

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas) DOCKET NO. 920003-GU
Adjustment (PGA) True-up) ORDER NO. 92-PSC-0805-PHO-GU
ISSUED: 08/11/92

Pursuant to Notice, a Prehearing Conference was held on August 5, 1992, in Tallahassee, before Commissioner Betty Easley, Prehearing Officer.

APPEARANCES:

LAURA L. WILSON, Esquire, Messer, Vickers, Caparello, Madsen, Lewis, Goldman & Metz, P. A., Post Office Box 1876, Tallahassee, FL 32302-1876
On behalf of Florida Public Utilities Company, South Florida Natural Gas Company and West Florida Natural Gas Company

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

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

ANSLEY WATSON, JR., Esquire, and JAMES W. GOODWIN, II, Esquire, Macfarlane, Ferguson, P.A. , P. O. Box 1531, Tampa, Florida 33601
On behalf of Peoples Gas System, 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

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

DOCUMENT NUMBER-DATE

08978 AUG 11 1992

TRAC RECORDS/REPORTING

conservation cost and purchased gas cost recovery proceedings, a hearing is set for August 12, 13 and 14, 1992 in this docket and in Dockets No. 920001-EI and 920002-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, 1992 through March, 1993;
2. Determination of the Estimated Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period April, 1992 through September, 1992, which are to be based on actual data for the period April, 1992 through May, 1992, and revised estimates for the period June, 1992 through September, 1992;
3. Determination of the Final Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period October, 1991 through March, 1992, 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, 1992 through March, 1993.
5. Determination of the Estimated Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period April, 1992 through September, 1992, which are to be based on actual data for the period April, 1992 through May, 1992, and revised estimates for the period June, 1992 through September, 1992.
6. Determination of the Final Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period October, 1991 through March, 1992, 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, 1992 through March, 1993, 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, 1992 through September, 1992, 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, 1992

through May, 1992, and revised estimates for the period June, 1992 through September, 1992.

9. Determination of the Final Oil Backout True-Up Amounts for the period October, 1991 through March, 1992, 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, 1992 through March, 1993;
11. Determination of Generating Performance Incentive Factor Rewards and Penalties for the period October, 1991 through March, 1992;
12. Determination of the Purchased Gas Adjustment True-Up Amounts for the period October, 1991 through March, 1992, to be recovered during the period October, 1992 through March, 1993.

At the Prehearing Conference, all parties agreed on the appropriate resolution of all issues. Therefore, the case will be presented to the panel as a stipulation.

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 their 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.	A. M. Vincent (CUC)	Purchased Gas Adjustment Factor, True-up, and Projections	1, 2, 3, 4
*2.	Jerry A. Wutzler (CGC)	Purchased Gas Adjustment (PGA) True-up and Projection	1,2,3,4
*3.	Bachman (FPUC)	Purchased Gas Cost Recovery Projections, True-ups, and Estimate of Therm Sales	1,2,3,4
*4.	Schneidermann (FPUC)	Natural Gas Sales projection, demand and commodity costs, and WACOG	4
*5.	Powers (IGC)	Purchased Gas Cost Recovery Projections, True-ups, and Estimate of Therm Sales	1,2,3,4
*6.	H. M. Grey, III (PGS)	Projected gas costs, therm sales and weighted average cost of gas ("WACOG"); projected PGA	2 - 4
*7.	F. J. Sivard (PGS)	PGA true-up amount (October 1991 - March 1992) and estimated PGA true-up amount (April - September 1992); projected PGA	1 - 4
*8.	Shoaf (SJNG)	Fuel Adjustment, True- up and projections	All
*9.	Melendy (SGS)	Purchased Gas Cost Recovery Projections, True-ups, and Estimate of Therm Sales	1,2,3,4

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
*10. Kahl (SFNG)	Purchased Gas Cost Recovery Projections, True-ups, and Estimate of Therm Sales	1, 2, 3, 4
*11. Goodwin (WFNG)	Purchased Gas Cost Recovery Projections, True-ups, and Estimate of Therm Sales	1, 2, 3, 4

Exhibits

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

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>*1</u> AMV-1 (Composite)	Vincent	October 1991 - March 1992 True-Up, Schedules A1 through A-8
<u>*2</u> AMV-2 (Composite)	Vincent	October 1992 - March 1993 PGA Factor, Schedules E1 through E-5P
<u>*3</u>	Wutzler	Schedules A-1 through A-8, PGA Summary Calculation of True-Up for the Period October 1991 through March 1992; Schedules E- 1/PFS-R, E-3P, E-4P, E-5P for the period April 1992 through September 1992 and E-1/PFS-O, E- 2, E-3P and E-5P for the period October 1992 - March 1993.
<u>*4</u> (IGC)	Powers	
<u>*5</u>	Bachman	Schedules A-1/MF-AO, (GMB-1) (composite) A-1/MI-AO, A-2, A-3, A-4, A-5, A-6, A-7P, and A-8 for the months October, 1991 through March, 1992

