

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment	)	DOCKET NO. 920003-GU
(PGA) True-Up	)	ORDER NO. 25727
	)	ISSUED: 02/17/92
	)	

Pursuant to Notice, a Prehearing Conference was held on February 5, 1992, in Tallahassee, Florida, before Commissioner Betty Easley, Prehearing Officer.

## APPEARANCES:

A. APPEARANCES:

WAYNE L. SCHIEFELBEIN, Esquire, Gatlin, Woods, Carlson & Cowdery, 1709-D Mahan Drive, Tallahassee, Florida 32308  
On behalf of Chesapeake Utilities Corporation, Florida Division

FLOYD SELF and ROBERT S. GOLDMAN, Esquire, Messer, Vickers, Caparello, Madsen, Lewis, Goldman & Metz, P.A., Suite 701, FirstFlorida Building, Post Office Box 1876, Tallahassee, Florida 32302-1876  
On behalf of Florida Public Utilities Company, South Florida Natural Gas Company and West Florida Natural Gas Company

LEE L. WILLIS, Esquire and JAMES D. BEASLEY, Esquire, Ausley, McMullen, McGehee, Carothers and Proctor, Post Office Box 391, Tallahassee, Florida 32302  
On behalf of City Gas Company of Florida.

ANSLEY WATSON, JR., Esquire, and VINCENT L. NUCCIO, JR., Esquire, Macfarlane Ferguson, P. O. Box 1531, Tampa, Florida 33601  
On behalf of Peoples Gas System, Inc.

JOHN ROGER HOWE, Deputy Public Counsel, The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400  
On behalf of the Citizens of the State of Florida.

ROBERT VICTOR ELIAS, Esquire, 101 East Gaines Street, Suite 226, Tallahassee, Florida 32399-0863  
On behalf of the Commission Staff.

MARSHA E. RULE, Esquire, the Office of the General Counsel, 101 East Gaines Street, Suite 212, Tallahassee, Florida 32399-0861  
Counsel to the Commissioners.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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PREHEARING ORDER

Background

As part of the Commission's continuing fuel and energy conservation cost and purchased gas cost recovery proceedings, a hearing is set for February 19, 20 and 21, 1992 in this docket and in Docket Nos. 920001-EI and 920002-EG. The following subjects were noticed for hearing:

1. Determination of the Proposed Levelized Fuel Adjustment Factors for all investor-owned utilities for the period April, 1992 through September, 1992;
2. Determination of the Estimated Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period October, 1991 through March, 1992, which are to be based on actual data for the period October, 1991 through November, 1991, and revised estimates for the period December, 1991 through March, 1992;
3. Determination of the Final Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period April, 1991 through September, 1991, which are to be based on actual data for that period;
4. Determination of Projected Conservation Cost Recovery Factors for certain investor-owned electric and gas utilities for the period April, 1992 through October, 1992.
5. Determination of the Estimated Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period October, 1991 through March, 1992, which are to be based on actual data for the period October, 1991 through November, 1991 and revised estimates for the period December, 1991 through March, 1992.
6. Determination of the Final Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period April, 1991 through September, 1991, which are to be based on actual data for that period;
7. Determination of any Projected Oil Backout Cost Recovery Factors for the period April, 1992 through

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September, 1992, for the cost of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.016, Florida Administrative Code.

8. Determination of the Estimated Oil Backout Cost Recovery True-Up Factors for the period October, 1991 through March, 1992, for the costs of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.016, Florida Administrative Code, which are to be based on actual data for the period October, 1991 through November, 1991, and revised estimates for the period December, 1991 through March, 1992.
9. Determination of the Final Oil Backout True-Up Amounts for the period April, 1991 through September, 1991, which are to be based on actual data for that period;
10. Determination of Generating Performance Incentive Factor Targets and Ranges for the period April, 1992 through September, 1992;
11. Determination of Generating Performance Incentive Factor Rewards and Penalties for the period April, 1991 through September, 1991;
12. Determination of the Purchased Gas Adjustment Factors to be applied during the period April, 1992 through September 1992.

At the prehearing conference, the parties reached agreement on all issues identified for resolution at this hearing. Accordingly, the case will be presented to the panel as a stipulation.

#### 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.

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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 of Witnesses

In keeping with Commission practice, witnesses will be grouped by the subject matter of their testimony. 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.

