

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| | | |
|---------------------------------|---|----------------------|
| In re: Purchased Gas Adjustment |) | DOCKET NO. 910003-GU |
| (PGA) True-up |) | ORDER NO. 24927 |
| |) | ISSUED: 08/19/91 |
| |) | |

Pursuant to Notice, a Prehearing Conference was held on August 13, 1991, in Tallahassee, before Commissioner Betty Easley, Prehearing Officer.

APPEARANCES:

WAYNE L. SCHIEFELBEIN, Esquire, Gatlin, Woods, Carlson & Cowdery, 1709-D Mahan Drive, Tallahassee, Florida 32308
On behalf of Chesapeake Utilities Corporation, Florida Division

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

ROBERT S. GOLDMAN, Esquire, Messer, Vickers, Caparello, Madsen Lewis & Metz, P.O. Box 1876, Tallahassee, Florida 32302-1876
On behalf of Florida Public Utilities Company, South Florida Natural Gas Company and West Florida Natural Gas Company

ANSLEY WATSON, JR., Esquire, and VINCENT L. NUCCIO, JR. Esquire, Macfarlane, Ferguson, Allison & Kelly, P. O. Box 1531, Tampa, Florida 33601
On behalf of Peoples Gas System, Inc.

JOHN W. MCWHIRTER, Esquire and VICKI GORDON KAUFMAN, Esquire, Lawson, McWhirter, Grandoff and Reeves, 522 East Park Avenue Suite 200, Tallahassee, Florida 32301
On behalf of the Florida Industrial Gas Users

PAUL SEXTON, Esquire, Richard A. Zambo, P.A., 211 South Gadsden Street, Tallahassee, Florida, 32301
On behalf of Tropicana Products, Inc.

JOHN ROGER HOWE, Esquire, Assistant Public Counsel, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison Street, Suite 812, Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida

ROBERT V. ELIAS, Esquire, Division of Legal Services, 101 E. Gaines St., Tallahassee, Florida 32399-0863
On behalf of the Staff of the Florida Public Service Commission

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

PREHEARING ORDER

Background

As part of the Commission's continuing fuel and energy conservation cost and purchased gas cost recovery proceedings, a hearing is set for August 21, 22 and 23, 1991 in this docket and in Dockets No. 910001-EI and 910002-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 October 1991 through March, 1992;
2. Determination of the Estimated Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period April, 1991 through September, 1991, which are to be based on actual data for the period April, 1991 through May, 1991, and revised estimates for the period June, 1991 through September, 1991;
3. Determination of the Final Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period October, 1990 through March, 1991, which are to be based on actual data for that period;
4. Determination of Projected Conservation Cost Recovery Factors for certain investor-owned electric and gas utilities for the period October, 1991 through March, 1992.
5. Determination of the Estimated Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period April, 1991 through September, 1991, which are to be based on actual data for the period April through May, 1991 and revised estimates for the period June, 1991 through September, 1991.

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6. Determination of the Final Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period October, 1990 through March, 1991, which are to be based on actual data for that period;
7. Determination of any Projected Oil Backout Cost Recovery Factors for the period October 1991 through March, 1992, for the cost of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.016, Florida Administrative Code.
8. Determination of the Estimated Oil Backout Cost Recovery True-Up Factors for the period April, 1991 through September, 1991, for the costs of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.016, Florida Administrative Code, which are to be based on actual data for the period April, 1991 through May, 1991, and revised estimates for the period June, 1991 through September, 1991.
9. Determination of the Final Oil Backout True-Up Amounts for the period October, 1990 through March, 1991, which are to be based on actual data for that period;
10. Determination of Generating Performance Incentive Factor Targets and Ranges for the period October, 1991 through March, 1992;
11. Determination of Generating Performance Incentive Factor Rewards and Penalties for the period October, 1990 through March, 1991;
12. Determination of the Purchased Gas Adjustment True-Up Amounts for the period October, 1990 through March, 1991, to be recovered during the period October, 1991 through March 1992.

