

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for Approval of) DOCKET NO. 961236-GU
Firm Transportation Supplier) ORDER NO. PSC-96-1515-FOF-GU
Aggregation (FTA) Service Rider) ISSUED: December 13, 1996
by Peoples Gas System, Inc.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING EXPERIMENTAL TARIFF RIDER

BY THE COMMISSION:

By Order No. PSC-95-1539-FOF-GU, issued in Docket No. 951210-GU, on December 13, 1995, we approved Peoples Gas System, Inc.'s (Peoples) petition for a new optional tariff rider, Transportation Aggregation Rider TA (TA). That rider made gas transportation service available to customers who, in the aggregate, used more than 500,000 therms per year of natural gas at multiple delivery points in Peoples' service area.

To qualify for service under Rider TA, the facilities served have to be directly owned and operated in the name of a single customer of record of Peoples. The rates and charges under Rider TA are the same as those under the otherwise applicable rate schedules for sales service, except that the Purchased Gas Adjustment does not apply because the customer purchases his own gas.

On October 14, 1996, Peoples filed this petition for approval of its Firm Transportation Supplier Aggregation Service Rider (FTA) on an experimental basis. The proposed Rider FTA is similar to the TA rider that we approved previously, except that Rider FTA does not require the facilities served to be directly owned and operated in the name of a single customer of record of Peoples. The purpose of the proposed Rider FTA is to test a transportation program on a limited basis to determine if it is possible to provide simplified transportation service to firm customers in a manner that will allow the program to expand to include more customers who are also taking service under a firm rate schedule. The rates and charges

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under Rider FTA are the same as those under the otherwise applicable rate schedules for sales service, except that the Purchased Gas Adjustment does not apply because customers purchase their own gas. Our analysis of this proposed Rider FTA is set forth below.

Firm Transportation Aggregation Service Rider (FTA)

Rider FTA is intended for customers who can be served without remote telemetry of volumetric consumption data from the customers' meter to Peoples' Gas Control Office. Each eligible, firm customer who wants to participate in the program will sign a simple, two-page agreement with Peoples in which the customer will elect to receive transportation service and select a marketer/aggregator to be the supplier for the first year of participation. Although the initial term of service under Rider FTA will be one year, during the first year, customers will have the right to discontinue service under the Rider upon 15 days notice to Peoples. Such customers can then return to firm sales service provided by Peoples.

Any number of marketers/suppliers wishing to aggregate firm transportation customers may participate, on an open, non-discriminatory basis, by signing an agreement with Peoples' relating to the program. A marketer may then enroll up to ten customers, consisting of ten individual locations (one location equals one customer), at the beginning of each of the first two months of the program. At the beginning of the third and final month of the enrollment period, each marketer may enroll any number of customers, so long as the total number of customers/locations does not exceed thirty.

Suppliers may participate in the FTA program by signing a Firm Delivery and Operational Balancing Agreement with Peoples. Suppliers must then assume the responsibility for resolving imbalances directly with Peoples, so that the customer is not involved in balancing matters. Each supplier may also enter into a Master Capacity Release Agreement, under which Peoples releases Primary Firm Transportation Capacity directly to the supplier to be used for the account of each firm customer participating in the aggregator's pool.

Peoples believes that it can provide transportation service under Rider FTA to most of the potential transportation candidates presently seeking aggregated transportation service, without incurring overly burdensome incremental costs. Should the additional transportation service load become unduly burdensome and

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present potential harm to Peoples's other customers, Peoples reserves the right to deny transportation service.

Based on the foregoing, Peoples's Firm Transportation Supplier Aggregation Service Rider (FTA) is approved on an experimental basis. Rider FTA is, however, subject to change, consistent with any final order issued in Docket No. 960725-GU, Unbundling of Natural Gas Services.

In addition, Peoples shall file, on a quarterly basis, a progress report indicating, but not limited to, the number of customers and usage per customer, by month, per marketer/supplier, until a final order is issued in Docket No. 960725-GU. In the event Peoples files a petition to end, extend, or convert the pilot program to a full program before a final order is issued in Docket No. 960725-GU, the reporting requirements or changes to reporting requirements will be addressed in that order.

Based on the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that Peoples Gas System, Inc.'s proposed Firm Transportation Aggregation Service Rider is approved to the extent set forth in the body of this Order. It is further

ORDERED that Peoples Gas System, Inc. shall file quarterly progress reports regarding the Firm Transportation Aggregation Service Rider. It is further

ORDERED that the effective date of this experimental tariff rider is December 2, 1996. It is further

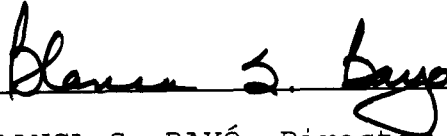
ORDERED that if a protest is filed in accordance with the requirements set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

ORDERED that this docket shall remain open pending the issuance of a final order in Docket No. 960725-GU, Unbundling of Natural Gas Services. If a final order has not been issued prior to the expiration of the one-year experimental tariff rider, Peoples shall file a petition in this docket to end, extend, or convert the pilot program to a full program. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed upon the issuance of a final order in Docket No. 960725-GU.

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By ORDER of the Florida Public Service Commission, this 13th
day of December, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

BC

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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.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 3, 1997.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater 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 of the date this Order becomes final, 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.

MEMORANDUM

DECEMBER 12, 1996

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FPSC-RECORDS/REPORTING

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (CULPEPPER) *re RVE*
RE: DOCKET NO. 961236-GU - PETITION FOR APPROVAL OF FIRM
TRANSPORTATION SUPPLIER AGGREGATION (FTA) SERVICE RIDER
BY PEOPLES GAS SYSTEM, INC.

15/5-FOF

Attached is an ORDER APPROVING EXPERIMENTAL TARIFF RIDER to be issued in the above-referenced docket. (Number of pages - 5)

BC/js
Attachment
cc: Division of Electric and Gas
I:961236O.BC

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