

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of experimental Rider FTA-2 (Firm Transportation Aggregation Service 2) and modifications to imbalance cashout provisions of Rider FTA program, by Tampa Electric Company d/b/a Peoples Gas System.

DOCKET NO. 990935-GU  
ORDER NO. PSC-00-0586-AS-GU  
ISSUED: March 23, 2000

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON  
SUSAN F. CLARK  
E. LEON JACOBS, JR.

ORDER APPROVING OFFER OF SETTLEMENT AND APPROVING TARIFF

BY THE COMMISSION:

On July 19, 1999, Peoples Gas System ("Peoples Gas") filed a petition for approval of a new experimental Firm Transportation Aggregation Service Rider ("Rider FTA-2") and modifications to the imbalance cashout provisions of its Firm Delivery and Operational Balancing Agreement ("Firm Delivery Agreement"), which are applicable under its original Rider FTA and the new experimental Rider FTA-2. On August 18, 1999, Peoples Gas filed an amendment to its petition. By Order No. PSC-99-2122-PCO-GU, issued October 25, 1999, this Commission took no action on Peoples Gas' proposed tariff, thus allowing Rider FTA-2 to go into effect by operation of law. By the same order, we set this matter for a full evidentiary hearing.

On February 16, 2000, Peoples Gas filed an Offer of Settlement to resolve the issues in this docket and eliminate the need for a hearing. The Offer of Settlement is attached hereto as Attachment A and is incorporated herein by reference. On February 22, 2000, in lieu of an evidentiary hearing, the Offer of Settlement was presented for our consideration.

DOCUMENT NO. & DATE

03684 MAR 23 00

REGISTRATION REPORTING

In our order setting this matter for hearing, we expressed concern about allegations that Peoples Gas' marketing affiliate, TECO Gas Services, had already effectively gained control of the market for transportation service by soliciting and reaching agreements with new gas customers along the route of Peoples Gas' new pipeline extension in southwest Florida, prior to approval of the proposed Rider FTA-2. As indicated in paragraph 3 of Peoples Gas' Offer of Settlement, our staff thoroughly investigated the allegations concerning the marketing activities of TECO Gas Services, including those mentioned in Order No. PSC-99-2122-PCO-GU, and found that they could not be substantiated. Therefore, we find that these allegations are without merit. It appears that these allegations may have been the result of confusion among some customers as to which company was providing their natural gas service.

In paragraph 4 of its Offer of Settlement, Peoples Gas notes our staff's concern about the provision of proposed Rider FTA-2 that requires gas marketers/suppliers to bring on new customers, representing incremental load to Peoples Gas' system, before being able to offer transportation service to Peoples Gas' existing sales service customers. Peoples Gas addresses this concern in two parts in paragraph 5 of its Offer of Settlement.

First, Peoples Gas agrees that, not later than July 31, 2000, it will submit to this Commission for approval new tariff sheets which, after such new tariff sheets become effective, will make transportation service available on reasonable terms and conditions to not less than 300 non-residential customers of Peoples Gas each month. In presenting this Offer of Settlement, Peoples Gas clarified that these new tariff sheets will not include the incremental load requirement discussed above. In addition, Peoples Gas stated that it will file quarterly progress reports, as it currently does with respect to its original Rider FTA, that will indicate, among other things, the number of customers taking service under the new tariff sheets. Second, Peoples Gas agrees that it will not seek to extend the availability of Rider FTA-2 beyond September 30, 2000, unless the new tariff sheets referenced above have not become effective by that date. The Offer of Settlement provides that, in consideration of these two agreements, Rider FTA-2 shall be approved or permitted to remain in effect without approval.

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DOCKET NO. 990935-GU  
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Upon consideration of Peoples Gas' Offer of Settlement and the clarifications made by our staff and by Peoples Gas during our discussions on February 22, 2000, we approve Peoples Gas' Offer of Settlement. We find that the terms of the Offer of Settlement provide a reasonable resolution of the issues in this docket. Accordingly, pursuant to the terms of the Offer of Settlement, Peoples Gas' petition for approval of new experimental Rider FTA-2 and modifications to the imbalance cashout provisions of its Firm Delivery Agreement is approved.

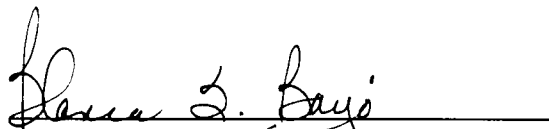
Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Peoples Gas System's Offer of Settlement, attached to this Order as Attachment A and incorporated herein by reference, is approved, as clarified in the body of this Order. It is further

ORDERED that Peoples Gas System's proposed experimental Rider FTA-2 (Firm Transportation Aggregation Service 2) and modifications to the imbalance cashout provisions of its Firm Delivery and Operational Balancing Agreement are approved.

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 23rd day of March, 2000.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

WCK/RNI

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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.

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 and/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 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.