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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 seeks to introduce an interrogatory or a 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.

Order of Witnesses

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

Witnesses whose names are preceded by an asterisk have been excused. The parties have stipulated that the testimony of such witnesses will be inserted into the record as though read, and cross-examination will be waived.

| | <u>Witness</u> | <u>Subject Matter</u> | <u>Issues</u> |
|----|--------------------------|--|---------------|
| 1. | H. M. Grey, III (PGS) | Projected gas costs, therm sales and weighted average cost of gas ("WACOG"); projected PGA; reallocation of demand charges | 2 - 8 |
| 2. | F. J. Sivard (PGS) | PGA true-up amount (October 1990 - March 1991) and estimated PGA true-up amount (April-September 1991); projected PGA; reallocation of demand charges | 1 - 8 |
| 3. | K.D. Taylor | Reassignment of FGT | 7-8 |

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| | (FIGU, TPI) | demand charges | |
|------------------------|---------------------------|---|-------|
| 4. | P. S. Barefoot (CUC) | Purchased Gas Adjustment Factor True-up and Projections | 1 - 6 |
| 5. * | Bachman (FPUC) | Purchased Gas Cost Recovery Projections, True-ups, and Estimate of Therm Sales | 1,2,3 |
| 6. * | Schneiderman (FPUC) | Purchased Gas Cost recovery factors | 1 - 6 |
| 7. * | Wutzler (CGC) | Purchased Gas Adjustment (PGA) True-up and Projection | 1-6 |
| 8. * | Powers (IGC) | Purchased Gas Adjustment (PGA) True-up and Projection | 1 - 6 |
| 9. * | E. J. Kahl (SFNG) | True-up amount, projected therm sales, true-up factor | 1 - 6 |
| 10.* | Stuart L. Shoaf (SJNG) | Fuel Adjustment, true-up and projections | 1 - 4 |
| 11.* | Tom Goodwin (WFNG) | Purchased Gas Cost, Recovery Projections, True-ups, and Estimate of Therm Sales | 1 - 6 |
| <u>Rebuttal</u> | | | |
| 12. | Hugh Grey | Rebuttal to Kent Taylor's testimony | |

Exhibits

The parties have stipulated that exhibits marked with an asterisk will be inserted into the record by agreement.

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| <u>Exhibit Number</u> | <u>Witness</u> | <u>Description</u> |
|-----------------------|----------------------|---|
| <u>*1</u> (PSB-1) | Barefoot (CUC) | Composite: Oct. 1990 - Mar. 1991 True-Up, Schedules A1 through A3 Supplement and a Schedule of Calculation of Regulatory Assessment Fee Undercollection; Oct. 1991 - Mar 1992, PGA Factor, Schedules E1 through E5P |
| <u>*2</u> | Wutzler (CGC) | Schedules A-1 and A-2, PGA Summary Calculation of True-Up for the Period October 1990 through March 1991; Schedules E- 1/PFS-O, E-2 and E-5P for the period October 1991 through March 1992; and Schedules E-1PFS-R, E- 4P and E-5P for the period April 1991 through September 1991. |
| <u>*3</u> (GMB-2) | Bachman (FPUC) | Schedules E-1/PFS-O, E-1/PIS-O, E-2, E-3P, E-4P, E-5P, and E-6P |
| <u>*4</u> (PGS-1) | Sivard/Grey (PGS) | Calculation of PGA factor (Schedules E-1/PFS-0 through E-5P) |
| <u>*5</u> | Powers (IGC) | Calculation of PGA factor (Schedules E-1/PFS-0 through E-5P) |
| <u>*6</u> | Kahl (SFNG) | Revised Schedule E-1/PFS-O; Revised Schedule E-2P, Schedules E-3P and E-4P (filed 7-11-91); and Schedule E-5P |
| <u>*7</u> (SJNG-1) | Shoaf (SJNG) | Calculation of true-up amount for the projected period based on the prior period and current period (2 mos. act., 4 mos. est.) |
| <u>*8</u> (SJNG-2) | Shoaf (SJNG) | PGA Summary of estimates for the projected period |

