

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.

DOCKET NO. 140004-GU

DATED: September 26, 2014

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-14-0086-PCO-GU, filed February 4, 2014, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

There are no known witnesses at this time.

2. All Known Exhibits

There are no known exhibits at this time.

3. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

4. Staff's Position on the Issues

**ISSUE 1: What are the final conservation cost recovery true-up amounts for the period January 2013 through December 2013?**

**POSITION:** The appropriate final conservation cost recovery true-up amounts for the period January 2013 through December 2013 are as follows:

Chesapeake (CUC)	\$80,810	Under-recovery
Florida City Gas (FCG)	\$1,697,819	Over-recovery
Florida Public Utilities Company (FPUC)	\$7,883	Over-recovery
Indiantown Gas Company (Indiantown)	\$2,731	Over-recovery
Peoples Gas System (PGS)	\$1,701,839	Under-recovery
St. Joe Natural Gas (SJNG)	\$52,833	Under-recovery
Sebring Gas System, Inc. (Sebring)	\$5,238	Over-recovery

Staff's positions are contingent upon responses to outstanding discovery requests and may be modified upon receipt of same.

**ISSUE 2: What are the total conservation cost recovery amounts to be collected during the period January 2015 through December 2015?**

**POSITION:** The appropriate total conservation cost recovery amounts to be collected during the period January 2015 through December 2014 are as follows:

Chesapeake (CUC)	\$1,190,118
Florida City Gas (FCG)	\$4,791,999
Florida Public Utilities Company (FPUC)	\$3,828,095
Indiantown Gas Company (Indiantown)	\$28,429
Peoples Gas System (PGS)	\$14,565,181
St. Joe Natural Gas (SJNG)	\$113,557
Sebring Gas System, Inc. (Sebring)	\$48,121

Staff's positions are contingent upon responses to outstanding discovery requests and may be modified upon receipt of same.

**ISSUE 3: What are the conservation cost recovery factors for the period January 2015 through December 2015?**

**POSITION:** The appropriate conservation cost recovery factors for the period January 2015 through December 2015 are as follows:

CUC	Rate Class	ECCR Factor
	FTS-A	23.730 cents/therm
	FTS-B	18.543 cents/therm
	FTS-1	15.859 cents/therm
	FTS-2	8.712 cents/therm
	FTS-2.1	6.389 cents/therm
	FTS-3	5.518 cents/therm
	FTS-3.1	4.375 cents/therm
	FTS-4	3.695 cents/therm
	FTS-5	3.211 cents/therm
	FTS-6	2.498 cents/therm
	FTS-7	1.902 cents/therm
	FTS-8	1.636 cents/therm
	FTS-9	1.390 cents/therm
	FTS-10	1.358 cents/therm
	FTS-11	1.140 cents/therm
	FTS-12	0.759 cents/therm

COMMISSION STAFF'S PREHEARING STATEMENT  
DOCKET NO. 140004-GU  
PAGE 3

In accordance with Order No. PSC-07-0427-TRF-GU, issued May 15, 2007, in Docket No. 060675-GU, optional fixed rates are available to CUC customers in the following rate schedules:

<b>CUC</b>	<b>Rate Class</b>	<b>ECCR Factor (\$ per Bill)</b>
	FTS-A	\$1.63
	FTS-B	\$2.13
	FTS-1	\$2.71
	FTS-2	\$5.42
	FTS-2.1	\$7.82
	FTS-3	\$19.38
	FTS-3.1	\$25.37

<b>FCG</b>	<b>Rate Class</b>	<b>ECCR Factor</b>
	GS-1, GS-100, GS-220	14.392 cents/therm
	GS-600	7.223 cents/therm
	GS-1200	4.286 cents/therm
	GS-6000	3.565 cents/therm
	GS-25000	3.546 cents/therm
	GS-60000	3.484 cents/therm
	GS-120000	2.409 cents/therm
	GS-250000	2.283 cents/therm
	Gas Lights	6.888 cents/therm

<b>FPUC</b>	<b>Rate Class</b>	<b>ECCR Factor</b>
	Residential	11.387 cents/therm
	General Service & GS Transportation (GS1)	7.351 cents/therm
	General Service & GS Transportation (GS2)	5.354 cents/therm
	Large Volume Service	4.420 cents/therm

<b>Fort Meade</b>	<b>Rate Class</b>	<b>ECCR Factor</b>
	Residential	11.387 cents/therm
	General Service & GS Transportation (GS1)	7.351 cents/therm
	General Service & GS Transportation (GS2)	5.354 cents/therm
	Large Volume Service	4.420 cents/therm
<b>Indiantown</b>	<b>Rate Class</b>	<b>ECCR Factor</b>
	TS-1	6.445 cents/therm
	TS-2	1.051 cents/therm
	TS-3	5.226 cents/therm
	TS-4	0.317 cents/therm
<b>PGS</b>	<b>Rate Class</b>	<b>ECCR Factor</b>
	RS	9.207 cents/therm
	RS-SG	9.207 cents/therm
	SGS	5.398 cents/therm
	CS-SG & GS-1	2.767 cents/therm
	GS-2	2.010 cents/therm
	GS-3	1.666 cents/therm
	GS-4	1.243 cents/therm
	GS-5	0.908 cents/therm
	CSLS	1.737 cents/therm
	NGVS	1.459 cents/therm
<b>SJNG</b>	<b>Rate Class</b>	<b>ECCR Factor</b>
	RS-1	23.810 cents/therm
	RS-2	15.181 cents/therm
	RS-3	11.480 cents/therm
	GS-1	11.064 cents/therm
	GS-2	4.696 cents/therm
	FTS-4	2.125 cents/therm

<b>Sebring</b>	<b>Rate Class</b>	<b>ECCR Factor</b>
	TS-1	15.287 cents/therm
	TS-2	5.978 cents/therm
	TS-3	4.734 cents/therm
	TS-4	4.253 cents/therm

Staff's positions are contingent upon responses to outstanding discovery requests and may be modified upon receipt of same.

