

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Peoples) DOCKET NO. 911150-GU  
Gas System, Inc., for ) ORDER NO. PSC-92-0188-FOF-GU  
Authority to increase its ) ISSUED: 04/13/92  
Rates and Charges )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
BETTY EASLEY  
LUIS J. LAUREDO

FINAL ORDER SUSPENDING PROPOSED PERMANENT RATE INCREASE  
AND AUTHORIZING INTERIM INCREASE

CASE BACKGROUND

Peoples Gas System (Peoples Gas or the Company) had its last rate case in Docket No. 891353-GU based on a projected test year ending September 30, 1991. By Order No. 23858, the Commission granted a permanent increase of \$7,490,000 based on a cost of equity of 13.00% and on overall rate of return of 10.21%.

Peoples Gas filed a Petition for Authority to Increase its Rates and Charges on January 31, 1992. Peoples Gas requested a permanent increase of \$15,410,924 which it alleged would produce a 10.38% overall return on its 13-month average adjusted rate base. This overall rate of return was calculated using a 13.25% return on equity. The company also a separate petition for interim rate relief in accordance with Section 366.071, Florida Statutes. The Commission must take action to suspend the requested permanent rates and act on the interim request in 60 days, or before March 31, 1992. The permanent rates will take effect September 30, 1992, absent Commission vote.

We find that rates and charges of \$15,410,924 requested as the permanent increase should be suspended pending the outcome of the Formal Hearing in this matter to be held on August 12th and 13th, 1992.

Peoples Gas requested interim relief under the provisions of Section 366.071, F.S. The Company's filing demonstrates that the Company is earning outside its authorized range of return on equity, which meets the requirement to establish prima facie evidence of need for interim relief. We find that Peoples Gas should be granted an interim increase subject to the modifications and adjustments as are detailed in this order.

DOCUMENT NUMBER-DATE  
03661 APR 13 1992  
PSC-RECORDS/REPORTING

Rate Base

We find that the appropriate interim test year rate base is \$195,194,057, after making the following adjustments:

Adjustment 1: Plant-in-Service - The Company made an adjustment allocating common plant to its LP operation. Since a similar adjustment was made in the Company's last rate case, we accept the adjustment and find that utility plant, accumulated depreciation and depreciation expense shall be reduced \$3,589,000; \$1,152,000; and \$238,000 respectively.

Adjustment 2: Acquisition Adjustment - During the test year, the Company made adjustments to remove items improperly charged to the acquisition adjustment account. The Company filed with the commission a corrected schedule. Based on this information, we find that it is appropriate to reduce the 13-month average balance \$43,026 and increase the accumulated amortization account \$3,917 to correct errors.

Adjustment 3: Property Held for Future Use - The Company made an adjustment reducing plant-in-service \$229,000 to remove Property Held for Future use from rate base. This adjustment is consistent with a similar adjustment made in the Company's last rate case and we accept this adjustment.

Adjustment 4: Working Capital - The Company made adjustments to the following balance sheet accounts consistent with similar adjustments made in the Company's last rate case. We accept these adjustments:

1. Accounts Receivable - Other	\$ < 286,000 >
2. Receivables - Associated Companies	< 2,310,000 >
3. Sinking Funds	< 58,000 >
4. Unbilled Competitive Rate Adjustment	< 2,524,000 >
5. Unamortized Debt Discount & Expense	< 271,000 >
6. Other Work-In-Progress - Non-Utility	< 53,000 >
7. Unrecovered Gas Costs	< 270,000 >
8. Unrecovered Conservation Cost	< 148,000 >
9. Notes Payable	23,000
10. Accounts Payable - Associated Companies	1,277,000
11. Customer Deposits	15,760,000
12. Inactive Deposits	43,000

Adjustment 5: Unamortized Rate Case Expense - The Company included in its working capital calculation \$172,000 for Unamortized Rate Case Expense. Staff reviewed the Company's filing in its last rate

case where no allowance for unamortized rate case expense was included in working capital for the period used in setting rates.

Therefore, we accept staff's recommendation and remove this item from Working Capital, which reduces rate base \$172,000.