<u>*6</u>	Bachman	Schedules E-1/PFS-O, (GMB-2) (composite) E-1/PIS-O, E-2, E-3P, E-4P and E-5P, which include original estimates for the period October, 1992 through March, 1993 and revised estimates for the period April, 1992 through September 1992
<u>*7</u> (FJS-1)	Sivard	Calculation of final true-up for October 1991 - April 1992 (Schedules A-1/MF-AO through A-8)
<u>*8</u> (HMG-1)	Sivard/Grey	Calculation of estimated true-up for April - September 1992
<u>*9</u> (HMG-2)	Sivard/Grey	Calculation of PGA factor (Schedules E-1/PFS-O through E-5P)
<u>*10</u> (SJNG-2)	Shoaf	PGA Summary of estimates for the projected period.
<u>*11</u> (SJNG-1)	Shoaf	Calculation of true-up amount for the projected period based on the prior period and the current period (2 months actual and 4 months estimated)
<u>*12</u> (SJNG-1)	Shoaf	Transportation purchases system and end use for the projected period
<u>*13</u> (SJNG-1)	Shoaf	Calculation of true-up amount current (2 months actual and 4 months estimated)
<u>*14</u>	Melendy	
<u>*15</u> (composite)	Kahl	Schedules A-1/MF-AO, EJK-1 A-1/MI-AO, A-3, A-4, A-5, A-6, A-7P, and Revised Schedules A-2 and A-8
<u>16</u> EJK-2 (composite)	Kahl	Schedules E-1/PFS-O, Revised Schedule E-2, and Schedule E-5P (original estimates for October, 1992 through March, 1993); Schedules E-1/PFS-R,

Revised Schedule E-4P and Schedule E-5P (revised estimates for April, 1992 through September, 1992)

*17 Goodwin
(composite)

Schedules A-1/MI-AO, TG-1 A-2, A-3, A-4, A-5, A-6, A-7P and Revised Schedules A-1/F, Revised Schedules A-2 for February and March, 1992, and Revised Schedules A-7 and A-8

*18 Goodwin
TG-2 (composite)

Schedules E-1/F, E-2, E-3, and E-5 (original estimates for October 1992 through March 1993); Schedules E-1/FR E-3, E-4 and E-5 (revised estimates for April 1992 through September 1992)

STATEMENTS OF BASIC POSITION

CUC: The appropriate over (under) recovery amounts and purchased gas adjustment factor are as shown in the company's positions on Issues 1 - 4.

CGC: 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 October 1992 - March 1993 is \$.29157 per therm, including the regulatory assessment fee but excluding the gross receipts tax which is billed separately.

IGC:

FPUC: Florida Public Utilities Company has properly calculated its true-up amounts and projected gas costs. Its costs and projections are reasonable and its purchased gas cost recovery factors should be approved.

PGS: None at this time.

SJNG: The Commission should approve the Purchased Gas Adjustment (PGA) true-up amount for the six month period ending March 31, 1993 including interest, and the six month levelized factor of 34.654 cents per therm to be applied to customer bills rendered for the six month period ending March 31, 1993.

SGS:

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

WFNG: 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 cost recovery factor should be approved.

OPC: Only those costs demonstrated by the utilities to have been prudently incurred should be allowed for purchased gas adjustment true-up.

Generic Purchased Gas Adjustment Issues

*ISSUE 1: What are the appropriate final purchased gas adjustment true-up amounts for the period October, 1991 through March, 1992?

CUC: \$451,762 overrecovery. (Vincent)

CGC: The final net true-up amount is an underrecovery of \$327,562, including interest. (Wutzler)

IGC: \$2,004 Overrecovery (Powers)

FPUC: \$764,563 Overrecovery (Bachman)

PGS: \$2,623,008 overrecovery. (Sivard)

SJNG: \$30,498 Overrecovery. (Shoaf)

SGS: \$2,142 Underrecovery. (Melendy)

SFNG: \$15,511 overrecovery. (Kahl)

WFNG: \$161,926 overrecovery. (Goodwin)

OPC: Agree with Staff as to all utilities..

STAFF:

Chesapeake Utilities Corporation	\$451,762	Overrecovery
City Gas Company of Florida	\$327,562	Underrecovery
Florida Public Utilities	\$764,563	Overrecovery
Indiantown Gas Company	\$2,004	Overrecovery
Peoples Gas System, Inc.	\$2,623,008	Overrecovery

ORDER NO. PSC-92-0805-PHO-GU
DOCKET NO. 920003-GU
PAGE 9

Sebring Gas System, Inc.	\$2,142	Underrecovery
St. Joe Natural Gas Company	\$30,498	Overrecovery
South Florida Natural Gas Company	\$15,511	Overrecovery
West Florida Natural Gas Company	\$161,926	Overrecovery

***ISSUE 2:** What are the estimated purchased gas adjustment true-up amounts for the period April, 1992 through September, 1992?

