

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment)	DOCKET NO. 900003-GU
True-Up.)	ORDER NO. 23388
)	ISSUED: 8-22-90

Pursuant to Notice, a Prehearing Conference was held on August 6, 1990, in Tallahassee, before Commissioner Betty Easley, Prehearing Officer.

APPEARANCES:

ROBERT S. GOLDMAN, Esquire, Messer, Vickers, Caparello, French, Madsen & Lewis, P.O. Box 1876, Tallahassee, Florida 32302-1876
On behalf of Florida Public Utilities Company and West Florida Natural Gas Company.

JAMES D. BEASLEY, Esquire, Ausley, McMullen, McGehee, Carothers and Proctor, P.O. Box 391, Tallahassee, Florida 32302
On behalf of City Gas Company of Florida.

WAYNE L. SCHIEFELBEIN, Esquire, Gatlin, Woods, Carlson & Cowdery, 1709-D Mahan Drive, Tallahassee, Florida 32308
On behalf of Central Florida Gas Company and Plant City Natural Gas Company (Chesapeake Utilities Corporation, Florida Division).

ANSLEY WATSON, JR., Esquire, MacFarlane, Ferguson, Allison & Kelly, P.O. Box 1531, Tampa, Florida 33601
On behalf of Peoples Gas System, Inc.

MARSHA E. RULE, Esquire, and ROBERT V. ELIAS, Esquire, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida, 32399-0863
On behalf of the Commission Staff.

PRENTICE P. PRUITT, Esquire, Office of the General Counsel, 101 East Gaines Street, Tallahassee, Florida, 32399-0861
Counsel to the Commissioners.

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PREHEARING ORDER

Background

As part of the continuing fuel and energy conservation cost recovery proceedings, a hearing is set for August 22-24, 1990, in this docket and in Dockets Nos. 900001-EI and 900002-EG. The following subjects were noticed for hearing in such dockets:

1. Determination of the Proposed Levelized Fuel Adjustment Factors for all investor-owned utilities for the period October, 1990 through March, 1991;
2. Determination of the Estimated Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period April, 1990 through September, 1990, which are to be based on actual data for the period April, 1990 through May, 1990, and revised estimates for the period June, 1990 through September, 1990;
3. Determination of the Final Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period October, 1989 through March, 1990, which are to be based on actual data for that period;
4. Determination of the Projected Conservation Cost Recovery Factors for certain investor-owned electric and gas utilities for the period October, 1990 through March, 1991;
5. Determination of the Estimated Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period April, 1990 through September, 1990, which are to be based on actual data for the period April, 1990 through May, 1990, and revised estimates for the period June, 1990 through September, 1990;
6. Determination of the Final Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period October, 1989 through

March, 1990, which are to be based on actual data for that period;

7. Determination of any Projected Oil Backout Cost Recovery Factors for the period October, 1990 through March, 1991, for the cost of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.16, Florida Administrative Code;
8. Determination of the Estimated Oil Backout Cost Recovery True-Up Factors for the period April, 1990 through September, 1990, for the costs of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.16, Florida Administrative Code, which are to be based on actual data for the period April, 1990 through May, 1990, and revised estimates for the period June, 1990 through September, 1990;
9. Determination of the Final Oil Backout True-Up Amounts for the period October, 1989 through March, 1990, which are to be based on actual data for that period;
10. Determination of Generating Performance Incentive Factor Targets and Ranges for the period October, 1990 through March, 1991;
11. Determination of Generating Performance Incentive Factor Rewards and Penalties for the period October, 1989 through March, 1990; and
12. Determination of the Purchased Gas Adjustment True-Up Amounts for the period October, 1989 through March, 1990, to be recovered during the period September, 1990 through March, 1991.

Use of Prefiled Testimony

All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and exhibits, unless there is a sustainable objection. All testimony remains subject to appropriate objections. Each

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witness will have the opportunity to orally summarize his testimony at the time he or she takes the stand.

Use of Depositions and Interrogatories

If any party seeks to introduce an interrogatory or a deposition, or a portion thereof, the request will be subject to proper objections and the appropriate evidentiary rules will govern. The parties will be free to utilize any exhibits requested at the time of the depositions, subject to the same conditions.

Order of Witnesses

The witness schedule is set forth below in order of appearance by the witness' name, subject matter, and the issues which will be covered by his or her testimony.

Witnesses whose names are preceded by an asterisk (*) have been excused. The parties have stipulated that the testimony of such witnesses will be inserted into the record as though read, and cross-examination will be waived.