Net Operating Income

We find that the appropriate interim test year net operating income is \$17,258,708. Discussed below are the Company's adjustments and any additional staff adjustments used to determine the appropriate interim test year net operating income of \$17,258,708. (Attachment 2)

Adjustment 6: Remove Fuel Revenues, Cost of Gas and Related Taxes - The Company made an adjustment removing fuel revenues, cost of gas and related taxes since these items are recovered in the Purchased Gas Adjustment (PGA) Clause. We accept the Company's adjustment reducing revenues \$116,339,000; cost of gas \$115,904,000; and related taxes \$435,000.

Adjustment 7: Remove Energy Conservation Revenues, Expenses and Related Taxes - The Company made an adjustment removing Energy Conservation revenues, expenses and related taxes since those items were recovered in the Energy Conservation Cost Recovery (ECCR) Clause. We accept the Company's adjustment reducing revenues \$4,644,000 and expenses \$4,644,000 (Operating Expenses and Taxes Other).

Adjustment 8: Annualized Payroll Increases - The Company made an adjustment increasing O&M expenses \$317,000 and related payroll taxes \$33,000 to annualize wage increases that occurred during the interim test year.

A review the company's filings and our order in the company's last rate case indicates specific adjustments to annualize wages and other expenses were not made. Expenses including wages were projected forward to the projected test year based on trending the historic base year expenses. We find that the company's adjustment in the interim filing is not consistent with the company's last case or the provisions of the interim statute.

Therefore, we disallow Peoples Gas' annualizing adjustments in this case. Absent such action, the Company would be able to "pick and choose" O&M expenses that may increase while interim rates are in effect without attempting to determine if other expenses will decrease or revenues increase.

Adjustment 9: Annualized Pension Cost Increases - The Company made an adjustment increasing O&M expenses \$46,000 to annualize

increases in Pension Expense during the test year. The increase in pension expense was effective October 1, 1991.

We disallow the Company's adjustment for the same reasons stated in Adjustment 8, Annualized Payroll Increases.

Adjustment 10: Annualized Health Care Costs - The Company made an adjustment increasing O&M expenses \$345,000 to annualize increases in health care costs.

Based on information received from the Company, the monthly health care expense is based on the claims experience for the previous month, since it is a self insurer. Since the expense is based on claims experience and not actual premiums from an outside insurance company, the annual expense may or may not increase as projected by the Company. For instance, if the annual expense were based on the last three months experience (October-December 1991), the annual expense would be \$356,000 jurisdictional less than projected. Therefore, we disallow the Company's adjustment.

Adjustment 11: Employee Activity Costs - The Company made an adjustment to remove \$121,000 in employee activity costs consistent with a similar adjustment made in the Company's last case. The expense relates to appreciation dinners and picnics for all employees. We accept this adjustment.

Adjustment 12: American Gas Association (AGA) Dues - Peoples Gas made an adjustment reducing expenses by \$79,000 to remove a portion of AGA dues consistent with a similar adjustment made in the Company's last rate case. This adjustment is based on a NARUC audit report on the expenditures of the AGA wherein 42% of the dues are for lobbying and advertising expenditures; i.e., image building, promotion of consumption, conservation, and environmental related. Similar adjustments are made for Edison Electric Institute (EEI) dues in electric rate cases. We accept the Company's adjustment.

Adjustment 13: Sebring Dispute Legal Expense - Peoples Gas has been involved in a territorial dispute with Coker Fuels/Sebring Gas System (Docket No. 910653-GU). Based on information received from Peoples Gas, \$2,043 in legal fees were expensed during the interim test year for this matter. We find that these expenses are non-recurring and should not be borne by the ratepayer. We have, therefore, reduced expenses by \$2,043.

Adjustment 14: Maintenance of General Plant - In the Company's last rate case, the Commission allocated a portion of this expense to non-utility operations. The Company did not make a similar adjustment in this case. Based on information received from

Peoples Gas, we find that it would be appropriate to allocate \$13,000 in expenses to the non-utility operations.

Adjustment 15: Maintenance - Structures & Improvements - Non-utility - In the Company's last case, a portion of this expense was allocated to non-utility operations. The Company did not make a similar adjustment in this case. Based on information received from Peoples Gas, we find that it would be appropriate to allocate \$72,000 to the non-utility operations.