Witnesses whose name appears with an asterisk (\*) have been excused from appearing. Their direct testimony shall be inserted into the record as if read, cross examination waived and sponsored exhibits admitted as evidence.

	<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
1.	* A. M. Vincent (CUC)	Purchased Gas Adjustment Factor, True-up, and Projections	1, 2, 3, 4, 5
2.	* Jerry A. Wutzler (CGC)	Purchased Gas Adjustment (PGA) True-up and Projection	1,2,3,4, 5
3.	* Bachman (FPUC)	Purchased Gas Cost Recovery Projections, True-ups, and Estimate of Therm Sales	1, 2, 3, 4
4.	* Schneidermann (FPUC)	Natural Gas Sales projection, demand and commodity costs, and WACOG	4
5.	* Powers (IGC)	PGA True-Up and Projections	1-4

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	<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
6.	* H. M. Grey, III (PGS)	Projected gas costs, therm sales and weighted average cost of gas ("WACOG"); projected PGA	2 - 4
7.	* F. J. Sivard (PGS)	PGA true-up amount (April - September 1991) and estimated PGA true-up amount (October 1991 - March 1992); projected PGA	1 - 4
8.	* Kahl (SFNG)	Purchased Gas Cost Recovery Projections, True-ups, and Estimate of Therm Sales	1 - 4
9.	* Goodwin (WFNG)	Purchased Gas Cost Recovery Projections, True-ups, and Estimate of Therm Sales	1 - 4
10.	* Shoaf (SJNG)	Purchased Gas Cost Recovery Projections, True-ups, and Estimate of Therm Sales	1 - 4

EXHIBIT LIST

<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
<u>1</u> AMV-1 (Composite)	Vincent	April 1991 - Sept. 1991 True-Up, Schedules A1 through A-8
<u>2</u> AMV-2 (Composite)	Vincent	April 1992 - Sept. 1992 PGA Factor, Schedules E1 through E-5P

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<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
<u>3</u>	Wutzler	P G A Summary Calculation of True-Up for the Period April 1991 through September 1991; Schedules E-1/PFS-R, E-3P, E-4P and E-5P for the period October 1991 through March 1992; and Schedules E-1PFS-O, E-2, E-3P and E-5P for the period April 1992 through September 1992.
<u>4</u>	Bachman	Schedules A-1/MF-AO, A-1/MI-AO, A-2, A-3, A-4, A-5, and A-7P for the months April through September, 1991; Schedule A-3B for July and August, 1991 and Schedules A-6 and A-8 for September, 1991
<u>5</u>	Bachman	Revised Schedules E - 1 / P F S - O , E-1/PIS-O, E-2, and E-4P, and Schedules E-3P, E-5P, and E-6P
<u>6</u> (IGC)	Powers	Schedules E1-E5,
<u>7</u> (PGS)	Sivard	Calculation of final true-up for April - September 1991 (Schedules A-1/MF-AO through A-8) for PGS (excluding Palm Beach Division)

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<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
<u>8</u> (PGS)	Sivard	Calculation of final true-up for April - September 1991 (Schedules A-1/MF-AO through A-8) for Palm Beach Division
<u>9</u> (PGS-1)	Sivard/Grey	Calculation of estimated true-up for October 1991-March 1992
<u>10</u> (PGS-2)	Sivard/Grey	Calculation of PGA factor (Schedules E-1/PFS-0 through E-5P)
<u>11</u> (EJK-1)	Kahl (composite)	Schedules A-1 through A-8 (true-up schedules for April through September, 1991)
<u>12</u> (EJK-2)	Kahl (composite)	Schedules E-1 through E-5 P (Purchased Gas Cost Recovery Factor April through September, 1992)
<u>13</u>	Goodwin	Schedules A-1, A-3, and A-5 for April, 1991; Schedules A-1/MF-AO, A-1/MI-AO, A-2, A-3, A-4, A-5, and A-7P for the months May through September, 1991; Schedule A-6 and Second Revised Schedule A-8 for the true-up period



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<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
<u>14</u> TG-1	Goodwin (composite)	Schedules E-1/PFS-R, E-3P, E-4P (Revised), E-5P for October, 1991 through March 1992, and Schedules E-1/PFS-O (Revised), E-2 (Revised, E-3P, and E-5P for April 1992 through September 1992
<u>15</u> (SJNG-1)	Shoaf	Transportation purchases system supply and end use for the projected period
<u>16</u> (SJNG-1)	Shoaf	Calculation of true-up amount current period (2 months actual 4 months estimated)
<u>17</u> (SJNG-1)	Shoaf	Old PGA Adjustment Calculation of True-up

PARTIES' STATEMENT OF BASIC POSITION

**STAFF:** The appropriate over (under) recovery amounts, purchased gas adjustment factors and effective date are as shown in Staff's positions on Issues 1 - 5. Sebring Gas Company should file PGA filings beginning with the January 1992 report.

