

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment ) DOCKET NO. 890003-GU  
 (PGA) True-up. ) ORDER NO. 20771  
 ) ISSUED: 2-20-89

Pursuant to Notice, a Prehearing Conference was held on February 10, 1989, in Tallahassee, before Commissioner John T. Herndon, Prehearing Officer.

APPEARANCES:

ROBERT S. GOLDMAN, Esquire, Messer, Vickers, Caparello, French & Madsen, P. A., P. O. Box 1876, Tallahassee, Florida 32301  
On behalf of Florida Public Utilities Corporation, Gainesville Gas Company, West Florida Natural Gas Company, and Southern Gas Company.

JAMES D. BEASLEY, Esquire, Ausley, McMullen McGehee, Carothers & Proctor, P. O. Box 391, Tallahassee, Florida 32302  
On behalf of City Gas Company.

ROBERT R. MORROW, Esquire, Sutherland, Asbill & Brennan, 1275 Pennsylvania Avenue, N. W., Washington, D. C., 20004  
On behalf of the Coalition of Local Governments.

JOHN ROGER HOWE, Esquire, Office of the Public Counsel, c/o Florida House of Representatives, The Capitol, Tallahassee, Florida 32301  
On behalf of the Citizens of the State of Florida.

BEN GIRTMAN, Esquire, 1020 E. Lafayette Street, Suite 207, Tallahassee, Fl. 32301  
On behalf of Central Florida Gas Company.

ANSLEY WATSON, JR., Esquire, MacFarlane, Ferguson, Allison & Kelly, P.O. Box 1531, Tampa, Fl. 33601  
On behalf of Peoples Gas System, Inc.

MARSHA E. RULE, Esquire, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida, 32399-0863  
On behalf of the Commission Staff.

PRENTICE PRUITT, Office of General Counsel, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida, 32399-0861  
Counsel to the Commissioners.

DOCUMENT NUMBER DATE

01359 FEB 20 1989

FPSC-RECORDS/REPORTING

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PREHEARING ORDER

Background

As part of the continuing fuel cost recovery proceedings, a hearing is set for February 22-24 in this docket and in Dockets No. 890001-EI and 890002-EG. The following subjects were noticed for hearing in such dockets:

1. Determination of the Proposed Levelized Fuel Adjustment Factors for all investor-owned utilities for the period April, 1989 through September, 1989;
2. Determination of the Estimated Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period October, 1988 through March, 1989, which are to be based on actual data for the period October, 1988 through November, 1988, and revised estimates for the period December, 1988 through March, 1989;
3. Determination of the Final Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period April 1988 through September, 1988, which are to be based on actual data for that period;
4. Determination of the Projected Conservation Cost Recovery Factors for certain investor-owned electric and gas utilities for the period April, 1989 through September, 1989;
5. Determination of the Estimated Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period October, 1988 through March, 1989, which are to be based on actual data for the period October, 1988 through November, 1988, and revised estimates for the period December, 1988 through March, 1989;
6. Determination of the Final Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period April, 1988 through September, 1988, which are to be based on actual data for that period;
7. Determination of any Projected Oil Backout Cost Recovery Factors for the period April, 1989 through September, 1989, for the cost of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.16, Florida Administrative Code;

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8. Determination of the Estimated Oil Backout Cost Recovery True-Up Factors for the period October, 1988 through March, 1989, for the costs of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.16, Florida Administrative Code, which are to be based on actual data for the period October, 1988 through November, 1988, and revised estimates for the period December, 1988 through March, 1988;
9. Determination of the Final Oil backout True-up Amounts for the period April, 1988 through September, 1988, which are to be based on actual data for that period;
10. Determination of Generating Performance Incentive Factor Targets and Ranges for the period April, 1989 through September, 1989;
11. Determination of Generating Performance Incentive Factor Rewards and Penalties for the period April, 1988 through September, 1988; and
12. Determination of the Purchased Gas Adjustment True-Up Amounts for the period April, 1988 through September, 1988, to be recovered during the period April, 1989 through September, 1989.