CUC: \$119,033 overrecovery. (Vincent)

CGC: An overrecovery of \$137,270. (Wutzler)

FPUC: \$314,695 overrecovery. (Bachman)

IGC: \$20,820 underrecovery. (Powers)

PGS: \$87,865 overrecovery. (Sivard/Grey)

SJNG: \$36,121 overrecovery. (Shoaf)

SGS: \$4,161 underrecovery. (Melendy)

SFNG: \$15,092 underrecovery. (Kahl)

WFNG: \$503,663 overrecovery. (Goodwin)

OPC: Agree with Staff as to all utilities.

STAFF:

Chesapeake Utilities Corporation	\$119,033	Overrecovery
City Gas Company of Florida	\$137,270	Overrecovery
Florida Public Utilities	\$314,695	Overrecovery
Indiantown Gas Company	\$20,820	Underrecovery
Peoples Gas System, Inc.	\$87,865	Overrecovery
Sebring Gas System, Inc.	\$4,161	Underrecovery
St. Joe Natural Gas Company	\$36,121	Overrecovery
South Florida Natural Gas Company	\$15,092	Underrecovery
West Florida Natural Gas Company	\$503,663	Overrecovery

***ISSUE 3:** What are the total purchased gas adjustment true-up amounts to be collected during the period October, 1992 through March, 1993?

CUC: \$570,795 overrecovery. (Vincent)

CGC: \$190,292 underrecovery. (Wutzler)

ORDER NO. PSC-92-0805-PHO-GU
DOCKET NO. 920003-GU
PAGE 10

FPUC: \$1,079,258 Overrecovery. (Bachman)
IGC: \$18,816 underrecovery. (Powers)
PGS: \$2,710,873 overrecovery. (Sivard/Grey)
SJNG: \$66,619 overrecovery. (Shoaf)
SGS: \$6,303 underrecovery. (Melendy)
SFNG: \$419 overrecovery. (Kahl)
WFNG: \$665,589 overrecovery. (Goodwin)
OPC: Agree with Staff as to all utilities.

STAFF:

Chesapeake Utilities Corporation	\$570,795	Overrecovery
City Gas Company of Florida	\$190,292	Underrecovery
Florida Public Utilities	\$1,079,258	Overrecovery
Indiantown Gas Company	\$18,816	Underrecovery
Peoples Gas System, Inc.	\$2,710,873	Overrecovery
Sebring Gas System, Inc.	\$6,303	Underrecovery
St. Joe Natural Gas Company	\$ 66,619	Overrecovery
South Florida Natural Gas Company	\$ 419	Overrecovery
West Florida Natural Gas Company	\$665,589	Overrecovery

***ISSUE 4:** What are the appropriate levelized purchased gas cost recovery (cap) factors for the period October, 1992 through March, 1993?

CUC: 28.103 cents per therm. (Vincent)

CGC: \$.29157 per therm (including the regulatory assessment fee).
(Wutzler)

FPUC: Firm 25.430¢ per therm
Interruptible 17.406¢ per therm
(Bachman, Schneidermann)

IGC: 30.102 cents per therm. (Powers)

PGS: 25.799 cents per therm. (Sivard, Grey)

SJNG: 34.654 cents per therm. (Shoaf)

SGS: 33.328 cents per therm. (Melendy)

ORDER NO. PSC-92-0805-PHO-GU
DOCKET NO. 920003-GU
PAGE 11

SFNG: 29.462 cents per therm. This figure includes projected cost of gas, prior period true-ups and revenue tax factors. (Kahl)

WFNG: 23.047 cents per therm. This figure includes projected cost of gas, prior period true-ups and revenue tax factors. (Goodwin)

OPC: Agree with Staff as to all companies.

STAFF:

Chesapeake Utilities Corporation	28.103 cents per therm
City Gas Company of Florida	29.157 cents per therm
Florida Public Utilities	25.430 cents per therm
Indiantown Gas Company	30.102 cents per therm
Peoples Gas System, Inc.	25.799 cents per therm
Sebring Gas System, Inc.	33.328 cents per therm
St. Joe Natual Gas Company	34.653 cents per therm
South Florida Natural Gas Company	29.462 cents per therm
West Florida Natural Gas Company	23.047 cents per therm

***ISSUE 5:** 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, 1992, beginning with the first applicable billing cycle for the period October, 1992 through March, 1992.

STIPULATED ISSUES

Stipulations entered into by 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.

MOTIONS

None pending at this time.

OTHER MATTERS

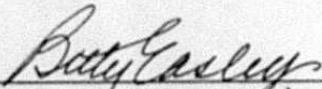
None pending at this time.

ORDER NO. PSC-92-0805-PHO-GU
DOCKET NO. 920003-GU
PAGE 12

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 11th day of August, 1992.



BETTY EASLEY, Commissioner
and Prehearing Officer

(S E A L)
rve

ORDER NO. PSC-92-0805-PHO-GU
DOCKET NO. 920003-GU
PAGE 13

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 this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) 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 wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.