**CUC:** The appropriate over (under) recovery amounts and purchased gas adjustment factor are as shown in the company's positions on Issues 1 - 5.

**CGC:** The Commission should determine that City Gas has properly calculated its Purchased Gas Adjustment true-up and that the appropriate purchased gas adjustment factor to be applied by City Gas during the period April 1992 through September 1992 is \$.26735 per therm, including the regulatory assessment fee but excluding the gross receipts tax which is billed separately.

**FPUC:** Florida Public Utilities Company has properly calculated its true-up amounts and projected gas costs. Its costs and



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projections are reasonable and its purchased gas cost recovery factors should be approved.

**IGC:** None necessary.

**PGS:** None at this time.

**SJNG:** None necessary.

**SFNG:** South Florida Natural Gas Co. has properly calculated its true-up amounts and projected gas costs. Its costs and projections are reasonable and its purchased gas cost recovery factor should be approved.

**WFNG:** West Florida Natural Gas Company has properly calculated its true-up amounts and projected gas costs. Its costs and projections are reasonable and its purchased gas cost recovery factor should be approved.

**OPC:** None at this time.

#### STATEMENT OF ISSUES AND POSITIONS

Stipulated Issues are noted with an asterisk (\*) next to the issue number.

#### Generic Purchased Gas Adjustment Issues

\* **ISSUE 1:** What are the appropriate final purchased gas adjustment true-up amounts for the period April, 1991 through September, 1991?

#### **POSITIONS:**

#### **STAFF:**

Chesapeake Utilities Corporation	\$ 90,318 Over Recovery
City Gas Company of Florida	\$ 244,400 Over Recovery
Florida Public Utilities	\$ 57,544 Over Recovery
Indiantown Gas Company	\$ 5,822 Under Recovery
Peoples Gas System, Inc.	\$1,994,294 Over Recovery
St. Joe Natural Gas Company	\$ 72,918 Over Recovery
South Florida Natural Gas Company	\$ 10,368 Over Recovery
West Florida Natural Gas Company	\$ 31,107 Under Recovery

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CUC: \$90,318 overrecovery. (Vincent)  
CGC: \$244,400 " (Wutzler)  
FPUC: \$ 57,544 Overrecovery (Bachman)  
IGC: \$ 22,500 Underrecovery (Powers)  
PGS: \$68,969 underrecovery (Palm Beach Division);  
\$2,063,264 overrecovery (all other PGS Divisions). (Sivard)  
SJNG: \$ 72,918 Overrecovery  
SFNG: \$10,368 overrecovery (Kahl)  
WFNG: \$31,107 underrecovery (Goodwin)  
OPC: Agree with staff as to all companies.

\* ISSUE 2: What are the estimated purchased gas adjustment true-up amounts for the period October, 1991 through March, 1992?

POSITIONS:

STAFF:

Chesapeake Utilities Corporation	\$192,005	Under Recovery
City Gas Company of Florida	\$349,377	Over Recovery
Florida Public Utilities	\$ 62,283	Over Recovery
Indiantown Gas Company	\$ 619	Over Recovery
Peoples Gas System, Inc.	\$2,865,370	Under Recovery
St. Joe Natural Gas Company	\$ 29,807	Under Recovery
South Florida Natural Gas Company	\$ 16,337	Under Recovery
West Florida Natural Gas Company	\$241,886	Under Recovery

CUC: \$192,005 underrecovery. (Vincent)  
CGC: \$349,377 overrecovery. (Wutzler)  
FPUC: \$62,283 Overrecovery (Bachman)  
IGC: \$620 Overrecovery (Powers)

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PGS: \$2,865,370 underrecovery.  
(Sivard/Grey)  
SJNG: \$ 29,807 underrecovery  
SFNG: \$16,337 underrecovery (Kahl)  
WFNG: \$241,866 underrecovery (Goodwin)  
OPC: Agree with staff as to all companies.