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUES</u>
(Direct)		
*A. Ingber (CFGF)	PGA Factor	1-3
*A. Ingber (PCNG)	PGA Factor	1-3
*F. J. Sivard (PGS)	PGA Factor	1-3
*Stuart L. Shoaf (SJNGC)	PGA Factor	1-3
*E. J. Kahl (SFNGC)	PGA Factor	1-3

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EXHIBIT LIST

The parties have stipulated that exhibits marked with an asterisk (*) will be inserted into the record by agreement.

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
* _____ (AI-)	Ingber (CFGC)	Schedules A-1, A-2, and A-3 Supplement
* _____ ()	None (CGC)	Preliminary PGA True-Up Reports and Summary for the Six Month period April, 1989 -September, 1989, filed November 15, 1989
* _____ ()	None (CGC)	Schedules A-1 and A-2, Attached as Exhibit "A" to City Gas' 1-9-90 Petition for Approval of PGA True-Up Factor for Application to Bills to be Rendered During the Period April, 1990 through September, 1990
* _____ ()	None (FPUC)	Schedules A-1, A-2 A-3 Supplement and A-6
* _____ ()	None (Indiantown)	Purchased Gas Adjustment Clause Calculation of True-up Factor for Period October, 1989 - March, 1990
* _____ ()	None (Miller)	Schedules A-1, A-2, and A-3

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EXHIBIT LIST

The parties have stipulated that exhibits marked with an asterisk (*) will be inserted into the record by agreement.

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
* _____ ()	Sivard (PGS)	
* _____ ()	Ingber (PCNG)	A-1, A-2 PGA Factor A-3 Supplement
* _____ ()	Shoaf (SJNGC)	Schedules A-1, A-2
* _____ ()	Kahl (SFNGC)	Schedules A-1, A-2; Report of Take-or-Pay Charges Paid to Florida Gas Transmission (FGT) and Collected through Sales to Natural Gas Customers
* _____ ()	None (WFNG)	Purchased Gas Adjustment Clause Calculation of True-up Factor
* _____ ()	None (WFNG)	Purchased Gas Adjustment Calculation of True-up
* _____ ()	None (WFNG)	Therm Sales; Actual and Projected
* _____ ()	None (WFNG)	Report of Take- or-Pay Charges Paid to Florida Gas Transmission (FGT) and Collected Through Sales to Our Natural Gas Customers

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EXHIBIT LIST

The parties have stipulated that exhibits marked with an asterisk (*) will be inserted into the record by agreement.

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
* ()	None (WFNG)	Derivation of Unaccounted for Gas

PARTIES' STATEMENTS OF BASIC POSITIONS

Staff:

The appropriate PGA true-up amounts, estimated therm sales, and true-up factors for each utility are listed in Attachment A hereto.

Central Florida Gas Company (CEGC):

The Commission should approve the final true-up amount for the period October 1, 1989 through March 31, 1990, and the true-up factor to be applied to bills rendered for meter readings taken between October 1, 1990 and March 31, 1991.

City Gas Company of Florida (CGC):

The Commission should determine that City Gas has properly calculated its Purchased Gas Adjustment true-up and that the appropriate purchased gas adjustment factor to be applied by City Gas during the period October, 1990 through March, 1991 is \$.00250 per therm, before gross receipts taxes.

Florida Public Utilities Company (FPUC):

The Commission should approve the Company's PGA factor of .909 cents per therm, to be applied to customer bills during the period October 1, 1990 through March 31, 1991, so as to collect the Company's underrecovery of \$295,920 for the period October 1, 1989 through March 31, 1990.

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Indiantown Gas Company, Inc. (IGC):

The Commission should approve Indiantown Gas Company's PGA factor of (1.922) cents per therm, to be applied to customer bills during the period October 1, 1990 through March 31, 1991, so as to refund the Company's overrecovery of \$42,291.78 for the period October 1, 1989 through March 31, 1990.

Miller Gas Company (MGC):

The Commission should approve a Miller Gas Company PGA factor of .325 cents per therm, to be applied to customer bills during the period October 1, 1990 through March 31, 1991, so as to collect the Company's underrecovery of \$7,348 for the period October 1, 1989 through March 31, 1990.