#### Use of Prefiled Testimony

All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and exhibits, unless there is a sustainable objection. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his testimony at the time he or she takes the stand.

#### Use of Depositions and Interrogatories

If any party desires to use any portion of a deposition or an interrogatory, at the time the party seeks to introduce that deposition or a portion thereof, the request will be subject to proper objections and the appropriate evidentiary rules will govern. The parties will be free to utilize any exhibits requested at the time of the depositions subject to the same conditions.

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Order of Witnesses

The witness schedule is set forth below in order of appearance by the witness's name, subject matter, and the issues which will be covered by his or her testimony.

The witness schedule listed below is a continuation of the witness schedule contained in the prehearing order for Docket No. 890002.

The parties have stipulated that testimony of witnesses on the list below whose names are preceded by an asterisk shall be inserted into the record at hearing as though read, cross-examination shall be waived, and that witness shall be excused from attendance at the hearing.

<u>Witness</u>	<u>Subject Matter</u>
*35. Ware (CFCG)	PGA Factor

EXHIBIT LIST

The parties have stipulated that the exhibits on the list below which are preceded by an asterisk shall be admitted into the record without objection.

FPUC HAS BEEN ASSIGNED EXHIBIT NUMBERS 301-399  
Exhibits 303-304 were identified in Docket No. 8980002

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*305	None	Schedules A-1, A-2 and A-6

CLG HAS BEEN ASSIGNED EXHIBIT NUMBER 901-999  
At this time, no exhibits have been identified.

FEA HAS BEEN ASSIGNED EXHIBIT NUMBERS 1001-1099  
At this time, no exhibits have been identified.

TAMPA HAS BEEN ASSIGNED EXHIBIT NUMBERS 1101-1199  
At this time, no exhibits have been identified.

OPC HAS BEEN ASSIGNED EXHIBIT NUMBERS 1201-1299  
At this time, no exhibits have been identified.

STAFF HAS BEEN ASSIGNED EXHIBIT NUMBERS 1301-11399  
Exhibits 1301-1312 were identified in Docket No. 890002.

CFCG HAS BEEN ASSIGNED EXHIBIT NUMBERS 1401-1499  
Exhibit 1401 was identified in Docket No. 890002.

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<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*1402	Ware	A-1, A-2, PGA Factor

CITY GAS HAS BEEN ASSIGNED EXHIBIT NUMBERS 1501-1599  
Exhibits 1501-1502 were identified in Docket No. 890002.

GAINESVILLE GAS HAS BEEN ASSIGNED EXHIBIT NUMBERS 1601-1699  
Exhibit 1601 was identified in Docket No. 890002.

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*1602	None	Schedules A-1 and A-2

PEOPLES GAS HAS BEEN ASSIGNED EXHIBIT NUMBERS 1701-1799  
Exhibits 1701-1702 were identified Docket 890002.

ST. JOE HAS BEEN ASSIGNED EXHIBIT NUMBERS 1801-1899  
At this time, no exhibits have been identified.

WFNG HAS BEEN ASSIGNED EXHIBIT NUMBERS 1901-1999  
Exhibits 1901-1903 were identified in Docket No. 890002.

*1904	None	Exhibits 1, 2, and 3; Schedule A-2
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IGC HAS BEEN ASSIGNED EXHIBIT NUMBERS 2201-2299  
At this time, no exhibits have been identified.

MILLER HAS BEEN ASSIGNED EXHIBIT NUMBERS 2301-2399  
At this time, no exhibits have been identified.

PBCUC HAS BEEN ASSIGNED EXHIBIT NUMBERS 2401-2499  
At this time, no exhibits have been identified.

PLANT CITY HAS BEEN ASSIGNED EXHIBIT NUMBERS 2501-2599  
At this time, no exhibits have been identified.

SFNG HAS BEEN ASSIGNED EXHIBIT NUMBERS 2601-2699  
At this time, no exhibits have been identified.

