

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Peoples Gas System,) DOCKET NO. 891100-GU
 Inc. to Reopen its Interruptible Rate)
 Schedule IS to New Customers) ORDER NO. 22023
) ISSUED: 10-9-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

ORDER APPROVING THE PETITION OF PEOPLES
 GAS TO REOPEN ITS IS RATE SCHEDULE

BY THE COMMISSION:

On August 31, 1989, Peoples Gas System (Peoples Gas) petitioned the Commission to reopen its interruptible rate schedule IS to new customers. In its July, 1986 rate case, the company had sought to simplify its rate structure by filing revised tariff sheets which closed rate schedule IS to new customers. When the Commission approved the closing of rate schedule IS to new customers, however, open access, two-part rates, and substantial penalties for unauthorized overrun gas associated with Florida Gas Transmission Company's (FGT) pending applications before the Federal Energy Regulatory Commission (FERC) were not and could not have been considered. Therefore, in the event Peoples Gas, or any FGT customer, takes unauthorized overrun gas in excess of its Maximum Daily Contract Quantity, substantial penalties would result. To avoid such overruns and resulting penalties, FGT customers should be offered flexibility in the methods available to purchase natural gas. Such flexibility can be introduced by maximizing the portion of a customer's load which is interruptible. For Peoples Gas, this can be accomplished by retaining customers currently receiving service under rate schedule IS, and by adding new customers who seek service under this schedule. Peoples Gas specifically informs that its large

DOCUMENT NUMBER-DATE

10067 OCT -9 1989

FPSC-RECORDS/REPORTING

ORDER NO.22023
DOCKET NO. 891100-GU
PAGE 2

commercial laundry customers which have traditionally purchased gas under rate schedule Interruptible Service Large Volume (ISLV) have reduced their annual consumption to less than the minimum 365,000 therms required for service under that schedule. As a result, if rate schedule IS is not reopened, these customers will have to move to firm service rate schedule General Service Large Volume (GSLV), even though they have standby facilities for alternate fuel. Moreover, these customers seek some type of interruptible service due to cost savings associated with interruptible service. Finally, several of Peoples Gas' large commercial laundry customers who no longer qualify for service under rate schedule IS presently have competitors who continue purchasing gas under that schedule. Two competing business consuming similar annual volumes, therefore, are subjected to substantially dissimilar rates. Peoples Gas anticipates an identical problem with several of its asphalt plant customers.

The estimated revenue impact on Peoples Gas for the first year following reopening of the IS rate is a net loss in revenue of \$53,353. The net loss is attributed to the move of seven customers with an average annual volume of 280,000 therms from GSLV to IS and the addition of six new IS customers with an average annual volume of 140,000 therms.

A review of the foregoing indicates that the petition of Peoples Gas to reopen its interruptible rate schedule IS to new customers should be approved. We further find

That if no substantially affected person timely files a protest to the Commission's order, this docket should be closed. It is, therefore,

ORDERED that the petition of Peoples Gas to reopen its interruptible rate schedule IS to new customers is approved. It is further

ORDERED that this docket be closed after the time has run in which to file a petition for reconsideration or notice of appeal if such action is not taken.

ORDER NO. 22023
DOCKET NO. 891100-GU
PAGE 3

By ORDER of the Florida Public Service Commission,
this 9th day of October, 1989.


STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

BAB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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 Director, Division of Records and Reporting 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 or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting 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.