Adjustment 16: Employee Moving Expense - Non-utility - During the test year, the Company incurred \$80,000 in employee moving expense and expensed 100% to the regulated operations. Based on information received from the Company, we find that \$10,000 of the expense should be allocated to the non-utility operations.

Adjustment 17: Regulatory Assessment Fee - The Regulatory Assessment Fee for gas companies increased from 1/8 of 1% to 3/8 of 1%. The order changing the rate was issued by the Commission effective April 25, 1990; however, the Commission made the rate change retroactive to January 1, 1990. Peoples Gas paid the increased rate for the period January 1 to April 24 under protest since the retroactive application of the order denied the Company the opportunity to recover the amount through billings. The amount in question (\$188,189) was charged to Account 186 pending a final determination by the Commission.

During the Energy Conservation hearings to establish the ECCR rate for the April - September 1991 period, it was agreed that the unrecovered portion of the increased Regulatory Assessment Fee relating to Energy Conservation was recoverable through the ECCR mechanism. An adjustment was made in April 1991 to transfer the appropriate amount from Account 186 to the Energy Conservation True-Up account (\$8,961).

In June 1991, Order No. 24683 was issued by the Commission affirming a settlement that was reached by the parties which stated that the unrecovered portion of the increased Regulatory Assessment Fee related to purchased gas costs would be recoverable through the PGA mechanism similar to the manner used in Energy Conservation. An adjustment was made to transfer the appropriate amount to the PGA True-Up account (\$167,471) and the balance was charged to Taxes Other Than Income (\$11,757) during the interim test year.

Since this represents an out of period expense, we find that it would be appropriate to reduce expenses \$11,757.

Adjustment 18: Gain on the Sale of Property - The Company recognized a gain on sale of property previously included in rate base. This gain was amortized over five years as ordered by the

Commission. During the interim test year, the gain was fully amortized. Peoples made an adjustment to remove the gains of \$23,000 since it is non-recurring in nature. We accept this adjustment.

Adjustment 19: Annualization of Ad Valorem Taxes - The Company made an adjustment increasing ad valorem taxes \$240,000 to "annualize" increases in ad-valorem taxes. The adjustment was based on projected plant additions and retirements subsequent to the test year and estimated changes in the millage rates.

We find that, this adjustment is not an adjustment annualizing increases in expenses, but merely a projected increase. The changes in accrued valuations and millage rates will not be known until September or October 1992. Therefore, we disallow this adjustment and reduce test year expenses by \$240,000.

Adjustment 20: Tax Effect of Net Operating Income Adjustments - The Company made adjustments to Federal and State income taxes in the amount of \$181,000 and \$31,000 to reflect the tax effect of the above discussed Net Operating Income adjustments. Staff further made adjustments to Federal and State income taxes in the amounts of \$350,153 and \$59,939, respectively to reflect the tax effect of the staff's additional Net Operating Income adjustments discussed above. We accept these adjustments.

Adjustment 21: Interest Reconciliation - The utility made an adjustment of \$11,000 to Federal Income Taxes. This adjustment reconciles the interest used in the calculation of the income tax expense to that interest which is inherent in the reconciled capital structure. Based on staff's adjustments to rate base, we find that a further adjustment reducing taxes in the amount of \$9,000 is appropriate.

#### Rate of Return

We find that the appropriate return on equity and overall rate of return for purposes of determining the interim increase are 12.00% and 9.88%, respectively.

The Company's last rate case (Docket No. 891353-GU) was in 1989. Staff made the same specific adjustments to the Common Equity, Long-term Debt, and Investment Tax Credit (ITC) balances as proposed by the Company. These adjustments are consistent with the action taken in the last rate case (Order No. 23858, Docket No. 891353-GU). We have approved additional adjustments to working capital that, although not included in the Company's filing, are also consistent with adjustments made in the last rate case. Finally, Staff made a pro rata adjustment across all sources of capital to reconcile the capital structure with rate base.

The return on equity (ROE) approved in Order No. 23858 fell within the range of 12.00% to 14.00%, with a midpoint of 13.00%. The appropriate ROE to use in a proceeding for an interim increase is the minimum of the range of the last authorized return on equity established in the most recent rate case of the utility. We utilize a return on equity of 12.00%, along with the actual cost rates of the Company's other sources of capital, to the capital components to determine the appropriate overall rate of return of 9.88%.