RECEIVED-FPSC

MEMORANDUM

March 22, 2000

2:33 PM

REPORTING

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (C. KEATING, ISAAC) <sup>WCK</sup> *RNS RVE*

RE: DOCKET NO. 990935-GU - PETITION FOR APPROVAL OF EXPERIMENTAL RIDER FTA-2 (FIRM TRANSPORTATION AGGREGATION SERVICE 2) AND MODIFICATIONS TO IMBALANCE CASHOUT PROVISIONS OF RIDER FTA PROGRAM, BY TAMPA ELECTRIC COMPANY D/B/A PEOPLES GAS SYSTEM.

0586 - AS

Attached is an ORDER APPROVING OFFER OF SETTLEMENT AND APPROVING TARIFF, with attachment, to be issued in the above-referenced docket. (Number of pages in order - 7)

WCK/RNI/jb  
 Attachment  
 cc: Division of Electric and Gas  
 I:990935or.rni

*attach not online*

**ATTACHMENT(S) NOT ON-LINE**

*3- RAR  
3/24*

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Petition for approval of experimental )  
Rider FTA-2 (Firm Transportation )  
Aggregation Service 2), and modifications )  
to imbalance cashout provisions of Rider )  
FTA program, by Peoples Gas System. )

Docket No. 990935-GU

Submitted for Filing:

2-16-00

**OFFER OF SETTLEMENT**

FLORIDA PUBLIC SERVICE COMMISSION  
LEGAL DIVISION

In the interests of reaching a mutually acceptable resolution to the issues in this docket and eliminating the need for hearing, Tampa Electric Company d/b/a Peoples Gas System ("Peoples Gas" or the "Company"), by and through its undersigned attorneys, hereby proposes the following Offer of Settlement:

1. On July 19, 1999, Peoples Gas filed a petition for approval of an experimental Firm Transportation Aggregation 2 ("FTA-2") Rider. The Commission permitted Rider FTA-2 to become effective by operation of law (and it is currently in effect), but the petition, as amended on August 18, 1999, was set for a full evidentiary hearing by Order No. PSC-99-2122-PCO-GU, issued October 25, 1999. This hearing is currently scheduled for February 22, 2000.

2. In setting this petition for hearing, the Commission expressed its concern about allegations that Peoples Gas' marketing affiliate, TECO Gas Services, had already effectively gained control of the market for transportation service by soliciting and reaching agreements with new gas customers along the route of Peoples Gas' new pipeline extension in southwest Florida, prior to approval of the proposed Rider FTA-2.

3. The Commission staff has thoroughly investigated all allegations concerning the marketing activities of TECO Gas Services, including those mentioned in Order No. PSC-99-2122-

DOCUMENT NUMBER-DATE

02045 FEB 16 8

FPSC-RECORDS/REPORTING

PCO-GU, and has determined that such allegations are without merit.

4. Further, the Commission staff has expressed concern about the provision of proposed Rider FTA-2 that requires gas suppliers/marketers to bring on new customers that represent incremental load to Peoples Gas' system before being able to offer transportation service to Peoples Gas' existing sales service customers.

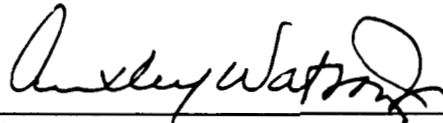
5. As currently in effect, Rider FTA-2 provides that its availability will expire on September 30, 2000. To alleviate the Commission staff's concern with the proposed Rider FTA-2, Peoples Gas agrees that:

- (A) it will, not later than July 31, 2000, submit to the Commission for approval new tariff sheets which, after such new tariff sheets become effective, will make transportation service available on reasonable terms and conditions to not less than 300 non-residential customers of the Company each month, and
- (B) it will not seek to extend the availability of Rider FTA-2 beyond September 30, 2000 unless the new tariff sheets referenced in paragraph (A) above have not become effective by that date.

In consideration of these agreements, Rider FTA-2 shall be approved, or permitted to remain in effect without approval. The Commission staff agrees to exercise reasonable efforts to review the new tariff sheets referenced in paragraph (A) above on an expedited basis and make a recommendation to the Commission in time for such new tariff sheets to become effective by October 1, 2000. If such new tariff sheets have not become effective on that date, Staff agrees to support an extension of the availability of Rider FTA-2 until the effective date of such new tariff sheets.

6. This Offer of Settlement is made for settlement purposes only, i.e., for resolving the issues in this docket and eliminating the need for hearing in this docket.
7. This Offer of Settlement shall become null and void if not approved in its entirety.

Respectfully submitted this 15th day of February, 2000.

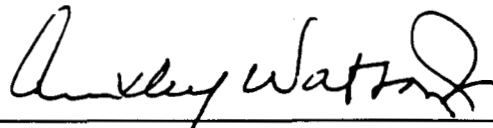


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Facsimile: (813) 273-4396 or -4397  
Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing motion has been furnished, via facsimile and regular U.S. Mail, to Wm. Cochran Keating, IV, Esquire, Staff Counsel, Florida Public Service Commission, Capital Circle Office Center, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, this 15th day of February, 2000.



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Ansley Watson, Jr.