

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.

DOCKET NO. 140004-GU
ORDER NO. PSC-14-0655-FOF-GU
ISSUED: November 6, 2014

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

FINAL ORDER APPROVING NATURAL GAS CONSERVATION COST RECOVERY
AMOUNTS AND ESTABLISHING CONSERVATION COST RECOVERY FACTORS
FOR THE PERIOD JANUARY 2015 THROUGH DECEMBER 2015

APPEARANCES:

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A.,
215 South Monroe Street, Suite 601, Tallahassee, Florida 32301
On behalf of the Florida Division of Chesapeake Utilities Corporation (CUC),
Florida Public Utilities Company (FPUC), Florida Public Utilities Company –
Indiantown Division (Indiantown), Florida Public Utilities Company- Fort Meade
(Fort Meade), and Florida City Gas (FCG)

ANDREW M. BROWN and ASHLEY R. KELLGREN, ESQUIRES, Macfarlane
Ferguson & McMullen, Post Office Box 1531, Tampa, Florida 33601-1531
On behalf of Peoples Gas System (PGS)

CHARLES A. SHOAF, Vice President
Post Office Box 549, Port St. Joe, Florida 32457
On behalf of St. Joe Natural Gas Company (SJNG)

NORMAN H. HORTON, JR. and ROBERT J. TELFER, III, ESQUIRES, Messer
Caparello, P.A., Post Office Box 15579, Tallahassee, Florida 32317
On behalf of Sebring Gas System, Inc. (SGS)

CHARLES J. REHWINKEL, PATRICIA A. CHRISTENSEN, and J.R. KELLY,
ESQUIRES, Office of Public Counsel c/o The Florida Legislature, 111 West
Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida (OPC)

KELLEY F. CORBARI, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff)

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel,
Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee,
Florida 32399-0850
Advisor to the Florida Public Service Commission

As part of our continuing natural gas conservation cost recovery proceedings, an administrative hearing was held on October 22, 2014, in this docket. Florida Division of Chesapeake Utilities Corporation (CUC), Florida Public Utilities Company (FPUC), Florida Public Utilities Company – Indiantown Division (Indiantown), Florida Public Utilities Company- Fort Meade (Ft. Meade)¹, Florida City Gas (FCG), Sebring Gas System, Inc. (Sebring), Peoples Gas System (PGS), and St. Joe Natural Gas Company (SJNG) submitted testimony and exhibits in support of their proposed final and estimated true-up amounts and their conservation cost recovery factors. Prior to the hearing, the parties reached an agreement concerning all issues identified for resolution at the hearing. The Office of the Public Counsel took no position on all the issues. These issues were presented to us as stipulations. We have jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S.

The parties stipulated to the final and estimated true-up amounts and purchased gas cost recovery factors appropriate for each utility. We accept and approve the stipulations as reasonable and supported by competent, substantial evidence of record, as set forth below.

CONSERVATION COST RECOVERY FACTOR

We find that 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

¹ Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities Company, Florida Public Utilities Company – Indiantown Division, and Florida Public Utilities Company- Fort Meade are collectively referred to as the “Consolidated Companies.”

We find that the appropriate total conservation cost recovery amounts to be collected during the period January 2015 through December 2014 are as follows:

Consolidated Companies (CUC, FPUC, Indiantown, Ft. Meade)	\$5,046,643
Florida City Gas (FCG)	\$4,791,999
Peoples Gas System (PGS)	\$14,565,181
St. Joe Natural Gas (SJNG)	\$113,557
Sebring Gas System, Inc. (Sebring)	\$48,121

We find that the appropriate conservation cost recovery factors for the period January 2015 through December 2015 are as follows:

CUC	Rate Class	ECCR Factor
	FTS-A	25.336 cents/term
	FTS-B	19.798 cents/term
	FTS-1	16.933 cents/term
	FTS-2	9.302 cents/term
	FTS-2.1	6.821 cents/term
	FTS-3	5.892 cents/term
	FTS-3.1	4.672 cents/term
	FTS-4	3.945 cents/term
	FTS-5	3.429 cents/term
	FTS-6	2.668 cents/term
	FTS-7	2.031 cents/term
	FTS-8	1.746 cents/term
	FTS-9	1.484 cents/term
	FTS-10	1.450 cents/term
	FTS-11	1.218 cents/term
	FTS-12	.811 cents/term

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:

CUC	Rate Class	ECCR Factor (\$ per Bill)
	FTS-A	\$ 1.74
	FTS-B	\$ 2.27
	FTS-1	\$ 2.89
	FTS-2	\$ 5.79
	FTS-2.1	\$ 8.35
	FTS-3	\$ 20.69
	FTS-3.1	\$ 27.09
FCG	Rate Class	ECCR Factor
	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
FPUC	Rate Class	ECCR Factor
	Residential	11.097 cents/therm
	General Service & GS Transportation (GS1)	7.164 cents/therm
	General Service & GS Transportation (GS2)	5.218 cents/therm
	Large Volume Service	4.307 cents/therm
FORT MEADE	Rate Class	ECCR Factor
	Residential	11.097 cents/therm
	General Service & GS Transportation (GS1)	7.164 cents/therm
	General Service & GS Transportation (GS2)	5.218 cents/therm
	Large Volume Service	4.307 cents/therm

INDIANTOWN	Rate Class	ECCR Factor
	TS-1	10.242 cents/therm
	TS-2	1.670 cents/therm
	TS-3	8.305 cents/therm
	TS-4	0.504 cents/therm

PGS	Rate Class	ECCR Factor
	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	1.459 cents/therm
	NGVS	1.737 cents/therm

SJNG	Rate Class	ECCR Factor
	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

SEBRING	Rate Class	ECCR Factor
	TS-1	15.287 cents/therm
	TS-2	5.978 cents/therm
	TS-3	4.734 cents/therm
	TS-4	4.253 cents/therm

**CONSERVATION COST RECOVERY EFFECTIVE DATE
FOR 2015 BILLING CYCLE**

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 ISSUES

Florida Public Utilities Company

Florida Public Utilities Company-Indiantown

Florida Public Utilities Company-Fort Meade

Florida Division of Chesapeake Utilities Corporation

We find that Florida Public Utilities Company, Florida Public Utilities Company-Indiantown, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Corporation (collectively referred to the “Consolidated Companies”) shall be permitted to consolidate the conservation programs of the companies’ various divisions. We find that consolidation of the conservation programs is expected to result in administrative efficiencies and reduce costs associated with maintaining separate accounting records and separate programs for each company or division. By consolidating the programs, each company or division will offer the same conservation programs. The individual companies or divisions will still maintain separate conservation rates until such time as the base rates are consolidated through a rate proceeding. Program costs under the Consolidated Companies’ proposal, will be allocated to the separate base rates according to the share of base revenues each rate provides to the consolidated natural gas unit.

The proposed consolidation of the conservation programs is not a change in practice regarding the manner in which we determine the cost-effectiveness of conservation programs. Our staff will continue to review and audit all conservation programs for cost-effectiveness.

Based on the foregoing, it is


ORDERED by the Florida Public Service Commission that the stipulations, findings, and rulings set forth in the body of this Order are hereby approved. It is further

ORDERED that each utility that was a party to this docket shall abide by the stipulations, findings, and rulings herein which are applicable to it. It is further

ORDERED that the utilities named herein are authorized to collect the natural gas conservation cost recovery amounts and utilize the factors approved herein for the period 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 months regardless of when the adjustment factor became effective. It is further

ORDERED that the Natural Gas Conservation Cost Recovery Clause docket is ongoing and the docket shall remain open.

By ORDER of the Florida Public Service Commission this 6th day of November, 2014.


CARLOTTA S. STAUFFER

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, 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 after the issuance 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.