Therefore we find that a return on equity of 12.00% and an overall rate of return of 9.88% for purposes of determining the interim increase. Attachment 3 details this position.

#### Interim Relief

After making the above adjustments, we find that the appropriate interim increase to Peoples Gas System should be \$3,268,080. The Company requested \$4,406,000 in interim relief for the historic base year ended November 30, 1991. This would have allowed the Company to earn an overall rate of return of 9.88%. Based on the previously discussed adjustments, we have determined the interim rate base to be \$195,194,057 (Attachment 1), and the net operating income to be \$17,258,708 (Attachment 2). Applying a 9.88% overall rate of return (Attachment 3), the Company is entitled to \$3,268,080 in interim relief (Attachment 4).

#### Allocation of Interim Relief

In accordance with Rule 25-7.040, Florida Administrative Code, the interim increase authorized must be applied uniformly across the board to all rate classes' base rates exclusive of fuel costs and collected on a cents-per-therm basis as shown on Attachment 5.

The interim rates shall be effective for all meter readings taken on or after thirty days from the date of our vote and decision in this matter.

The Company is required to give appropriate notice to customers commencing with the first bill for service which reflects the increase authorized herein, explaining the nature, purpose and effect of the increase. A copy of the notice shall be submitted to the Bureau of Gas Regulation for approval prior to its use.

Interim revenues collected pursuant to this order shall be subject to refund and Peoples Gas System, Inc. shall file an appropriate corporate undertaking.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that consent to the rate schedule filed by Peoples Gas System, Inc. on January 31, 1992 requesting a permanent rate increase of \$15,410,924 is withheld, and the rate schedule is suspended pending further order of this Commission. It is further

ORDERED that the additional revenues in the amount of \$3,268,080 approved in this Order shall be collected subject to refund, with interest, and the company shall file a corporate undertaking guaranteeing the refund (including interest). It is further

ORDERED that the interim rates approved by this Order shall be effective for meter readings taken on or after April 24, 1992. It is further

ORDERED that Peoples Gas System, Inc. shall provide each customer with notice of the interim increase and that such notice shall first be approved by the Division of Electric and Gas Regulation of the Florida Public Service Commission. A copy of the notice shall be furnished to every customer with the first bill which reflected the interim increase.

By ORDER of the Florida Public Service Commission, this 13th day of April, 1992.



STEVE TRIBBLE Director  
Division of Records and Reporting

( S E A L )

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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.

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 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 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 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.

PEL...ES GAS SYSTEM, INC.  
 DOCKET NO. 911150-GU  
 COMPARATIVE AVERAGE RATE BASES  
 HBV 11/30/91

ATTACHMENT 1  
 INTERIM  
 MARCH 2, 1992

ADJ NO	COMPANY			STAFF	
	TOTAL PER BOOKS	JURIS. ADJUST.	COMPANY ADJUSTED	JURIS. ADJUST.	ADJ. JURIS.
	PLANT IN SERVICE				
	UTILITY PLANT	280,939,000			
1	NON-UTILITY USE OF OFFICES, WAREHOUSES & LEASEHOLD IMP.		(2,216,000)		
1	NON-UTILITY USE OF OFFICE FURNITURE & EQUIP.		(793,000)		
1	NON-UTILITY USE OF AUTOS & TRUCKS		(533,000)		
1	NON-UTILITY USE OF CORP. AIRCRAFT ACQUISITION ADJUSTMENT	2,450,000	(47,000)		
2	ADJ. ACQUISITION ADJUSTMENT			(43,026)	
3	PROPERTY HELD FOR FUTURE USE CONSTRUCTION WORK IN PROGRESS	229,000 7,538,000	(229,000)		
	TOTAL PLANT	291,156,000	(3,818,000)	287,338,000	(43,026) 287,294,974
	ACCUM. DEPREC. & AMORT.				
	ACCUM. DEPR. - PLANT	103,826,000			
1	NON-UTILITY USE OF OFFICES, WAREHOUSES & LEASEHOLD IMP.		(568,000)		
1	NON-UTILITY USE OF OFFICE FURNITURE & EQUIP.		(371,000)		
1	NON-UTILITY USE OF AUTOS & TRUCKS		(196,000)		
1	NON-UTILITY USE OF CORP. AIRCRAFT		(17,000)		
2	AMORT. OF ACQUISITION ADJ. CUSTOMER ADV. FOR CONST.	1,713,000		3,917	
	TOTAL DEDUCTION	105,539,000	(1,152,000)	104,387,000	3,917 104,390,917
	NET UTILITY PLANT	185,617,000	(2,666,000)	182,951,000	(46,943) 182,904,057
4	WORKING CAPITAL	1,279,000	11,183,000	12,462,000	(172,000) 12,290,000
	TOTAL RATE BASE	186,896,000	8,517,000	\$195,413,000	(218,943) \$195,194,057

