

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Peoples Gas System,) DOCKET NO. 881341-GU
Inc. for approval of a competitive rate)
adjustment clause and modification) ORDER NO. 20529-B
to Rate Schedules CIS and CTS.)
ISSUED: 3/14/89

NOTICE OF PROPOSED AGENCY ACTION

AMENDATORY ORDER

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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

By Orders No. 20529 and 20529-A, this Commission proposed to take certain action, subject to a Petition for Formal Proceeding as provided in Rule 25-22.029, Florida Administrative Code. By Order No. 20529, we approved the Competitive Rate Adjustment Clause and Rate Schedules CIS and CTS as requested by Peoples Gas System, Inc. (Peoples). Order No. 20529-A clarified the summary of approved flexible rate provisions of the CIS and CTS rate schedules set forth in Order No. 20529 without changing any substantive provision of that order. However, although attached to Order No. 20529, the approved Competitive Rate Adjustment Clause and Rate Schedules CIS and CTS were not attached to Order No. 20529-A. The purpose of this order is to attach those omitted schedules.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Competitive Rate Adjustment Clause and Rate Schedules CIS and CTS, as modified by the attachment to this order are approved.

By ORDER of The Florida Public Service Commission,
this 14th day of MARCH, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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by: Kay Flynn
Chief, Bureau of Records

DOCUMENT NUMBER-DATE
02661 MAR 14 1989
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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 action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on April 4, 1989. In the absence of such a petition, this order shall become effective April 5, 1989, as provided by Rule 25-22.029(6), Florida Administrative Code, as as reflected in a subsequent order.

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 April 5, 1989, 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 sewer 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.

ATTACHMENT 5

- E. **COMPETITIVE RATE ADJUSTMENT CLAUSE.** The non-gas energy charge or transportation charge for gas supplied or transported after September 30, 1989 to customers other than those served under Company's Rate Schedules CIS and CTS is subject to adjustment in accordance with the following provisions, for prior shortfalls or surpluses in Company's contract interruptible and contract transportation service revenues.
- (1) For the purposes of this clause, the following definitions shall apply:
 - (a) "Actual revenue" means Company's actual non-gas revenue derived from service provided under its Rate Schedules CIS and CTS during a determination period.
 - (b) "Base revenue" means the non-gas revenue which Company would have derived had all gas sold under Company's Rate Schedule CIS and all transportation under Rate Schedule CTS during a determination period been billed at the non-gas energy charge or transportation charge, as appropriate, established for service under such rate schedules in Company's last base rate proceeding.
 - (c) "Surplus" means the amount, if any, by which Company's actual revenue exceeds its base revenue for a determination period.
 - (d) "Shortfall" means the amount, if any, by which Company's base revenue exceeds its actual revenue for a determination period.
 - (2) The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the twelve months ending September 30 ("determination period").
 - (3) Adjustments to rates pursuant to this clause shall be implemented during an "adjustment period", which shall be the eleven months ending September 30 in the year following the determination period in the event of a surplus. In the event of a shortfall, any eleven successive months ending on a September 30 within five years following the determination period may be an adjustment period.

CONTRACT INTERRUPTIBLE SERVICE
Rate Schedule CIS

Availability:

Throughout the service area of the Company.

Applicability:

Interruptible gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to customers using 365,000 therms per year or more.

Monthly Rate:

Customer Charge: \$225.00 per month

Energy Charge:
Non-gas

An amount not less than \$.01 per therm nor greater than 90 percent of the currently applicable firm rate. Unless changed by Company pursuant to this Rate Schedule, the non-gas energy charge shall be \$.0588 per therm.

The "currently applicable firm rate" as used herein means the non-gas energy charge prescribed in Rate Schedule GSLV, adjusted pursuant to the Competitive Rate Adjustment Clause set forth on Sheets Nos. 7.104 and 7.105.

The non-gas energy charge to Customer shall be determined by Company based upon Company's evaluation of competitive conditions. Such conditions may include, but are not necessarily limited to: the cost of gas which is available to serve Customer; the delivered price and availability of Customer's designated alternate fuel; and the nature of Customer's operations (such as load factor, fuel efficiency, alternate fuel capacity, etc.). Company may from time to time increase or reduce the non-gas energy charge as it deems necessary or appropriate to meet competition or remain competitive, but shall have no obligation to do so; provided, however, that the non-gas energy charge shall at all times remain within the limits set forth above.

Company will notify Customer at least 48 hours in advance of any change in the non-gas energy charge under this rate schedule.

