

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment ) DOCKET NO. 930003-GU  
(PGA) True-Up. ) ORDER NO. PSC-93-0280-FOF-GU  
\_\_\_\_\_ ) ISSUED: 02/23/93

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
THOMAS M. BEARD  
SUSAN F. CLARK

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING MID COURSE CORRECTION

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On January 13, 1993, Peoples Gas System, Inc. (PGS) filed a petition for approval of a mid-course correction to its currently authorized purchased gas adjustment cap for the period October 1992 through March 1993. This factor was based on projected purchased gas costs of \$59,016,308 less \$2,710,873 true-up adjusted for taxes divided by total sales of 219,067,362 therms equals the 25.799 cents per therm.

As indicated in PGS's filing in this docket, re-projections of its purchased gas costs for the October 1992 - March 1993 period will be \$66,206,043 an increase of \$7,189,735 and a decrease in sales of 15,846,918 therms. The combination of increased cost and decrease in sales with which to recover the increased cost, results in a re-projected true-up (underrecovery) for the six-month period October 92 - March 93 of \$13,714,298 if the previously authorized PGA cap is used during February and March.

If the mid-course correction is not made for February and March, the re-projected true-up amount of \$13,714,298 underrecovery added to the purchased gas cost for the projected April 1993 - September 1993 period would result in a PGA cap of 40.129 cents per therm to be applied to customers' bills during that six-month period.

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Although applying this increase in the PGA cap for February and March 1993 will not eliminate the full amount of the projected underrecovery of \$13,714,298, such underrecovery will be reduced to approximately \$6,624,815 to be included in the projected period April 93 - September 93.

The effect of this mid-course correction would increase the PGA cap for February and March 1993 from 25.799 to 36.000 cents per therm (a \$3.06 increase for a residential customer using 30 therms) rather than a \$4.30 increase for the projected period April 1993 - September 1993 without the mid-course correction.

There has been no prudence review of PGS's purchased gas cost estimates and decreases in sales and we do not necessarily agree or disagree with PGS's figures at this time. However, prudence review of this mid-course correction will take place during the August 1993 hearings. If the increase in the cost recovery cap is ultimately found imprudent, such cost will be disallowed through the true-up mechanism for the period October 1993 - March 1994.

Peoples Gas System has requested an effective date beginning with the first billing cycle for the month of February 1993. Our action shall be effective the day after the Commission vote; or February 3, 1993. This effective date falls short of the normal 30-day notice requirement but we believe that such treatment is warranted at this time. This is consistent with our previous orders approving mid-course corrections in the electric utility fuel adjustment cost recovery factors under similar circumstances when the amount of the projected underrecovery was substantial.

Based on the foregoing, we approve PGS's petition for a mid-course and establish a purchased gas adjustment cap of 36.000 cents per therm for February and March 1993 effective for meter readings taken on or after February 3, 1993.

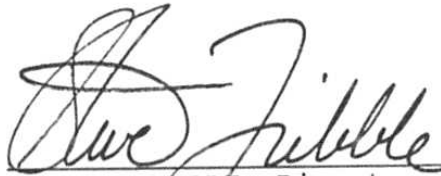
Based on the foregoing, it is

ORDERED that the Petition of Peoples Gas System, Inc. for a mid course correction to its Purchased Gas Adjustment cap is hereby approved to the extent discussed herein. It is further

ORDERED that the Purchased Gas Adjustment cap for Peoples Gas System, Inc. shall be increased to 36.000 cents per therm, effective February 3, 1993.

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By ORDER of the Florida Public Service Commission this 23rd  
day of February, 1993.



STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on March 16, 1993.

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In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.