

MEMORANDUM

OCTOBER 26, 1998

RECEIVED 10/26/98

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RECEIVED AND
HANDLING

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (C. KEATING)

RE: DOCKET NO. 981037-GU - PETITION BY TAMPA ELECTRIC COMPANY
D/B/A PEOPLES GAS SYSTEM TO MAKE PERMANENT ITS
EXPERIMENTAL RATE SCHEDULES NGVTS AND NGVSS FOR GAS
DELIVERED FOR COMPRESSION AND DELIVERY INTO MOTOR VEHICLE
FUEL TANKS.

RUE For WCK

BC 98-1453-POF-GU

Attached is a NOTICE OF PROPOSED AGENCY ACTION - ORDER MAKING PERMANENT NATURAL GAS VEHICLE TRANSPORTATION SERVICE AND NATURAL GAS VEHICLE SALES SERVICE RATE SCHEDULES to be issued in the above-referenced docket. (Number of pages in order - 4)

WCK/js
Attachment
cc: Division of Electric and Gas (Bulecza-Banks, Lowery, Makin)
I:981037or.wck

forward - 2/0
uncited -

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Tampa
Electric Company d/b/a Peoples
Gas System to make permanent its
experimental Rate Schedules
NGVTS and NGVSS for gas
delivered for compression and
delivery into motor vehicle fuel
tanks.

DOCKET NO. 981037-GU
ORDER NO. PSC-98-1453-FOF-GU
ISSUED: October 26, 1998

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION
ORDER MAKING PERMANENT NATURAL GAS VEHICLE TRANSPORTATION
SERVICE AND NATURAL GAS VEHICLE SALES SERVICE RATE SCHEDULES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service
Commission that the action discussed herein is preliminary in
nature and will become final unless a person whose interests are
substantially affected files a petition for a formal proceeding,
pursuant to Rule 25-22.029, Florida Administrative Code.

Tampa Electric Company d/b/a Peoples Gas System (Peoples)
offers two rate schedules, Natural Gas Vehicle Transportation
Service (NGVTS) and Natural Gas Vehicle Sales Service (NGVSS),
relating to natural gas vehicles. We approved these two rate
schedules on a five-year experimental basis in Order No. PSC-93-
1179-FOF-GU, issued August 11, 1993. Under these rate schedules,
Peoples provides natural gas service to the customer's compressor.
A customer served under Rate Schedules NGVTS or NGVSS is
responsible for the initial capital cost of equipment required to
compress the gas for use in natural gas vehicles (NGVs). Peoples'

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FLORIDA PUBLIC SERVICE COMMISSION

ORDER NO. PSC-98-1453-FOF-GU
DOCKET NO. 981037-GU
PAGE 2

costs consist only of meters and service lines needed to provide service to the customer's compressor station.

According to Peoples, the company initially submitted Rate Schedules NGVTS and NGVSS for approval to make the pricing for compressed natural gas more competitive with conventional motor fuels (primarily gasoline and diesel fuel), and because interest in the NGV market in Florida appeared to be strengthening due to changes in technology and improving economic conditions. In approving these experimental rate schedules, we noted that when the experimental period expired, Peoples anticipated petitioning this Commission to either continue the rates as originally requested or to make modifications based on the first five years of the program.

On August 17, 1998, Peoples filed a petition for approval to make permanent Rate Schedules NGVTS and NGVSS. According to Peoples' petition, the only modification sought is the removal of the designation "experimental." All current charges will remain the same.

There is a total of thirty-three compressor stations (vehicle refueling stations) in Peoples' service area. Of these, seven are owned by Peoples for refueling its fleet of service vehicles. The remaining twenty-six are either governmental facilities or commercial businesses. Presently, there are two additional stations proposed and one under construction. Eight compressor stations are accessible to the general public in Peoples' service area. Peoples believes that removing the "experimental" designation from its Rate Schedules NGVTS and NGVSS may encourage further investment in and construction of compressor stations to take service under these rate schedules.

Under the Energy Policy Act of 1992, implemented by the President's Executive Order No. 13031, dated December 13, 1996, increases were made to the percentages of alternate-fueled fleet vehicles that must be acquired by federal agencies and certain other groups in 1998 and 1999. Also, the Governor's Executive Order 92-253, dated October 8, 1991, proposed the use of alternate-fueled fleet vehicles in 1992 and 1993, with the ultimate goal of operating all possible state fleet vehicles on alternate fuels. According to Peoples, making Rate Schedules NGVTS and NGVSS permanent would reinforce the Company's commitment to assist in the development of a refueling infrastructure for natural gas vehicles.

ORDER NO. PSC-98-1453-FOF-GU
DOCKET NO. 981037-GU
PAGE 3

For the foregoing reasons, we find that Peoples' experimental Rate Schedules NGVTS and NGVSS should be made permanent and should continue to have a cost-based rate of a \$25.00 customer charge and an energy charge of 6.62 cents per therm. These rate schedules should become effective October 6, 1998, the date of our vote on this matter.

Based on the foregoing, it is


ORDERED by the Florida Public Service Commission that the petition of Tampa Electric Company d/b/a Peoples Gas System to make permanent its Natural Gas Vehicle Transportation Service (NGVTS) and Natural Gas Vehicle Sales Service (NGVSS) rate schedules is granted. It is further

ORDERED that Tampa Electric Company d/b/a Peoples Gas System's permanent Rate Schedules NGVTS and NGVSS are effective as of October 6, 1998. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 26th day of October, 1998.



KAY FLYNN, Chief
Bureau of Records

(S E A L)

WCK

ORDER NO. PSC-98-1453-FOF-GU
DOCKET NO. 981037-GU
PAGE 4

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, 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 November 16, 1998.

In the absence of such a petition, this order shall become effective 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 and effective on the date described above, any party substantially 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 effective date 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.