

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased gas adjustment (PGA) true-up. | DOCKET NO. 20180003-GU
ORDER NO. PSC-2018-0569-FOF-GU
ISSUED: December 4, 2018

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

APPEARANCES:

GREGORY M. MUNSON, ESQUIRE, Gunster Law Firm, 215 South Monroe Street, Suite 601, Tallahassee, Florida 32301
On behalf of Florida City Gas (FCG).

CHRIS WRIGHT, ESQUIRE, Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida, 33408
On behalf of FCG.

BETH KEATING, ESQUIRE, Gunster Law Firm., 215 South Monroe Street., Suite 601, Tallahassee, Florida 32301
On behalf of FCG, Florida Public Utilities Company, and Florida Public Utilities Company – Fort Meade (FPUC).

ANDREW M. BROWN and ANSLEY WATSON, JR., ESQUIRES, Macfarlane Ferguson & McMullen, Post Office Box 1531, Tampa, Florida 33601-1531
On behalf of Peoples Gas System (PGS).

JAMES BEASLEY, Ausley McMullen Law Firm, 123 South Calhoun Street, Post Office Box 391, Tallahassee, Florida 32302
On behalf of PGS

ANDY SHOAF, VICE PRESIDENT, St. Joe Natural Gas Company Incorporated, Post Office Box 549, Port St. Joe, Florida 32457-0549
On behalf of St. Joe's Natural Gas (SJNG).

CHARLES REHWINKEL and PATRICIA A. CHRISTENSEN, ESQUIRES, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of Citizens of the State of Florida (OPC).

KURT SCHRADER, and JENNIFER CRAWFORD, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Advisor to the Florida Public Service Commission.

KEITH HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
General Counsel to the Florida Public Service Commission.

FINAL ORDER APPROVING PURCHASED GAS ADJUSTMENT TRUE-UP AMOUNTS
AND ESTABLISHING PURCHASED GAS COST RECOVERY FACTORS TO BE APPLIED
DURING THE PERIOD OF JANUARY 2019 THROUGH DECEMBER 2019

BY THE COMMISSION:

As part of our continuing purchased gas adjustment true-up proceedings, an administrative hearing was held November 5, 2018, in this docket. Florida City Gas, Florida Public Utilities Company, Peoples Gas System, and St. Joe Natural Gas Company submitted testimony and exhibits in support of their proposed final and estimated true-up amounts and their proposed purchased gas recovery factors. The Office of Public Counsel (OPC) also participated in this proceeding. Prior to the hearing, the parties reached agreement concerning all issues identified for resolution at hearing. These issues were presented to us as a stipulation. We have jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S.

The parties stipulated to the final and estimated true-up amounts and purchased gas cost recovery factors appropriate for each utility. We accept and approve the stipulations as reasonable and supported by competent, substantial evidence of record as set forth below.

Issues Impacting all Parties

We find that the appropriate final purchased gas adjustment true-up amounts for the period January 2017 through December 2017 are as follows:

| | | |
|-----------------------------|-------------|----------------|
| Florida City Gas | \$1,160,543 | Over-recovery |
| Florida Public Utilities | \$220,953 | Over-recovery |
| Peoples Gas System | \$669,716 | Over-recovery |
| St. Joe Natural Gas Company | \$4,617 | Under-recovery |

We find that the appropriate actual/estimated purchased gas adjustment true-up amounts for the period January 2018 through December 2018 are as follows:

| | | |
|-----------------------------|-------------|----------------|
| Florida City Gas | \$1,578,371 | Under-recovery |
| Florida Public Utilities | \$2,505,604 | Over-recovery |
| Peoples Gas System | \$1,596,468 | Over-recovery |
| St. Joe Natural Gas Company | \$123,976 | Over-recovery |

We find that the appropriate total purchased gas adjustment true-up amounts to be collected during the period January 2019 through December 2019 are as follows:

| | | |
|-----------------------------|-------------|----------------|
| Florida City Gas | \$417,828 | Under-recovery |
| Florida Public Utilities | \$2,726,557 | Over-recovery |
| Peoples Gas System | \$2,266,183 | Over-recovery |
| St. Joe Natural Gas Company | \$119,359 | Over-recovery |

We find that the appropriate levelized purchased gas cost recovery (cap) factors for the period January 2019 through December 2019 are as follows:

| | |
|-----------------------------|-------------------------|
| Florida City Gas | 71.734 cents per therm |
| Florida Public Utilities | 98.066 cents per therm |
| Peoples Gas System | 102.968 cents per therm |
| St. Joe Natural Gas Company | 81.5 cents per therm |

We find that these factors shall be effective for all meter readings on or after January 1, 2019, beginning with the first or applicable billing cycle for the period January 2019 through December 2019.

Florida City Gas Specific Issue

In approving FCG's 2019 maximum levelized PGA Factor, we additionally authorize and direct, on the condition that the 2018 EADIT Agreement currently pending before this Commission in Docket No.20180154-GU is subsequently approved by this Commission, FCG to apply a levelized PGA tax savings credit for January 2019 through December 2019 that is consistent with that EADIT Agreement.

Conclusion

We find that revised tariffs reflecting the new purchased gas adjustment charges found to be appropriate in this proceeding are approved. We direct Commission staff to verify that the revised tariffs are consistent with our decision.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations, findings, and rulings set forth in the body of this Order are hereby approved. It is further

ORDERED that each utility that was a party to this docket shall abide by the stipulations, findings, and rulings herein which are applicable to it. It is further

ORDERED that Commission staff shall verify that the revised tariffs reflecting the new purchased gas adjustment charges are consistent with our decision herein. It is further

ORDERED that the utilities named herein are authorized to collect the purchased gas adjustment amounts and utilize the factors approved herein effective with all meter readings on or after January 1, 2019, beginning with the first or applicable billing cycle for the period January 2019 through December 2019. It is further

ORDERED that the 2019 purchased gas adjustment tax savings credit proposed by Florida City Gas shall be applied to its customer's bills in 2019, pursuant to the conditions specified in our decision herein. It is further

ORDERED that this is an on-going docket and shall remain open.

By ORDER of the Florida Public Service Commission this 4th day of December, 2018.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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 Office of Commission Clerk, 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 Office of Commission Clerk, 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.