Palm Beach County Utilities Corporation (PBCUC):

The Commission should approve a Palm Beach County Utilities Corporation PGA factor of (.2385) cents per therm, to be applied to customer bills during the period October 1, 1990 through March 31, 1991, so as to refund the company's overrecovery of \$3,106.33 for the period October 1, 1989 through March 31, 1990.

St. Joe Natural Gas Company (SJNGC):

The Commission should approve the PGA true-up amount for the six month period ending March 31, 1990, including interest, and the PGA true-up factor of .153 cents per therm to be applied to customer bills rendered for the six month period ending March 31, 1991.

South Florida Natural Gas Company (SFNGC):

The Commission should approve a South Florida Natural Gas Company PGA factor of 1.190 cents per therm, to be applied to customer bills during the period October 1, 1990 through March 31, 1991, so as to collect the Company's underrecovery of \$20,709 for the period October 1, 1989 through March 31, 1990.

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Peoples Gas System, Inc. (PGS):

The Commission should approve, as filed by PGS, PGS's PGA true-up amount for the period October 1, 1989 through March 31, 1990 of \$347,676 (underrecovery), and should approve a true-up factor of \$0.00109 per therm for application by PGS during the period October 1, 1990 through March 31, 1990.

Plant City Natural Gas Company (PCNG):

The Commission should approve the final true-up amount for the period October 1, 1989 through March 31, 1990, and the true-up factor to be applied to bills rendered for meter readings taken between October 1, 1990 and March 31, 1991.

West Florida Natural Gas Company (WFNG):

The Commission should approve a West Florida Natural Gas Company PGA factor of 1.553 cents per therm, to be applied to customer bills during the period October 1, 1990 through March 31, 1991, so as to collect the Company's underrecovery of \$256,435 for the period October 1, 1989 through March 31, 1990.

STATEMENT OF ISSUES AND POSITIONS

Stipulated issues are indicated with an asterisk (*).

- *1. STIPULATED ISSUE: What are the appropriate net true-up amounts for the period October, 1989 through March, 1990?

The appropriate true-up amounts are shown on Attachment A hereto. WFNG's true-up amounts, projected therm sales and true-up factor should be approved, subject to future Staff audit.

- *2. STIPULATED ISSUE: What are the projected therm sales of natural gas during the period October, 1990 through March, 1991?

The appropriate therm sales projections are shown on Attachment A hereto.

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- *3. STIPULATED ISSUE: What are the appropriate true-up factors for application on customer bills during the October, 1990 through March, 1991 period?

The appropriate true-up factors are shown on Attachment A hereto.

- *4. STIPULATED ISSUE: Should Central Florida Gas Company and Plant City Natural Gas Company file a unified, rather than separate, petition herein?

Yes, beginning with the next true-up period. These utilities were purchased by Chesapeake Utilities which recently completed a rate case. In that rate case the Commission voted to consolidate both operations for regulatory purposes. At the present, customers of Plant City should receive a refund. After this refund is made (through March 31, 1991) the factors should be unified.

MOTIONS

None at this time.

OTHER MATTERS

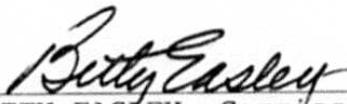
None at this time.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that these proceedings shall be governed by this order unless modified by the Commission.

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By ORDER of Commissioner Betty Easley, Prehearing Officer,
this 22nd day of AUGUST, 1990.



BETTY EASLEY, Commissioner
and Prehearing Officer

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Attachment A

PGA True-up Factors for the period October 1, 1989 through March 31, 1990
 to be applied during the period October 1, 1990 through March 31, 1991

	Over (Under) Recovery	Estimated Therm Sales	True-up Factor Cents per Therm
Chesapeake Utilities Corp. Florida Division:			
Central Florida Gas Company	(\$24,316)	32,126,466	0.076
Plant City Natural Gas Company	\$17,456	5,470,601	(0.319)
City Gas Company of Florida	(\$100,356)	40,092,000	0.250
Florida Public Utilities	(\$295,920)	32,565,100	0.909
Indiantown Gas Company	\$42,292	2,200,000	(1.922)
Miller Gas Company	(\$7,348)	2,260,000	0.325
Palm Beach County Utilities Corp.	\$3,106	1,302,298	(0.239)
Peoples Gas System	(\$347,676)	320,000,000	0.109
St. Joe Natural Gas Company	\$12,243	8,000,000	(0.153)
South Florida Natural Gas Co.	(\$20,709)	1,740,000	1.190
West Florida Natural Gas Co.	(\$256,435)	16,516,507	1.553