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February 5, 1996

ORIGINAL
FILE COPY

Ms. Blanca S. Bayo, Director
Division of Record and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0868

Dear Ms. Bayo:

Enclosed for filing in Docket No. 960002-EG, please find the original and 15 copies of City Gas Company of Florida's Prehearing Statement along with a copy on diskette.

Should you have any questions with respect to this filing, please contact me at (305) 691-8710, ext. 174.

- ACK
- AFA
- APP _____
- CAF _____
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Sincerely,

Rachel Turner

By: Michael A. Palecki
Vice President of Regulatory Affairs

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DOCUMENT NUMBER-DATE

01311 FEB-6 96

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In Re: Conservation Cost
Recovery Clause.

) DOCKET NO. 960002-EG
) Filed: February 8, 1996
)

CITY GAS COMPANY OF FLORIDA'S PREHEARING STATEMENT

Pursuant to Order No. PSC-96-0016-PCO-EG, City Gas Company of Florida, a division of NUI Corporation, files its Prehearing Statement.

a. Witnesses

<u>Witness</u>	<u>Appearing For</u>	<u>Issue #</u>
<u>Direct</u>		
Carl Smith	City Gas Company of Florida, A Division of NUI Corporation	1 - 12

Rebuttal

None

b. Exhibits

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Carl Smith	Carl Smith	<u> </u> (CS-1)	Schedules C-1, C2, C3, C-4, and C-5.

c. Statement of Basic Position

The Commission should determine that the appropriate adjusted net true-up for City Gas Company for the period October 1994 through September 1995 is \$210,395 underrecovery. The appropriate conservation cost recovery factors for the period April 1996 through March 1997 are \$3.232 cents per therm for the RS class and \$.883 cents per therm for the CS class.

DOCUMENT NUMBER-DATE

01311 FEB-6 96

FPSC-RECORDS/REPORTING

d. Position on the Issues

Generic Conservation Cost Recovery Clause Issues

ISSUE 1: What are the appropriate adjusted net true-up amounts for City Gas for the period October 1994 through September 1995?

Position: Underrecovery of \$210,395.

ISSUE 2: What are appropriate conservation cost recovery factors for City Gas for the period April, 1996 through March, 1997?

Position:	Rate Class	ECCR Factor
	RS - Residential	3.232 cents / therm
	CS - Commercial	.883 cents / therm

Company-Specific Issues

ISSUE 3: Is \$17,746,531 the appropriate amount of overrecovery for the Revenue Decoupling true-up balance for 1995?

Position: No position at this time.

ISSUE 4: Are the revisions to the "Proposed Adjustment to RPC for Changes in Economic Condition" appropriate?

Position: No position at this time.

ISSUE 5: Should Florida Power Corporation be allowed to defer for 60 days, with interest, its Revenue Decoupling true-up in order to petition the Commission for approval to apply the 1995 overrecovery from Revenue Decoupling towards reducing capacity payments to qualifying facilities instead of refunding the amount to ratepayers through the Energy Conservation Cost Recovery Clause?

Position: No position at this time.

ISSUE 6: In the event that FPC fails to file the petition, or the petition is not granted, should City Gas Company be required to refund the 1995 overrecovery from Revenue Decoupling, plus interest, during the remaining portion of the cost recovery period?

Position: No position at this time.

ISSUE 7: Should the Commission grant Gulf Power Company's request to implement The Business Edge, a new conservation program?

Position: No position at this time.

ISSUE 8: Should the Commission grant Gulf Power Company's request to change the method for allocating the costs of the Residential Advanced Energy Management (AEM) program from an energy basis to a demand basis?

Position: No position at this time.

ISSUE 9: Should Gulf Power Company's final true-up amount be reduced to reflect expenses incurred in the In Concert With the Environment program prior to the Commission's approval of this program.

Position: No position at this time.

ISSUE 10: Is it appropriate for Peoples Gas System, Inc. to recover legal costs incurred in defense of its Commission approved conservation programs when challenged for cost-effectiveness by a competitive utility?

Position: Yes.

ISSUE 11: Is it appropriate for PGS to recover \$41,038 for outside consulting fees related to research conducted to forecast and monitor financial impact of their conservation programs?

Position: Yes.

ISSUE 12: Should PGS be allowed to recovery cost incurred in Docket No. 941104-GU, related to the development of a demand-side management cost recovery methodology?

Position: Yes.

e. **Pending Motions**

City Gas Company of Florida has no pending motions.

f. **Other Matters**

None at this time.

Respectfully submitted this 8th day of February, 1996.

Michael A. Palecki

Michael A. Palecki
NUI CORPORATION - SOUTHERN DIVISION
Vice President of Regulatory Affairs
955 East 25 Street
Hialeah, FL 33013-3498
(305) 691-8710

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the City Gas Company of Florida's Prehearing Statement has been furnished by U.S. Mail to the following parties of record, this 8th day of February, 1996:

Sheila Erstling, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

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c/o Ansley Watson, Jr., Esquire
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South Florida Natural Gas Co.
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