

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Peoples Gas) DOCKET NO. 930713-GU
System, Inc. for a tariff) ORDER NO. PSC-93-1233-FOF-GU
modification to its) ISSUED: August 24, 1993
interruptible service and)
interruptible transportation)
service rate schedules.)
_____)

The following Commissioners participated in the disposition of this matter:

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

ORDER GRANTING PEOPLES' PETITION FOR
TARIFF MODIFICATION TO ITS INTERRUPTIBLE SERVICE AND
INTERRUPTIBLE TRANSPORT SERVICE RATE SCHEDULES

BY THE COMMISSION:

Peoples Gas System, Inc., (Peoples) filed this request for a tariff modification to its Interruptible Service (IS) and Interruptible Transportation Service (ITS) rate schedules to become effective on August 3, 1993, pursuant to Section 366.06(4), Florida Statutes. The proposed modification provides that a Peoples customer which qualifies for service under the IS or ITS rate schedules shall continue to qualify for service under those schedules even if usage is decreased below 4,000,000 therms per year. This modification applies only if the usage decrease is due solely to the customer taking thermal energy from a cogeneration facility to which Peoples sells gas or provides transportation service.

Under the original tariff, usage below 4,000,000 therms per year would place the customer under the Small Interruptible Service rate, which is more costly per therm than the IS or ITS rates. This creates a disincentive to customers who participate as steam hosts for cogeneration facilities, because any savings in reduced fuel use will be mitigated by the increased cost of remaining fuel needs. Retaining the customer on the IS or ITS rate schedule would eliminate this disincentive.

Since the requested tariff modification is applicable only when the cogeneration facility is served by Peoples, Peoples and its ratepayers will derive the benefits associated with the added

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load of the cogeneration facility. These benefits will offset any reduction in revenues caused by the customer's participation as a steam host. Further, this analysis does not consider the additional revenues to Peoples from the cogeneration facility itself.

Accordingly, we approve the tariff modification, effective August 3, 1993.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that Peoples' petition for a tariff modification to its interruptible service and interruptible transportation service rate schedules is granted, as discussed above. It is further

ORDERED that this docket be closed if no person whose substantial interests are affected by the action proposed by this recommendation files a petition for a formal proceed within the allowed 21-day protest period.

By ORDER of the Florida Public Service Commission this 24th day of August, 1993.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
MAA:bmi

by: Kay Flynn
Chief, Bureau of Records

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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), 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 September 14, 1993.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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 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 wastewater 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 date this Order becomes final, 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.