\* ISSUE 3: What are the total purchased gas adjustment true-up amounts to be collected during the period April, 1992 through September, 1992?

POSITIONS:

STAFF:

Chesapeake Utilities Corporation	\$101,687	Under Recovery
City Gas Company of Florida	\$593,735	Over Recovery
Florida Public Utilities	\$119,827	Over Recovery
Indiantown Gas Company	\$ 5,203	Under Recovery
Peoples Gas System, Inc.	\$871,076	Under Recovery
St. Joe Natural Gas Company	\$ 43,111	Over Recovery
South Florida Natural Gas Company	\$ 5,969	Under Recovery
West Florida Natural Gas Company	\$272,973	Under Recovery

CUC: \$101,687 underrecovery. (Vincent)  
CGC: \$593,735 overrecovery (Wutzler)  
FPUC: \$119,827 overrecovery (Bachman)  
IGC: \$ 5,203 underrecovery  
PGS: \$871,076 underrecovery. (Sivard/Grey)  
SJNG: \$ 43,111 overrecovery  
SFNG: \$ 5,969 underrecovery (Kahl)  
WFNG: \$272,973 underrecovery (Goodwin)  
OPC: Agree with staff as to all companies.

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**\* ISSUE 4:** What are the appropriate levelized purchased gas cost recovery (cap) factors for the period April, 1992 through September, 1992?

**POSITIONS:**

**STAFF:**

Chesapeake Utilities Corporation	26.271 cents per therm
City Gas Company of Florida	26.735 cents per therm
Florida Public Utilities	28.735 cents per therm
Indiantown Gas Company	24.215 cents per therm
Peoples Gas System, Inc.	24.639 cents per therm
Sebring Gas System, Inc.	30.460 cents per therm.
	(Because Sebring is a new utility, this PGA factor is an estimate based on FGT's rates and transportation charges made by Sebring Utilities Commission)
St. Joe Natural Gas Company	33.238 cents per therm
South Florida Natural Gas Company	34.022 cents per therm
West Florida Natural Gas Company	29.893 cents per therm

**CUC:** 26.271 cents per therm. (Vincent)

**CGC:** \$.26735, including the regulatory assessment fee but excluding the gross receipts tax which is billed separately. (Wutzler)

<b><u>FPUC:</u></b> Firm	28.735¢ per therm
Large Volume Interruptible	24.590¢ per therm
Other Interruptible (Bachman, Schneidermann)	24.730¢ per therm

**IGC:** \$0.24216 per therm

**PGS:** 24.639 cents per therm. (Sivard/Grey)

**BJNG:** 33.238 cents per therm.

**SPNG:** 34.022 cents per therm. This figure includes projected cost of gas, prior period true-ups and revenue tax factors. (Kahl)

**WFNG:** 29.893 cents per therm. This figure includes projected cost of gas, prior period true-ups and revenue tax factors. (Goodwin)

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OPC: Agree with staff as to all companies.

\* ISSUE 5: What should be the effective date of the new purchased gas adjustment charge for billing purposes?

POSITIONS:

STAFF: The factor should be effective for all meter readings on or after April 1, 1992, beginning with the first or applicable billing cycle for the period April, 1992 through September, 1992.

CUC: The factor should be effective for all meter readings on and after April 1, 1992, beginning with the first or applicable billing cycle for the period April, 1992 through September, 1992. (Vincent)

PGS: The factor should be effective for meter readings taken on or after April 1, 1992, beginning with the first or applicable billing cycle for the period April - September 1992, subject to adjustment during that period as provided in Orders Nos. 24463 and 24463-A.

OPC: Agree with Staff.

Company-Specific Purchased Gas Adjustment Issues

\* ISSUE 6: Should Sebring Gas System, Inc. be required to file PGA filings in accordance with Order No. 24463 and 24463 - A

POSITIONS:

STAFF: Yes. Beginning with January, 1992 monthly filing.

SGS: Agree with Staff.

STIPULATED ISSUES

All of the issues identified for resolution in this docket have been fully stipulated.

MOTIONS


None.

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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 Betty Easley, as Prehearing Officer, this 17th day of FEBRUARY, 1992.

  
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Betty Easley, Commissioner  
and Prehearing Officer

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