RATE SCHEDULE CIS (continued)

Customer may at any time request a reduction in its non-gas energy charge by completing the form which appears on Sheet No. 8.111 and submitting the same to Company.

~~The lesser of either \$.0588 per therm or the equivalent current cost (in cents per therm) to Customer of the alternate fuel used by Customer (see Special Condition 1), but not less than \$.01 per therm (see Special Condition 2).~~

~~"Equivalent current cost (in cents per therm) to Customer of the alternate fuel used by Customer" means the price at which Customer is able to purchase the alternate fuel including applicable taxes and transportation costs converted to cents per therm, PLUS those amounts (in cents per therm) payable by Customer under Company's Purchased Gas Adjustment, Tax and Fee Adjustment, and Energy Conservation Cost Recovery Adjustment Clauses, calculated as follows:~~

~~Alternate Fuel Price
Transportation
Taxes
Total Landed Cost
Conversion Factor
Total Landed Cost (in ¢/therm)
Purchased Gas Adjustment
Conservation Cost Recovery
Taxes and Fees
Equivalent Current Cost~~

~~Determination of Customer's equivalent current cost of alternate fuel shall be based on information set forth in Company's Form PGS-47 (set forth on Sheet No. 8.111). Once a Customer has submitted such form, and the same has been accepted by the Company, the Customer shall resubmit such form, with then current information, on the first day of each month thereafter, and at any time there is any change in any information contained in a form previously submitted. The monthly rate for a Customer who submits no Form PGS-47 to Company, or who fails to submit such form (properly completed) as required hereunder, or whose completed form is not accepted by Company, shall be \$.0588 per therm (see Special Condition 2).~~

The bill for the therms billed at the applicable energy charge determined under this rate schedule shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.102.

RATE SCHEDULE CIS (continued)

Minimum Bill: The Customer charge.

Special Conditions:

1. As a condition for receiving service pursuant to this rate schedule Customer must agree that, on termination of service hereunder, Customer will pay to Company the amount, if any, by which (A) Customer's consumption (in therms) during the 12 months immediately preceding the date on which service hereunder is terminated, times \$.0588, exceeds (B) Customer's consumption (in therms) during said period, times the non-gas energy charges actually paid for such consumption by Customer.
- 2. The Customer must have available and ready for use a suitable alternate fuel or energy source so that the Customer may continue operations during periods of curtailment and interruption.
- 3. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of such agreement shall be set forth ~~in the agreement therein~~ but shall not be less than one year.
- 4. If the Customer's requirements for gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.
- 5. Interruption and curtailment:
The Company may notify the Customer at any time to reduce or cease using gas. The Company will endeavor to give as much notice as possible to the Customer. Any gas taken in excess of ~~10%~~ of the volume allocated to the Customer in an interruption or curtailment order shall be considered to be unauthorized overrun gas. Company may bill and Customer shall pay for such unauthorized overrun gas charges for at the rate greater of \$1.50 per therm or the rate per therm imposed on Company by its pipeline supplier.
- 6. The rates set forth in this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.103.

RATE SCHEDULE C15 (continued)

- ~~6~~ 7. The rates set forth in this schedule shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.103.
- ~~7~~ 8. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
- ~~8~~ 9. In instances where the Customer is able to demonstrate the ability and intent to bypass the Company's distribution system and purchase gas or another source of energy from an alternate supplier, the non-gas energy charge shall, in the discretion of the Company, be the rate per therm necessary to retain the Customer on the Company's distribution system, provided that such rate is demonstrated to be in the long-term best interests of both the Company and its ratepayers.

CONTRACT TRANSPORTATION SERVICE
Rate Schedule CTS

Availability:

Throughout the service area of the Company.

Applicability:

Interruptible transportation service for any commercial or industrial Customer using 365,000 therms per year or more, who owns gas that is made available for transportation service on the Company's system. Company shall transport gas made available by Customer from a designated point of receipt to a designated point of delivery. Service under this schedule is subject to interruption or curtailment at any time at the sole discretion of the Company.

Monthly Rate:

Customer Charge: \$225.00 per month.

Transportation Charge:

An amount not less than \$0.01 per therm nor greater than 90 percent of the currently applicable firm rate. Unless changed by Company pursuant to this Rate Schedule, the transportation charge shall be \$0.0588 per therm.

The "currently applicable firm rate" as used herein means the non-gas energy charge prescribed in Rate Schedule GSLV, adjusted pursuant to the Competitive Rate Adjustment Clause set forth on Sheets Nos. 7.104 and 7.105.