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| <u>Exhibit Number</u> | <u>Witness</u> | <u>Description</u> |
|-----------------------|-----------------------|--|
| <u>*9</u> | Shoaf (SJNG) | Transportation purchases system supply and use for the projected period |
| <u>*10</u> | Shoaf (SJNG) | Calculation of true-up amount current period (2 months actual and 4 months estimated) |
| <u>*11</u> | Shoaf (SJNG) | Old PGA Adjustment - Calculation of True-up |
| <u>*12</u> (TG-1) | Goodwin (WFNG) | Revised Exhibit 1 - PGA Clause Calculation of True-up Factor, Second Revised Schedule E1/PFS-O, Schedule E1/PIS-O, Revised Schedule E-2, Revised Schedule E-3P, Schedule E-4P, Schedule E-5P |
| <u>*13</u> (KDT-1) | Taylor (FIGU, TPI) | Professional Credentials |
| <u>*14</u> (KDT-2) | Taylor (FIGU, TPI) | Demand Charge Recovery Calculation Flow Chart |
| <u>*15</u> (KDT-3) | Taylor (FIGU, TPI) | Excess Demand Charge Chart |

PARTIES' STATEMENTS OF BASIC POSITION

CUC: Chesapeake Utilities Corporation: The appropriate over (under) recovery amounts and purchased gas adjustment factors are as shown on issues 1 - 4.

CGC: City Gas Company: The Commission should determine that City Gas has properly calculated its Purchased Gas Adjustment true-up and that the appropriate purchased gas adjustment factor to be applied by City Gas during the period April 1991 through September 1991 is (\$.00798) per therm, before gross receipts taxes.

FPUC: Florida Public Utilities Company: Florida Public Utilities Company has properly calculated its true-up amounts and projected gas costs. Its costs and projections are reasonable and its

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purchased gas cost recovery factors should be approved. FPUC should be permitted to charge different factors to its firm, large volume interruptible and interruptible classes.

IGC: None necessary.

PGS: Peoples Gas System, Inc.: None.

SJNG: Saint Joe Natural Gas Company: The Commission should approve the Purchased Gas Adjustment (PGA) true-up amount for the six month period ending March 31, 1991, including interest, and the Six Month Levelized PGA Factor of \$0.32470 to be applied to customer bills rendered for the six month period ending March 31, 1992.

SFNG: South Florida Natural Gas Company: South Florida Natural Gas Company has properly calculated its true-up amounts and projected gas costs. Its costs and projections are reasonable and its purchased gas recovery factor should be approved.

WFNG: West Florida Natural Gas Company: West Florida Natural Gas Company has properly calculated its true-up amounts and projected gas costs. Its costs and projections are reasonable and its purchased gas recovery factor should be approved.

OPC: Office of Public Counsel: None.

TPI: Tropicana Products, Inc.: Tropicana believes that Peoples' standby sales service customers are improperly subjected to FGT demand costs embedded in PGA charges for standby sales gas. People's PGA charges should be revised to delete FGT demand costs from therms purchased under standby sales service. This adjustment should be made effective August 1, 1990 forward, including intervening recovery periods.

FIGU: Florida Industrial Gas Users: As detailed in the testimony of Kent Taylor, Peoples' standby customers are currently paying excess demand charges. The credit that these customers currently receive for the fixed FGT demand charge they pay is less than the FGT demand charges embedded in the PGA. This inequity should be corrected by the adoption of the tariff changes set out in Mr. Taylor's testimony.

STAFF: The appropriate over (under) recovery amounts, estimated therm sales and true-up factors are shown in Staff's position on Issues 1-3.

