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Public Service Commission

December 24, 2002

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123 South Calhoun Street
Tallahassee, Florida 32301

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COMMISSIONER
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In re: Docket 021065-GU - Petition for approval of tariff modification to implement pilot flat rate billing (FRB) program for residential customers in Miami Division, which encompasses Miami-Dade and Broward Counties, and for variance from or waiver of Rules 25-7.084 and 25-7.085, F.A.C., to extent those rules require monthly meter readings and provision of detailed billing information which is not applicable in flat rate bill environment, by City Gas Company of Florida.

Dear Mr. Melson:

After review of City Gas Company of Florida's (City Gas or utility) petition in the above-referenced docket, a need for additional information vital to proceeding with this matter was apparent. Staff requests that the utility supply the following information:

1. With reference to the prefiled direct testimony of Mr. Thomas Kaufman, please provide a sample flat rate billing (FRB) calculation as contained in TK-1, TK-2, and TK-3 for the years 1989 through 2002. Please use January 1, 1989 through December 31, 1989 as the first-year FRB rate, and January 1, 2002 through December 31, 2002 as the fifth year FRB rate.
2. With reference to the prefiled direct testimony of Mr. Daniel J. Nikolich, please provide a comparison as shown in Exhibit DJN-1 comparing the Miami Average Monthly Residential Consumption and the Brevard Average Monthly Residential Consumption (as opposed to the Brevard Heat Average Monthly Consumption as shown in DJN-1) for the period November 1998 through February 2002.
3. With reference to Mr. Nikolich's testimony, please provide an analysis as contained in Exhibit DJN-8 with the proposed \$26.55 flat rate.

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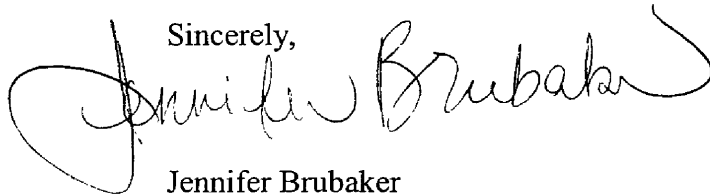
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4. Please state whether City Gas is aware if any gas utilities in the United States have implemented a flat rate or similar program. If so, please provide any information available regarding the design and results of such programs.
5. Please identify or describe what safeguards City Gas would incorporate to ensure that there would be sufficient monies to pay its transportation and gas supply bills should the price of gas rise substantially.
6. Please identify or describe whether City Gas considered developing several usage categories among the residential class (i.e., 0-5 therms, 6-10 therms), such that different consumption levels would have different flat rates, i.e., \$15, \$20, \$45, etc. Please explain why such a plan was not proposed in the utility's petition..
7. With reference to the prefiled direct testimony of Mr. Richard Wall, please provide the complete results of the focus group studies City Gas conducted, as discussed in Mr. Wall's testimony.

Staff's recommendation is currently scheduled to be filed by March 6, 2003. As time is of the essence in order to allow sufficient time for staff to analyze the data requested, we are requesting that responses to the above questions be provided by January 27, 2003. We also request that the responses be provided on an earlier, piecemeal basis, to the extent possible. If you have any questions, please do not hesitate to contact me at (850) 413-6228 or Mrs. Elisabeth Draper at (850) 413-6706.

Sincerely,



Jennifer Brubaker
Senior Attorney

JSB:jb

cc: Division of the Commission Clerk and Administrative Services
Division of Economic Regulation (Wheeler, E. Draper)