SGC HAS BEEN ASSIGNED EXHIBIT NUMBERS 2701-1799

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*2701	None	Schedules A-1, A-2, PGA True-up Calculation

PARTIES' STATEMENT OF BASIC POSITION

Staff's Statement of Basic Position

The appropriate PGA true-up amounts, estimated therm sales, and true-up factors for each utility are listed in Attachment A hereto.

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Central Florida Gas Company's Statement of Basic Position

The Commission should approve the final true-up amount for the period April 1, 1988 through September 30, 1988, and the true-up factor to be applied to bills rendered for meter readings taken between April 1, 1989 and September 1989.

City Gas Company of Florida's Statement of Basic Position

The Company's true-up amounts, estimated therm sales, and true-up factors should be approved as filed.

Florida Public Utilities Company's Statement of Basic Position

The Commission should approve the Company's PGA factor of .784 cents per therm, to be applied to customer bills during the period April 1, 1989 through September 1, 1989, so as to refund the Company's overrecovery for the period April 1, 1988 through September 30, 1988.

Gainesville Gas Company's Statement of Basic Position

The Commission should approve the Company's PGA factor of 2.263 cents per therm, to be applied to customer bills during the period April 1, 1989 through September 30, 1989, so as to refund the Company's overrecovery for the period April 1, 1988 through September 30, 1988.

Indiantown Gas Company, Inc.'s Statement of Basic Position

The Commission should approve the Company's PGA Clause calculations as filed.

Miller Gas Company's Statement of Basic Position

This party filed no prehearing statement and did not participate in the prehearing conference.

Palm Beach Co. Utilities Corporation's Statement of Basic Position

This party filed no prehearing statement and did not participate in the prehearing conference.

PGS's Statement of Basic Position

The Commission should approve an overrecovery of \$63,975, including interest, as PGS's true-up amount for the period April 1 through September 30, 1988. Based upon PGS's estimated sales of 219,500,000 therms for the period April 1 - September 30, 1989, the Commission should approve a true-up factor of (\$.00029) per therm for application to its customers' bills rendered for meter readings taken from April 1 through September 30, 1989, in order to refund the aforementioned overrecovery of purchased gas costs. (As filed, PGS reported the true-up amount as an overrecovery of \$63,684, but has concurred with the PSC Staff that, due to an incorrect interest calculation, the correct true-up amount is an overrecovery of \$63,975. The true-up factor was not affected by the error.)

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Plant City Natural Gas Company's Statement of Basic Position

This party filed no prehearing statement and did not participate in the prehearing conference.

South Florida Natural Gas Company's Statement of Basic Position

This party filed no prehearing statement and did not participate in the prehearing conference.

Southern Gas Company's Statement of Basic Position

The Company's true-up amount is an underrecovery of \$60,512. The appropriate PGA factor necessary to collect the underrecovery is .326 cents per therm.

West Florida Natural Gas Company's Statement of Basic Position

The Commission should approve the Company's PGA factor of 1.921 cents per therm, to be applied to customer bills during the period April 1, 1989 through September 30, 1989, so as to refund the Company's overrecovery for the period April 1, 1988 through September 30, 1988.

OPC's Statement of Basic Position

Public Counsel agrees with Staff on all issues.

STATEMENT OF ISSUES AND POSITIONS

- \*1. STIPULATED ISSUE: What is the appropriate net true-up amount for the April 1988 through September 1988 period?

STAFF: The following are the appropriate amounts for the period April 1, 1988 through September 30, 1989, to be applied during the period April 1, 1989 through September 30, 1989:

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	<u>Over (Under)</u> <u>Recovery</u>
Central Florida Gas Company	\$196,448
City Gas Company of Florida	446,385
Florida Public Utilities	242,630
Gainesville Gas Company	301,489
Indiantown Gas Company	24,167
Miller Gas Company	24,626
Palm Beach Co. Utilities Corp.	11,923
Peoples Gas System	63,975
Plant City Natural Gas	116,632
St. Joe Natural Gas Company	2,221
South Florida Natural Gas Co.	9,535
Southern Gas Company	( 60,512)
West Florida Natural Gas Co.	328,116

CFCG: \$196,448 overrecovery.

CITY GAS: \$446,385 overrecovery.