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STATEMENT OF ISSUES AND POSITIONS

Issues which are stipulated are noted with an asterisk (*). Issues 1 - 4 are stipulated subject to Commission decision on Issues 7 and 8. Issues 5 is fully stipulated.

Generic Purchased Gas Adjustment Issues

- 1.* ISSUE: What are the appropriate final purchased gas adjustment true-up amounts for the period October, 1990 through March, 1991?

Positions:

| | | |
|--------------|----------|---------------------------|
| <u>CUC:</u> | STAFF: | \$435,116 under recovery. |
| | COMPANY: | " " " |
| | OPC: | " " " |
| | | |
| <u>CGC:</u> | STAFF: | \$ 72,984 over recovery. |
| | COMPANY: | " " " |
| | OPC: | " " " |
| | | |
| <u>FPUC:</u> | STAFF: | \$101,944 under recovery. |
| | COMPANY: | " " " |
| | OPC: | " " " |
| | | |
| <u>IGC:</u> | STAFF: | \$ 17,922 over recovery. |
| | COMPANY: | " " " |
| | OPC: | " " " |
| | | |
| <u>PGS:</u> | STAFF: | \$867,872 under recovery. |
| | COMPANY: | " " " |
| | OPC: | " " " |
| | | |
| <u>SJNG:</u> | STAFF: | \$ 17,259 over recovery. |
| | COMPANY: | " " " |
| | OPC: | " " " |
| | | |
| <u>SFNG:</u> | STAFF: | \$ 24,819 under recovery. |
| | COMPANY: | " " " |
| | OPC: | " " " |

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WFNG: STAFF: \$133,707 under recovery.
COMPANY: \$133,707 under recovery, including \$11,974
in unrecovered regulatory assessment fees.
OPC: \$133,707 under recovery.

TPI: Peoples' true-up amount for the October 1, 1990 through March 31, 1991 period should reflect the outcome of issues 7 and 8, set forth below. In addition, Peoples' true-up for the April-September 1990 period should also be revised in accordance with issues 7 and 8. Order No. 24127 Deferred issues 7 and 8 from the February 1991 hearing to this hearing, with the proviso that any decision at this hearing on those issues would have the same effect as if made at the February 1991 hearing. The February 1991 hearing addressed the true-ups for the period April-September 1990 hearing and Order No. 24127 effectively extends the effect of any decision on issues 7 and 8 at this time back into the April-September 1990 period. See Issue 8. (Taylor)

FIGU: In Order No. 24127, issued on February 18, 1991, the Commission ordered that if any changes were made in the allocation by Peoples Gas of demand charges paid by standby sales customers, such adjustment would be true-up as though the decision had been made at the February 1991 hearing. The two issues relating to standby customers (Issues 7 and 8) were deferred from the February 1991 hearing to the August 1991 hearing. Any adjustment made by the Commission should be reflected in the true-up amounts for April-September 1990 as well as in the October 1990-March 1991 true-up. See Issue 8. (Taylor)

2.* **ISSUE:** What are the estimated purchased gas adjustment true-up amounts for the period April, 1991 through September, 1991?

CUC: STAFF: \$ 114,281 overrecovery
COMPANY: " " "
OPC: " " "

CGC: STAFF: \$ 201,999 overrecovery
COMPANY: " " "
OPC: " " "

FPUC: STAFF: \$ 112,452 overrecovery
COMPANY: " " "
OPC: " " "

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| | | | |
|--------------|----------|-----------|---------------|
| <u>IGC:</u> | STAFF: | \$ 16,678 | underrecovery |
| | COMPANY: | " | " |
| | OPC: | " | " |
| <u>PGS:</u> | STAFF: | \$ 69,880 | underrecovery |
| | COMPANY: | " | " |
| | OPC: | " | " |
| <u>SJNG:</u> | STAFF: | \$ 14,858 | underrecovery |
| | COMPANY: | " | " |
| | OPC: | " | " |
| <u>SFNG:</u> | STAFF: | \$ 30 | underrecovery |
| | COMPANY: | " | " |
| | OPC: | " | " |
| <u>WFNG:</u> | STAFF: | \$ 72,468 | overrecovery |
| | COMPANY: | 72,468 | " |
| | OPC: | " | " |