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LES GAS SYSTEM, INC.  
 DOCKET NO. 911150-GU  
 COMPARATIVE WORKING CAPITAL COMPONENTS  
 HBY 11/30/91

ACHMENT 1A  
 INTERIM  
 MARCH 4, 1992

ADJ  
 NO

WORKING CAPITAL  
 4 ACCOUNTS RECEIVABLE - OTHER  
 4 RECEIVABLE ASSOC. COMPANY  
 4 SINKING FUNDS  
 4 UNBILLED COMPETITIVE RATE  
 4 UNAMORT DD&E  
 4 OTHER WORK IN PROGRESS  
 4 UNRECOVERED GAS COSTS  
 4 NOTES PAYABLE  
 4 ACCOUNTS PAY. ASSOC COMPANY  
 4 CUSTOMER DEPOSITS  
 4 INACTIVE DEPOSITS  
 4 CONSERVATION COST TRUE-UP  
 5 UNAMORTIZED RATE CASE EXP.

TOTAL WORKING CAPITAL

	COMPANY			STAFF	
	TOTAL PER BOOKS	JURIS. ADJUST.	COMPANY ADJUSTED	JURIS. ADJUST	ADJ. JURIS
	1,279,000				
		(286,000)			
		(2,310,000)			
		(58,000)			
		(2,524,000)			
		(271,000)			
		(53,000)			
		(270,000)			
		23,000			
		1,277,000			
		15,760,000			
		43,000			
		(148,000)			
				(172,000)	
	1,279,000	11,183,000	\$12,462,000	(172,000)	\$12,290,000

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 COMPARATIVE NON  
 INTY 11/09/91

MARCH 3, 1992  
 INTERIM

ADJ NO	COMPANY		STAFF	
	PER BOOKS	ADJUST	COMPANY ADJUSTED	ADJUSTED ADJUSTS
	202,561,000			
6		(116,339,000)		
7		(4,644,000)		
	<b>TOTALS</b>	<b>(120,983,000)</b>	<b>81,578,000</b>	<b>0</b>
	161,851,000			
6		(115,904,000)		
7		(4,644,000)		
8		317,000		(317,000)
9		46,000		(46,000)
10		345,000		(345,000)
11		(121,000)		
12		(79,600)		
13				(2,043)
14				(13,000)
15				(72,000)
16				(19,000)
17				(11,757)
	<b>TOTALS</b>	<b>(120,040,000)</b>	<b>41,811,000</b>	<b>(816,800)</b>
	13,199,000			
1		(238,000)		
18		23,000		
	<b>TOTALS</b>	<b>(215,000)</b>	<b>12,984,000</b>	<b>0</b>
	6,150,000			
6		(435,000)		
8		33,000		(33,000)
19		248,000		(240,000)
	<b>TOTALS</b>	<b>(167,000)</b>	<b>5,988,000</b>	<b>(773,000)</b>
	4,304,000			
20		(181,000)		350,153
21		(11,000)		(9,000)
	<b>TOTALS</b>	<b>(192,000)</b>	<b>4,112,000</b>	<b>341,153</b>
	691,000			
20		(31,000)		59,939
	<b>TOTALS</b>	<b>(31,000)</b>	<b>660,000</b>	<b>59,939</b>
	(526,000)		(526,000)	
	(14,000)		(14,000)	
	<b>TOTALS</b>	<b>0</b>	<b>(540,000)</b>	<b>0</b>
	(7,000)	0	(7,000)	0
	<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>(7,000)</b>
	185,648,000	(170,840,000)	65,908,000	(688,708)
	<b>NET OPERATING INCOME</b>	<b>(8343,000)</b>	<b>\$16,570,000</b>	<b>\$688,708</b>
				<b>\$17,258,708</b>