The transportation charge to Customer shall be determined by Company based upon Company's evaluation of competitive conditions. Such conditions may include, but are not necessarily limited to: the cost of gas which is available to serve customer; the delivered price and availability of Customer's designated alternate fuel or energy source; and the nature of Customer's operations (such as load factor, fuel efficiency, alternate fuel capacity, etc.). Company may from time to time increase or reduce the transportation charge as it deems necessary or appropriate to meet competition or remain competitive, but shall have no obligation to do so; provided, however, that the transportation charge shall at all times remain within the limits set forth above.

Company will notify Customer at least 48 hours in advance of any change in the transportation charge under this rate schedule.

Customer may at any time request a reduction in its transportation charge by completing the form which appears on Sheet No. 8.111 and submitting the same to Company.

~~The lesser of either \$0.0566 per therm or the equivalent current cost (in cents per therm) to Customer of the alternate fuel used by Customer (see Special Condition 1), but not less than \$0.01 per therm (see Special Condition 1).~~

~~"Equivalent current cost (in cents per therm) to Customer of the alternate fuel used by Customer" means the price at which Customer is able to purchase the alternate fuel, including applicable taxes and transportation costs, converted to cents per therm, MINUS the lesser of either the current cost to Customer of gas delivered to Company or Company's Purchased Gas Adjustment, and those amount payable by Customer under Company's Tax and Fee Adjustment Clause and Energy Conservation Cost Recovery Adjustment Clause, calculated as follows:~~

~~Alternate Fuel Price
Transportation
Taxes
Total Landed Cost
+ Conversion Factor (BTU per unit of alternate fuel)
Total Landed Cost (in \$/therm)
Lesser of either Current Cost of Gas Delivered to Company or Company's Purchased Gas Adjustment
Conservation Cost Recovery
Taxes and Fees
Equivalent Current Cost of Alternate Fuel~~

~~Determination of Customer's equivalent current cost of alternate fuel shall be based on information set forth in Company's Form PCS-12 (set forth on Sheet 8.113). Once a Customer has submitted such form, and the same has been accepted by the Company, the Customer shall resubmit such form, with then current information, on the first day of each month thereafter, and at any time there is any change in any information contained in a form previously submitted. The monthly rate for a Customer who submits no Form PCS-12 to Company, or who fails to submit such form (properly completed) as required hereunder, or whose completed form is not accepted by Company, shall be \$0.0566 per therm (See Special Condition 1).~~

~~Except for the purpose of calculating Customer's "Equivalent Current Cost of Alternate Fuel", as defined above, Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.102 shall not apply to transportation service rendered under this schedule.~~

Minimum Bill: The Customer charge.

Special Conditions:

1. As a condition for receiving service pursuant to this rate schedule Customer must agree that, on termination of service hereunder, Customer will pay to Company the amount, if any, by which (A) Customer's consumption (in therms) during the 12 months immediately preceding the date on which service hereunder is terminated, times \$.0588, exceeds (B) Customer's consumption (in therms) during said period, times the transportation charges actually paid for such consumption by Customer.
2. The Customer must have available and ready for use a suitable alternate fuel or energy source so that Customer may continue operations during periods of curtailment and interruption.
3. ~~A Gas Transportation Service Agreement in substantially the form set forth on Sheets Nos. through , the terms and conditions of which are incorporated by reference in this rate schedule, accepted by the Company, is a condition precedent for service under this schedule. Customer shall, in such Agreement, designate a Scheduled Daily Delivery volume, which volume shall be the amount of gas required for Customer's daily operations. Customer shall notify Company in writing in advance of the first day of delivery for each billing month of the volume of gas to be delivered in such month and the daily rate of delivery.~~
4. Gas transported under this schedule shall be utilized solely for interruptible uses of gas.
5. With respect to gas received by Company from Customer for transportation, Customer bears sole responsibility for all costs incurred up to the designated point of receipt on Company's system.
6. Interruption and Curtailment. Company shall have the right to reduce or completely curtail deliveries to Customer pursuant to this rate schedule:

- (A) if, in Company's opinion, Customer will overrun the volume of gas to which it is entitled from its supplier (or overrun the volume of gas being delivered to Company for Customer's account); or
- (B) in the event Company is notified by its pipeline supplier to interrupt or curtail deliveries to Customer, or deliveries of gas for uses of the same type or category as Customer's use of gas hereunder; or
- (C) when necessary to maintain the operational reliability of Company's system.

Company will endeavor to give as much notice as possible to Customer in the event of interruption or curtailment. Any gas taken in excess of ~~105%~~ of the volume allocated to Customer in an interruption or curtailment order shall be ~~charged for~~ considered to be unauthorized overrun gas. Company may bill and Customer shall pay for such unauthorized overrun gas at the ~~rate~~ greater of \$1.50 per therm or the rate per therm imposed on Company by its pipeline supplier to the extent Customer's taking of such excess gas results in imposition of a similar penalty on Company by its pipeline supplier.