FPUC: \$242,630 overrecovery.

GAINESVILLE GAS: \$301,489 overrecovery.

INDIANTOWN GAS: \$23,146.21 overrecovery, plus interest of \$1,020.78.

MILLER GAS: Agree with Staff (per utility's filings).

PBCUC: Agree with Staff (Per utility's filings)

PEOPLES: \$63,975 overrecovery, including interest.

PLANT CITY: Agree with Staff (per utility's filings).

ST. JOE: Agree with Staff (per utility's filings).

SFNG: Agree with Staff (per utility's filings).

SOUTHERN: \$60,512 underrecovery.

WFNG: Agree with Staff: \$328116 overrecovery.

OPC: Agree with Staff.



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- \*2. STIPULATED ISSUE: What is the projected therm sales of natural gas during the period April 1989 through September 1989?

STAFF:

	<u>Estimated Therm sales</u>
Central Florida Gas Company	22,630,200
City Gas Company of Florida	36,093,000
Florida Public Utilities	30,964,890
Gainesville Gas Company	13,322,842
Indiantown Gas Company	1,500,000
Miller Gas Company	2,460,000
Palm Beach Co. Utilities Corp.	1,103,765
Peoples Gas System	219,500,000
Plant City Natural Gas	4,684,000
St. Joe Natural Gas Company	8,000,00
South Florida Natural Gas Co.	1,324,000
Southern Gas Company	18,576,000
West Florida Natural Gas Co.	17,082,458

CFCG: Agree with Staff.

CITY GAS: 36,093,000 therms.

FPUC: Agree with Staff.

GAINESVILLE GAS: 13,322,842 therms.

INDIANTOWN GAS: 1,500,000 therms.

MILLER GAS: Agree with Staff (per utility filings).

PBCUC: Agree with Staff (per utility filings).

PEOPLES: 219,500,000 therms.

PLANT CITY: Agree with Staff (per utility filings).

ST. JOE: Agree with Staff (per utility filings).

SFNG: Agree with Staff (per utility filings).

SOUTHERN: Agree with Staff (per utility filings).

WFNG: Agree with Staff.

OPC: Agree with Staff.

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- \*3. STIPULATED ISSUE: What is the appropriate true-up factor for application on customer bills during the April 1989 through September 1989 period?

STAFF:

	<u>True-up Factor Cents per Therm</u>
Central Florida Gas Company	( .868)
City Gas Company of Florida	( 1.237)
Florida Public Utilities	( .784)
Gainesville Gas Company	( 2.263)
Indiantown Gas Company	( 1.611)
Miller Gas Company	( 1.001)
Palm Beach Co. Utilities Corp.	( 1.080)
Peoples Gas System	( .029)
Plant City Natural Gas	( 2.490)
St. Joe Natural Gas Company	( .028)
South Florida Natural Gas Co.	( .720)
Southern Gas Company	.326
West Florida Natural Gas Co.	( 1.921)

CFCG: ( .868) cents per therm.

CITY GAS: \$.01237 per therm refund before gross receipts taxes.

FPUC: .784¢/therm.

GAINESVILLE GAS: 2.263¢/therm.

INDIANTOWN GAS: Agree with Staff (per utility filings).

MILLER GAS: Agree with Staff (per utility filings).

PBCUC: Agree with Staff (per utility filings).

PEOPLES: (\$.00029)per therm.

PLANT CITY: Agree with Staff (per utility filings).

ST. JOE: Agree with Staff (per utility filings).

SFNG: Agree with Staff (per utility filings).

SOUTHERN: .326 cents per therm.

WFNG: Agree with Staff: 1.921 cents per therm.

OPC: Agree with Staff.

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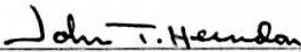
STIPULATED ISSUES

All issues have been stipulated by the parties.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that these proceedings shall be governed by this order unless modified by the Commission.

By ORDER of Commissioner John T. Herndon, as Prehearing Officer, this 20th day of FEBRUARY, 1989.

  
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John T. Herndon, Commissioner  
and Prehearing Officer

( S E A L )

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