

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**ORIGINAL
FILE COPY**

In re: Petition of City Gas)
Company of Florida.)
_____)

DOCKET NO. 910220-GU
Submitted for Filing 2/25/91

**PETITION OF CITY GAS COMPANY
OF FLORIDA FOR APPLICATION OF
CITY GAS' COMMISSION-APPROVED TARIFF FOR
CUSTOMERS FORMERLY SERVED BY MILLER GAS COMPANY**

City Gas Company of Florida ("City Gas" or "the Company"), pursuant to Fla. Admin. Code Rule 25-9.044, hereby petitions the Commission for authority to apply City Gas' Commission-approved rates, rules, classifications and regulations for service to customers formerly served by Miller Gas Company ("Miller Gas" or "Miller"), and as grounds therefor, says:

1. City Gas is a Commission-regulated natural gas distribution company with headquarters located at 955 East 25th Street, Hialeah, Florida 33013-3498. City Gas is the Florida operating division of Elizabethtown Gas Company ("Elizabethtown") which is a natural gas distribution company incorporated under the laws of the state of New Jersey. Elizabethtown is the principal subsidiary of NUI Corporation ("NUI"). NUI, a New Jersey corporation, is an exempt public utility holding company having its principal offices located at 550 Route 202-206 Bedminster, New Jersey 07921. Through its operating division, City Gas, Elizabethtown is engaged in the sale and distribution of natural gas to the public in parts of Dade, Broward, and Brevard Counties, Florida.

2. The persons to whom all pleadings, notices, and other documents pertaining to this proceeding should be sent are as follows:

Mr. Jack Langer, President
and CEO
City Gas Company of Florida
955 East 25th Street
Hialeah, FL 33013-3498

Mr. Lee L. Willis
Mr. James D. Beasley
Ausley, McMullen, McGehee,
Carothers and Proctor
Post Office Box 391
Tallahassee, FL 32302

3. On February 19, 1991 ("transfer date") City Gas acquired all of the natural gas assets of Miller Gas and assumed the obligation to serve all customers in the territory then served by Miller Gas. The Company is simultaneously filing herewith a notice, pursuant to Fla. Admin. Code Rule 25-9.044(1), regarding the change of ownership or control of Miller's natural gas operations. In that notice City Gas adopts, ratifies and makes its own all rates, rules, classifications and regulations of Miller Gas which were on file with the Commission and effective as of the transfer date.

4. City Gas hereby applies for Commission authority to apply the rates, rules, classifications and regulations recently approved for City Gas in Docket No. 891175-GU (City Gas' Commission approved tariff), in lieu of the Miller Gas tariff, with respect to all customers heretofore served by Miller Gas and hereafter to be served by City Gas within the service area formerly served by Miller Gas. City Gas intends to apply the Miller Gas tariff on an interim basis pending final disposition of this request.

5. Justification for the requested substitution of the City Gas tariff in place of the Miller Gas tariff includes the avoidance of customer confusion which would otherwise occur under circumstances where two different tariffs are being applied at the same time by a single local distribution company. The relief requested herein is further justified by the similarity of the rates and charges contained in the City Gas and Miller Gas tariffs. This request is further justified by the fact that the Miller system will be connected to the City Gas system promptly for safety purposes. (Miller Gas had only one gate station and, therefore, only one point of entry for gas supply to the entire system.) Hence, the Miller system will become fully integrated with the City Gas system with a common gas cost, and a common gas system serving all customers.

6. Prior to the transfer date, Miller Gas was preparing to seek rate relief before the Commission. Miller Gas' most recent general rate increase occurred in 1984. City Gas' currently approved rates and charges were placed into effect only last month pursuant to Order No. 24013 issued in Docket No. 891175-GU on January 23, 1991. Although the Company has filed a motion for reconsideration of certain aspects of Order No. 24013, the tariffs for the rates and charges approved in that order have been filed with the Commission and placed in effect pending the outcome of the Company's motion for reconsideration.