TPI: Peoples' estimated true-up amount should reflect the outcome of Issues 7 and 8 for the period April-September. See Issue 8. (Taylor)

FIGU: For Peoples, the true-up should reflect any change made by the Commission in Peoples' standby demand charge. See Issues 7 and 8. (Taylor)

3.* ISSUE: What are the total purchased gas adjustment true-up amounts to be collected during the period October 1991 through March, 1992 period?

STAFF:

| | | | |
|--------------|----------|-----------|----------------|
| <u>CUC:</u> | Staff: | \$320,835 | Underrecovery. |
| | Company: | " | " |
| | OPC: | " | " |
| <u>CGC:</u> | Staff: | \$274,983 | Overrecovery. |
| | Company: | " | " |
| | OPC: | " | " |
| <u>FPUC:</u> | Staff: | \$10,508 | Overrecovery. |
| | Company: | " | " |
| | OPC: | " | " |

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| | | | |
|--------------|----------|-----------|----------------|
| <u>IGC:</u> | Staff: | \$1,244 | Overrecovery. |
| | Company: | " | " |
| | OPC: | " | " |
| <u>PGS:</u> | Staff: | \$937,752 | Underrecovery. |
| | Company: | " | " |
| | OPC: | " | " |
| <u>SJNG:</u> | Staff: | \$2,401 | Overrecovery. |
| | Company: | " | " |
| | OPC: | \$2,401 | " |
| <u>SFNG:</u> | Staff: | \$24,849 | Underrecovery. |
| | Company: | " | " |
| | OPC: | " | " |
| <u>WFNG:</u> | Staff: | \$61,239 | Underrecovery. |
| | Company: | \$ | " |
| | OPC: | " | " |

TPI: Peoples' true-up amount should reflect the outcome of Issues 7 and 8 for the period April-September. See Issue 8. (Taylor)

FIGU: For Peoples, the true-up should reflect any change made by the Commission in Peoples' standby demand charge. See Issues 7 and 8. (Taylor)

4.* ISSUE: What are the appropriate levelized purchased gas cost recovery (cap) factors for the period October, 1991 through March 1992?

POSITION:

STAFF:

| | |
|-------------|---|
| Chesapeake: | 29.806 cents per therm subject to Commission vote on Issue 6. |
| City: | 32.952 cents per therm. |
| FPUC: | 34.058 cents per therm. |
| Indiantown: | 32.781 cents per therm. |
| Peoples: | 31.023 cents per therm. |

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St. Joe: 32.470 cents per therm.

South Florida: 28.919 cents per therm.

West Florida: 32.044 cents per therm.

CUC: Firm: 29.806 cents per therm.
 Interruptible: 29.368 cents per therm. (Barefoot)

CGC: 33.445 cents per therm (before the regulatory assessment fees and before the PGA true-up factor). (Wutzler)

FPUC: Accept Staff's Position.

IGC: 32.781 cents per therm

PGS: 31.023 cents per therm, subject to the Commission's decision on Issues 6, 7 and 8.

SJNG: 32.470 cents per therm

WFNG: 32.000 cents per therm

OPC:

| | |
|----------------|-----------------|
| CHESAPEAKE: | 29.806 ¢\therm. |
| PEOPLES GAS: | 31.023 ¢\therm. |
| INDIANTOWN: | 32.781 ¢\therm. |
| CITY GAS: | 32.952 ¢\therm. |
| ST. JOE: | 31.706 ¢\therm. |
| FPUC: | 34.058 ¢\therm. |
| WEST FLORIDA: | 32.018 ¢\therm. |
| SOUTH FLORIDA: | 28.919 ¢\therm. |

TPI: Peoples' cost recovery factors should reflect the outcome of Issues 7 and 8 for the period October 1990 - March 1991 and thereafter. See Issue 8. (Taylor)

FIGU: For Peoples, the true-up should reflect any change made by the Commission in Peoples' standby demand charge. See Issues 7 and 8. (Taylor)

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5.* ISSUE: What should be the effective date of the new purchased gas adjustment charge for billing purposes?