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PEOPLE'S GAS SYSTEMS, INC.  
 DOCKET NO. 911150-GU  
 INTERIM COST OF CAPITAL - 13 MONTH AVERAGE  
 TEST YEAR ENDED 11/30/91  
 STAFF POSITION

ATTACHMENT 3

DOLLARS IN THOUSANDS

CAPITAL COMPONENT	COMPANY FILING	ADJUSTMENTS			RATIO	%	%
		SPECIFIC	PRO RATA	ADJUSTED		COST RATE	WEIGHTED COST
COMMON EQUITY	94,950	(7,397)	(1,940)	85,613	0.4386	12.00%	0.0526
LONG-TERM DEBT	73,825	(329)	(1,628)	71,868	0.3682	10.64%	0.0392
SHORT-TERM DEBT	23	0	(1)	22	0.0001	8.71%	0.0000
CUSTOMER DEPOSITS	15,903	0	(350)	15,453	0.0792	8.79%	0.0070
DEFERRED TAXES	18,121	0	(402)	17,719	0.0908	0.00%	0.0000
TAX CREDITS	0	4,621	(102)	4,519	0.0231	0.00%	0.0000
TOTAL	202,722	(3,105)	(4,423)	195,194	1.0000		0.0988

THE OVERALL WEIGHTED AVERAGE COST OF CAPITAL TO BE USED FOR INTERIM RATEMAKING PURPOSES FOR THE TEST YEAR ENDED 11/30/91 IS 9.88%.

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PEOPLES GAS SYSTEM, INC.  
 DOCKET NO. 911150-GU  
 COMPARATIVE DEFICIENCY CALCULATIONS  
 HBE 11/30/91

ATTACHMENT 4  
 MARCH 3, 1992  
 INTERIM

	COMPANY	STAFF
RATE BASE (AVERAGE)	\$195,413,000	\$195,194,057
RATE OF RETURN REQUIRED NOI	X <u>9.88%</u> <u>\$19,301,919</u>	X <u>9.88%</u> <u>\$19,285,173</u>
OPERATING REVENUES	\$81,578,000	\$81,578,000
OPERATING EXPENSES: OPERATION & MAINTENANCE	41,811,000	40,994,200
DEPRECIATION & AMORTIZATION	12,984,000	12,984,000
TAXES OTHER THAN INCOME TAXES	5,988,000	5,715,000
CURRENT INCOME TAXES - FEDERAL - STATE	4,112,000 660,000	4,453,153 719,939
DEFERRED INCOME TAXES	(540,000)	(540,000)
ITC AMORTIZATION	(7,000)	(7,000)
INTEREST RECONCILIATION	0	0
TOTAL OPERATING EXPENSES ACHIEVED NOI	<u>65,008,000</u> <u>\$16,570,000</u>	<u>64,319,292</u> <u>\$17,258,708</u>
NET REVENUE DEFICIENCY	2,731,919	2,026,465
REVENUE EXPANSION FACTOR	X <u>1.6127</u>	X <u>1.6127</u>
TOTAL REVENUE DEFICIENCY	<u>\$1,405,766</u>	<u>\$3,268,080</u>

FLORIDA PEOPLES GAS SYSTEM, INC. ATTACHMENT 5  
 ALLOCATION OF INTERIM INCREASE DOCKET NO. 911150-GU  
 BASED ON 12 MONTHS ENDED NOVEMBER, 1991