7. Attached hereto as Exhibit "A" is a copy of City Gas' currently approved tariff which was placed into effect pursuant

to Order No. 24013. Attached hereto as Exhibit "B" is a copy of the Commission-approved Miller Gas tariff as of the transfer date.

8. Attached hereto as Exhibit "C" is a comparison of the recently approved City Gas' rates and charges with those in effect for Miller Gas as of the transfer date. Exhibit "C" also reflects what Miller Gas' rates and charges would be if Miller Gas had received the same percentage increase in total as that approved in City Gas' recently concluded rate case. (City Gas' last general rate increase was also in 1984, the same as Miller's.) Attached hereto as Exhibit "D" is a comparison of miscellaneous charges of City Gas and Miller Gas.

9. Attached hereto as Exhibit "E" is a sample calculation of customer bills utilizing City Gas' currently approved tariff, the Miller Gas tariff in effect on the transfer date, and Miller Gas rates and charges increased by the same percentage increase approved for City Gas in its recently concluded rate case. As this exhibit demonstrates, the similarity of City Gas bills with bills calculated using Miller Gas' tariff (with and without rate relief similar to that recently approved for City Gas), supports the reasonableness of uniformly applying City Gas' currently approved tariff rather than going forward with two sets of rates and charges for customers served by a single company.

10. Significant customer confusion can be avoided through Commission approval of this petition. The application of two sets of rates and charges on a prospective basis would have

customers within the same neighborhoods receiving different bills for the same service. This could go on for some time given the fact that City Gas has just completed a rate case, subject to the disposition of its motion for reconsideration. Moreover, the rates and charges in the Miller Gas tariff are over six years old. Miller Gas was preparing to seek rate relief as of the transfer date. Had the company pursued rate relief, it is reasonable to conclude that its rates and charges could have been increased to a level higher than those recently approved for City Gas.

11. With respect to the single interruptible customer of Miller's, the same Metro-Dade Water and Sewer Authority ("WASA") has recently applied to City Gas for interruptible service at its Hialeah plant. City Gas has quoted them its large volume interruptible rate (IL) which WASA has accepted, and the contract and gas service request are presently awaiting approval by the Dade County Commission. There would be no reason to continue a special lower rate to the former WASA account of Miller's when WASA's Hialeah plant will be paying the regular tariff rate. This is a solid case for uniform nondiscriminatory rates. It is also reasonable to assume that Miller's rate would have increased as the result of its pending rate case. (Miller's base rates for this account prior to 1985 were comprised of a monthly customer charge of \$200 and an energy charge of 13.25¢ per therm. These rates were later lowered to a \$20 customer charge and an energy charge of 7.50¢ per therm when City Gas attempted to serve this

customer.)

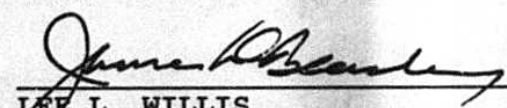
12. City Gas also requests authority to use its Commission-approved PGA true-up factor for all customers heretofore served by Miller Gas, in lieu of the Miller factor, with the immediate roll in of Miller's PGA true-up liability into City Gas'. The Commission has just approved the factors for both City Gas and Miller to be applied to customer bills during the period April 1991 through September 1991. In any event, City Gas requests that these factors be combined into a single common factor to be effective April 1, 1991 as shown on Exhibit "F" attached.

13. City Gas firmly believes that the uniform application of the Company's approved rates and charges will be fair and reasonable for all of the customers served by City Gas and will avoid significant customer confusion and dissatisfaction which might otherwise occur.

WHEREFORE, City Gas Company of Florida petitions the Commission for approval of the Company's application of its Commission-approved tariff to all City Gas customers, including those customers within the service area heretofore served by Miller Gas Company.

DATED this 25th day of February, 1991.

Respectfully submitted,



LEE L. WILLIS
JAMES D. BEASLEY
Ausley, McMullen, McGehee,
Carothers and Proctor
Post Office Box 391
Tallahassee, Florida 32302
(904) 224-9115

Attorneys for City Gas Company
of Florida