STAFF: The factor should be effective for all meter readings on or after October 1, 1991, beginning with the first or applicable billing cycle for the period October, 1991 through March, 1992.

CUC: Agree with Staff.

CGC: The factor should be effective beginning with billing cycles pertaining to the period October 1, 1991 through March 31, 1992. Billing cycles may start before October 1, 1991 and the last cycle may be read after March 31, 1992 so that each customer is billed for six months regardless of when the adjustment factor became effective. (Wutzler)

FPUC: Agree with Staff.

PGS: The factor should be effective for bills rendered for meter readings taken on or after October 1, 1991, and continue in effect through bills rendered for meter readings taken on March 31, 1992, subject to adjustment during that period as provided in Orders Nos. 24463 and 24463-A.

SFNG: Agree with Staff.

SJNG: Agree with Staff.

WFNG: Agree with Staff.

OPC: Agree with Staff.

TPI: No position.

FIGU: Agree with Staff.

ISSUE 6: Should firm and interruptible rate classes have separate purchased gas cost recovery factors?

STAFF: No. To the extent large volume interruptible customers contract for maximum daily demand requirements, the cost will be less than the levelized factor (cap) for the projected period of the system, primarily due to individual load factors. Therefore, separate purchased gas cost recovery factors for firm and interruptible rate classes are not necessary.

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This does not preclude a utility from charging different customers different Purchased Gas Cost Recovery Factors beneath the approved cap for valid reasons. Examples of valid reasons are different methods of allocating or billing demand costs or the applicability of taxes or fees.

CGC: Yes, as may be determinable; however, at the present time City Gas has only one commonly applied WACOG. (Wutzler)

CUC: No, not for the period of October 1991 through March 1992. However, CUC anticipates future circumstances which may cause a need for separate purchased gas cost recovery factors, i.e., differences in allocation of costs to supply the firm and interruptible rate classes. (Barefoot)

FPUC: Accept Staff's position.

PGS: No; not at this time. However, as Peoples' ability to convert additional quantities of gas to direct purchases from sellers other than FGT increases, Peoples may need the ability to provide more price-sensitive gas to interruptible customers. At that time, separate PGA factors may be appropriate. (Grey)

SFNG: South Florida Natural Gas Co. presently has no need to charge separate purchased gas cost recovery factors for firm and interruptible customers. However, the Company reserves the right to modify this position in the future should the need arise.

WFNG: West Florida Natural Gas Co. presently has no need to charge separate purchased gas cost recovery factors for firm and interruptible customers. However, the Company reserves the right to modify this position in the future should the need arise.

OPC: No.

TPI: Direct identification of cost causing behavior is always the best way to determine cost responsibility. If, in fact, a customer class does not obtain the benefits of a particular cost (such as firm gas), it should not be required to pay for that cost. A PGA should be flexible enough to recognize differences in cost causing behavior.

FIGU: No position at this time.

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Company Specific Purchased Gas Adjustment Issues

ISSUE 7: Under what circumstances should Peoples' customers who pay demand charges for standby sales service be required to pay additional demand charges which are embedded in the PGA?

PGS: Peoples believes that its current method of allocating demand charges for recovery from customers through the PGA is correct and consistent with the applicable provisions of its Commission-approved tariff. Because of certain interruptible load retention benefits which would accrue to Peoples and its ratepayers, however, Peoples does not oppose the reallocation of demand charges proposed by FIGU. (Grey/Sivard)

OPC: No position.