**ISSUE 4:** What should be the effective date of the new conservation cost recovery factors for billing purposes?

**POSITION:** The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2015 through December 2015. Billing cycles may start before January 1, 2015, and the last cycle may be read after December 31, 2015, so that each customer is billed for twelve (12) months regardless of when the adjustment factor became effective.

#### **COMPANY SPECIFIC CONSERVATION COST RECOVERY ISSUE**

FLORIDA PUBLIC UTILITIES COMPANY  
FLORIDA PUBLIC UTILITIES COMPANY - INDIANTOWN DIVISION  
FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

**ISSUE 5:** Should Florida Public Utilities Company, Florida Public Utilities Company-Indiantown, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Corporation be permitted to consolidate the conservation programs of its various divisions?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

5. Stipulated Issues

Staff is not aware of any stipulated issues at this time.

6. Pending Motions

There are no pending motions at this time.

COMMISSION STAFF'S PREHEARING STATEMENT

DOCKET NO. 140004-GU

PAGE 6

7. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests at this time.

8. Objections to Witness Qualifications as an Expert

Staff has no objections to any witness' qualifications as an expert in this proceeding.

9. Compliance with Order No. PSC-14-0086-PCO-GU

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 26th day of September, 2014.

*/s/ Kelley F. Corbari*

---

**KELLEY F. CORBARI**

Senior Attorney, Office of the General Counsel

FLORIDA PUBLIC SERVICE COMMISSION

2540 Shumard Oak Blvd.

Tallahassee, FL 32399-0850

Telephone: (850) 413-6234

Facsimile: (850) 413-6235

Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.

DOCKET NO. 140004-GU

DATED: September 26, 2014

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that STAFF'S PREHEARING STATEMENT has been filed with Office of Commission Clerk and one copy has been furnished to the following by electronic mail, on this 26th day of September, 2014:

Mr. J.R. Kelly  
Mr. Charles J. Rehwinkel  
Office of Public Counsel  
c/o The Florida Legislature  
111 W. Madison Street, Room 812  
Tallahassee FL 32399-1400  
[kelly.jr@leg.state.fl.us](mailto:kelly.jr@leg.state.fl.us)  
[rehwinkel.charles@leg.state.fl.us](mailto:rehwinkel.charles@leg.state.fl.us)

Ms. Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
[bkeating@gunster.com](mailto:bkeating@gunster.com)

Mr. Norman H. Horton Jr.  
Messer Caparello, P.A.  
P. O. Box 15579  
Tallahassee FL 32317  
[nhorton@lawfla.com](mailto:nhorton@lawfla.com)

Mr. Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P. O. Box 1531  
Tampa, Florida 33601-1531  
[aw@macfar.com](mailto:aw@macfar.com)

Mr. Charles A. Shoaf, Vice-President  
Ms. Debbie Stitt, Energy Conservation Analyst  
St. Joe Natural Gas Company, Inc.  
P. O. Box 549  
Port St. Joe, FL 32457-0549  
[dstitt@stjoegas.com](mailto:dstitt@stjoegas.com)

Mr. Jerry H. Melendy Jr.  
Sebring Gas System, Inc.  
3515 U.S. Highway 27 South  
Sebring FL 33870-5452  
[jmelendy@floridasbestgas.com](mailto:jmelendy@floridasbestgas.com)

CERTIFICATE OF SERVICE  
DOCKET NO. 140004-GU  
PAGE 2

Mr. Brian Sulmonetti  
Ms. Elisabeth Wade  
AGL Resources Inc.  
Ten Peachtree Place  
Location 1470  
Atlanta GA 30309  
[bsulmone@aglresources.com](mailto:bsulmone@aglresources.com)  
[ewade@aglresources.com](mailto:ewade@aglresources.com)

Ms. Kandi M. Floyd  
Ms. Paula Brown  
Peoples Gas System  
Regulatory Affairs  
P.O. Box 111  
Tampa, Florida 33601-0111  
[kfloyd@tecoenergy.com](mailto:kfloyd@tecoenergy.com)  
[regdept@tecoenergy.com](mailto:regdept@tecoenergy.com)

Ms. Carolyn Bermudez  
Florida City Gas  
933 East 25<sup>th</sup> Street  
Hialeah FL 33013  
[cbermude@aglresources.com](mailto:cbermude@aglresources.com)

Ms. Cheryl M. Martin, Director Regulatory Affairs  
Ms. Aleida Socarras  
Florida Public Utilities Company  
FPUC Indiantown Division  
Florida Division of Chesapeake Utilities Corp.  
1641 Worthington Road, Suite 220  
West Palm Beach FL 33409-6703  
[Cheryl\\_Martin@fpuc.com](mailto:Cheryl_Martin@fpuc.com)

*/s/ Kelley F. Corbari*

---

**KELLEY F. CORBARI**

Senior Attorney, Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
Telephone: (850) 413-6234  
Facsimile: (850) 413-6235  
Email: [KCorbari@psc.state.fl.us](mailto:KCorbari@psc.state.fl.us)