shall clearly identify the
5 geographical area to be served by each utility. The submission
6 shall include:

- 7 (a) a map and a written description of the area,
8 (b) the terms and conditions pertaining to implementation of
9 the agreement; and any other terms pertaining to the agreement,
10 (c) the number and class of customers to be transferred,
11 (d) assurance that the affected customers have been
12 contacted and the difference in rates explained, and
13 (e) information with respect to the degree of acceptance by
14 affected customers, i.e., the number in favor and those opposed
15 to the transfer. Upon approval of the agreement, any
16 modification, changes, or corrections to this agreement must be
17 approved by this Commission.

18 (2) Standards for Approval. In approving territorial
19 agreements, the Commission shall may consider, ~~but not be limited~~
20 ~~to consideration of:~~

- 21 (a) the reasonableness of the purchase price of any
22 facilities being transferred;
23 (b) the reasonable likelihood that the agreement, in and of
24 itself, will not cause a decrease in the reliability of natural
25 gas service to the existing or future ratepayers of any utility

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~~struck-through~~ type are deletions from existing law.

1 party to the agreement, and

2 (c) the reasonable likelihood that the agreement will
3 eliminate existing or potential uneconomic duplication of
4 facilities.

5 (d) other relevant factors that may arise from the
6 circumstances of a particular case.

7 (3) The Commission may require additional relevant
8 information from the parties of the agreement, if so warranted.

9 Specific Authority: 366.04(3)(a)(b)(c)(4), Florida Statutes.

10 Law Implemented: 366.04, Florida Statutes.

11 History: New

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1 25-7.0472 Territorial Disputes for Natural Gas Utilities.

2 (1) A territorial dispute proceeding may be initiated by a
3 petition from a natural gas utility, requesting the Commission to
4 resolve the dispute. Additionally the Commission may, on its
5 own motion, identify the existence of a dispute and order the
6 affected parties to participate in a proceeding to resolve it.
7 Each utility which is a party to a territorial dispute shall
8 provide a map and written description of the disputed area along
9 with the conditions that caused the dispute. Each utility party
10 shall also provide a description of the existing and planned load
11 to be served in the area of dispute and a description of the
12 type, additional cost, and reliability of natural gas facilities
13 and other utility services to be provided within the disputed
14 area.

15 (2) In resolving territorial disputes, the Commission shall
16 may consider, ~~but is not limited to consideration of:~~

17 (a) The capability of each utility to provide reliable
18 natural gas service within the disputed area with its existing
19 facilities and gas supply contracts and the extent to which
20 additional facilities are needed;

21 (b) The nature of the disputed area and the type of
22 utilities seeking to serve it and degree of urbanization of the
23 area and its proximity to other urban areas, and the present and
24 reasonably foreseeable future requirements of the area for other
25 utility services;

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1 (c) The cost of each utility to provide natural gas service
2 to the disputed area presently and in the future; which includes
3 but is not limited to the following:

- 4 1. Cost of obtaining rights-of-way and permits.
- 5 2. Cost of capital.
- 6 3. Amortization and depreciation.
- 7 4. Labor; rate per hour and estimated time to perform
8 each task.
- 9 5. Mains and pipe; the cost per foot and the number
10 of feet required to complete the job.
- 11 6. Cost of meters, gauges, house regulators, valves,
12 cocks, fittings, etc., needed to complete the job.
- 13 7. Cost of field compressor station structures and
14 measuring and regulating station structures.
- 15 8. Cost of gas contracts for system supply.
- 16 9. Other costs that may be relevant to the

17 circumstances of a particular case.

18 (d) other relevant factors that may arise from the
19 circumstances of a particular case.

20 (e) customer preference if all other factors are
21 substantially equal.

22 (3) The Commission may require additional relevant
23 information from the parties of the dispute if so warranted.

24 Specific Authority: 366.04(3)(a)(b)(c)(4), Florida Statutes.

25 Law Implemented: 366.04, Florida Statutes

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1 | History: New.

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