FIGU: Such customers should pay additional demand charges only when their purchases exceed the level of standby service. Including the system-wide cost of FGT's D-1 and D-2 charges in the PGA for therms purchased under Peoples' standby sales rate schedules is unduly harsh. Standby sales customers accept the burden of fixed standby sales demand charges and should not also be required to pay for other customers' demand costs. Moreover, applying the system-wide demand costs to standby sales gas requires standby customers to accept the risk of Peoples' system-wide load factor in addition to the risks attendant to their individual standby sales load factor.

The PGA for standby sales should be based on the system average commodity cost of gas plus associated transportation charges for system supply gas. The PGA for other sales customers should be based on the system average commodity cost of gas, plus the average FGT demand cost per therm, excluding the demand cost for standby service. (Taylor)

TPI: Only when their purchases exceed the level of standby service. Peoples' standby rate schedules, under which Tropicana has been charged since August 1, 1991, include FGT demand charges related to Tropicana's standby sales demand. Including the system-wide cost of FGT's D-1 and D-2 charges in the PGA for therms purchased under Peoples' standby sales rate schedules is unreasonable and unjustly discriminatory. Standby sales customers are required to bear the burden of fixed standby sales demand charges and should not also be required to pay for other customers' demand costs. Moreover, applying the system-wide demand costs to standby sales gas requires standby customers to bear the risk of

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Peoples' system-wide load factor in addition to the risks attendant to their individual standby sales load factor.

The PGA for standby sales should be based on the system average commodity cost of gas. The PGA for other sales customers should be based on the system average commodity cost of gas, plus the average FGT demand cost per them, excluding the demand cost for standby service. (Taylor)

STAFF: Standby or contract customers whose usage exceeds their contracted-for amount should pay the weighted average cost of gas, which includes system demand charges.

ISSUE 8: If the Commission determines that Peoples' customers who pay demand charges for standby sales service should not be required to pay demand charges embedded in the PGA, what corrections to Peoples' PGA are appropriate and when should they be effective?

PGS: If the demand charge reallocation method proposed by FIGU is approved by the Commission, Peoples has no objection to implementing such method effective August 1, 1990 (*i.e.*, beginning with the true-up for the April-September 1990 period), provided that Peoples is permitted to recover any amounts required to be refunded to standby sales customers from its remaining ratepayers. Peoples has not independently calculated the involved amounts. (Sivard/Grey)

OPC: No position.

FIGU: Peoples' PGA should be revised as described in Issue 7 for all affected periods, beginning with the true-up for the April 1990 - September 1990 period through implementation of Peoples' PGA on October 1, 1991. Similar adjustments should be made to the true-up for the October 1990 - March 1991 period and for the April 1991 - September 1991 period when that period is considered. (Taylor)

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TPI: Peoples' standby sales customers began to pay demand charges for standby service on August 1, 1990. Peoples' PGA should be revised as proposed by Tropicana in Issue 7 for all affected periods, including:

1. the April 1990 - September 1990 period (true-up)
2. the October 1990 - March 1991 period (true-up)
3. the April 1991- September 1991 period (estimated true-up); and
4. all periods after September 30, 1991. (Taylor)

STAFF: No position at this time.

STIPULATED ISSUES

Stipulations entered into by the parties, including Commission Staff, are subject to Commission approval. If record evidence is developed which refutes stipulated issues, Commission Staff will make its recommendation to the Commission based on the record.

PENDING MOTIONS

None at this time.

OTHER MATTERS


Peoples Gas System and Saint Joe Natural Gas Company have recently submitted certain filings in this docket with a request for specified confidential treatment. These requests will be ruled on prior to the hearing.

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Based on the foregoing, it is

ORDERED by Commissioner Betty Easley, Prehearing Officer, that these proceedings shall be governed by this order unless modified by the Commission.

By ORDER of Commissioner Betty Easley, Prehearing Officer, this 19th day of AUGUST, 1991.



BETTY EASLEY, Commissioner
and Prehearing Officer

(S E A L)

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