(1)	(2)	PRESENT REVENUE			INTERIM INCREASE			(8)
		(3)	(4)	(5)	(6)	(7)	(7)(B)	
	BILLS	THERM SALES	CUSTOMER CHARGE	ENERGY CHARGE	(4)-(5) TOTAL	(6)(A) \$ INCREASE	(7)(B) % INCREASE	(7)(C) INCREASE PER THERM CENTS
<b>PEOPLES GAS SYSTEM, INC.</b>								
RESIDENTIAL	155,123	35,286,143	\$13,029,492	\$11,501,165	\$24,530,657	\$986,515	4.02	2.7958
GENERAL SERVICE	15,650	43,825,984	\$3,192,600	\$10,436,636	\$13,649,236	\$548,912	4.02	1.2522
GENERAL SERVICE - LG VOL. 1	4,447	135,963,632	\$1,387,464	\$24,686,469	\$26,073,933	\$1,048,579	4.02	6.7711
GENERAL SERVICE - LG VOL. 2	89	44,886,836	\$80,100	\$5,882,809	\$5,962,909	\$236,804	4.02	0.5342
WHOLESALE	2	138,343	\$0	\$13,719	\$13,719	\$552	4.02	0.3988
SMALL INTERRUPTIBLE	40	41,574,119	\$72,000	\$1,855,453	\$1,927,453	\$77,514	4.02	0.1864
INTERRUPTIBLE	22	158,605,901	\$59,400	\$5,824,909	\$5,883,409	\$236,605	4.02	0.1492
INTERRUPTIBLE LARGE VOL.	4	202,434,512	\$10,800	\$2,206,536	\$2,217,336	\$88,171	4.02	0.0440
<b>PALM BEACH COUNTY (DIVISION)</b>								
RESIDENTIAL	3,300	710,000	\$198,000	\$331,968	\$329,968	\$21,313	4.02	2.3421
COMMERCIAL	112	1,181,000	\$13,440	\$339,183	\$352,623	\$14,181	4.02	1.2006
INDUSTRIAL	2	413,000	\$600	\$177,083	\$177,683	\$4,924	4.02	1.1946
<b>TOTAL</b>	<b>178,781</b>	<b>665,249,470</b>	<b>\$18,043,896</b>	<b>\$63,220,090</b>	<b>\$81,263,968</b>	<b>\$3,268,060</b>	<b>4.02</b>	

NOTE: REVENUE ABOVE DEMAND OF FUEL

PEOPLES GAS SYSTEM, INC.		PRESENT RATE	INTERIM RATE INCREASE	INTERIM PROPOSED RATE
<b>RATE SCHEDULE</b>				
<b>RESIDENTIAL</b>				
CUSTOMER CHARGE		\$7.00	0	\$7.00
ENERGY CHARGE (cents/therm)		32.594	2.7958	35.390
<b>GENERAL SERVICE</b>				
CUSTOMER CHARGE		\$17.00	0	\$17.00
ENERGY CHARGE (cents/therm)		23.854	1.2522	25.106
<b>GENERAL SERVICE LARGE VOL. 1</b>				
CUSTOMER CHARGE		\$26.00	0	\$26.00
ENERGY CHARGE (cents/therm)		18.154	0.7711	18.925
<b>GENERAL SERVICE LARGE VOL. 2</b>				
CUSTOMER CHARGE		\$75.00	0	\$75.00
ENERGY CHARGE (cents/therm)		13.106	0.5342	13.640
<b>WHOLESALE</b>				
CUSTOMER CHARGE		\$0.00	0	\$0.00
ENERGY CHARGE (cents/therm)		9.917	0.3988	10.316
<b>SMALL INTERRUPTIBLE</b>				
CUSTOMER CHARGE		\$150.00	0	\$150.00
ENERGY CHARGE (cents/therm)		4.463	0.1864	4.649
<b>INTERRUPTIBLE</b>				
CUSTOMER CHARGE		\$225.00	0	\$225.00
ENERGY CHARGE (cents/therm)		3.672	0.1492	3.821
<b>INTERRUPTIBLE LARGE VOL.</b>				
CUSTOMER CHARGE		\$225.00	0	\$225.00
ENERGY CHARGE (cents/therm)		1.590	0.0440	1.134
<b>PALM BEACH COUNTY (DIVISION)</b>				
<b>RESIDENTIAL</b>				
CUSTOMER CHARGE		\$5.00	0	\$5.00
ENERGY CHARGE (cents/therm)		36.480	2.3421	38.822
<b>COMMERCIAL</b>				
CUSTOMER CHARGE		\$10.00	0	\$10.00
ENERGY CHARGE (cents/therm)		28.730	1.2006	29.931
<b>INDUSTRIAL</b>				
CUSTOMER CHARGE		\$25.00	0	\$25.00
ENERGY CHARGE (cents/therm)		29.560	1.1946	30.755