6. 7. Deliveries and Redeliveries of Transportation Gas. Company's obligation hereunder shall be to transport for the Customer the volume of gas reported to Company as having been delivered to Company for the Customer's account, adjusted for line loss as ~~set forth in the Transportation Service Agreement hereinafter provided.~~ Because of dispatching and other variations in operating conditions the volume the quantity of gas received for a Customer's account during a given period delivered to Company by or for the account of Customer for transportation hereunder may not equal the volume daily quantity of gas redelivered to the Customer by Company to Customer. The difference, if any, will be deemed an imbalance. Company will ~~shall~~ maintain a monthly and cumulative accounting of the quantity volume of gas received by ~~Company~~ it for Customer's account and of the quantity volume of gas delivered or redelivered by Company to Customer. At the end of each month (or on termination or discontinuance of service ~~under this schedule hereunder~~):

- (A) If ~~if~~ the imbalance is such that the Customer has received less gas in a particular month than was delivered to Company for Customer's account, the imbalance will be carried by Company as a credit toward gas deliverable to Customer pursuant to this rate schedule during ~~future~~ the following billing periods; provided, however, that no such imbalance

shall at the end of any billing period exceed the amount set forth in the Gas Transportation Agreement without prior consent of Company. Any penalties or other charges incurred by Company as a result of imbalances exceeding the level aforesaid shall be reimbursed to Company by Customer pursuant to the Gas Transportation Agreement. The first gas through the meter located at the Delivery Points in the following month shall be used to eliminate any such imbalance.

(B) If the imbalance is such that Customer has received more gas in a particular month than was delivered to Company for Customer's account, the excess amount received by Customer (to the extent not offset by a credit carried by Company for Customer's account, as aforesaid) shall be billed to Customer as if such gas had been sold by Company to Customer under at the rate set forth in Company's applicable nontransportation rate schedule. ~~Amounts so paid by Customer for such excess will be refunded by Company to Customer (at the same rate per therm previously paid by Customer pursuant to the preceding sentence) to the extent of credits, if any, created in future billing periods by Customer's receipt of less gas than was received by Company for Customer's account.~~

All imbalances shall be corrected insofar as possible during the following calendar month, or as soon thereafter as practicable.

If, during any month, gas other than the gas purchased hereunder is measured by a transporting pipeline's meter at any Receipt Point, Customer shall provide to Company within two working days of the date of Customer's receipt thereof, allocation statements from Customer's Supplier(s) and/or from transporting pipelines setting forth any information reasonably deemed necessary by Company for the purpose of determining the quantity of gas delivered to Company for the account of Customer at each such Receipt Point on each day of the preceding month. Company shall have the right to rely conclusively on the allocation statements provided to it for the purpose of determining the daily quantities of gas delivered hereunder for Customer's account.

8. Company shall be entitled to retain at no cost to Company a percentage of the quantity of gas delivered by or for the account of Customer at each Receipt Point for transportation to Customer, as gas which shall be deemed to be unaccounted for gas in the performance of service under this rate schedule. Such percentage shall be 0.5 percent (0.5%), provided that Company shall have the

right to adjust from time to time such percentage to reflect the actual operating experience of Company and/or any change in the methodology used by Company to calculate the amount of gas deemed unaccounted for. Upon request, Company shall furnish to Customer information to support any such adjustment to such percentage.

- ~~7.~~ 9. Company shall not be liable for curtailment of service under this schedule or loss of gas of the Customer as a result of any steps taken to comply with any law, regulation or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation or order. Gas delivered to Company by Customer for transportation hereunder shall be and remain the property of the Customer. Company reserves the right to commingle gas delivered to it for the account of Customer with Company's other gas supplies.
- ~~8.~~ 10. The rates set forth in this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.103.
- ~~9.~~ 11. The rates set forth in this schedule shall be subject to operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.103.
- ~~10.~~ 12. Service under this schedule (unless otherwise indicated herein) shall be subject to the Rules and Regulations set forth in this tariff.
- ~~11.~~ 13. In instances where the Customer is able to demonstrate the ability and intent to bypass the Company's distribution system and purchase gas or another source of energy from an alternate supplier, the transportation charge shall, in the discretion of the Company, be the rate per therm necessary to retain the Customer on the Company's distribution system, provided that such rate is demonstrated to be in the long-term best interests of both the Company and its ratepayers.