

RECEIVED
MACFARLANE FERGUSON & McMULLEN
ATTORNEYS AND COUNSELORS AT LAW

402 NORTH TAMPA STREET, SUITE 2300
P. O. BOX 1531 (ZIP 33601)
TAMPA, FLORIDA 33602
(813) 273-4200 FAX (813) 273-4396

400 LEVELAND STREET
P. O. BOX 1660 (ZIP 34611)
CLEARWATER, FLORIDA 34615
(813) 441-8966 FAX (813) 442-8470

97 DEC 15
MAIL

December 12, 1997

IN REPLY REFER TO:

Ansley Watson, Jr.
P. O. Box 1531
Tampa, Florida 33601

VIA FEDERAL EXPRESS

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

171618-6LL

Re: Petition for modification of Rider WNA (Weather Normalization Adjustment) to provide for maximum adjustment to customers' bills, by Peoples Gas System, a division of Tampa Electric Company

Dear Ms. Bayo:


Enclosed for filing with the Commission on behalf of Peoples Gas System, a division of Tampa Electric Company, please find the original and 15 copies of Peoples' petition for an order approving modifications to the Weather Normalization Adjustment (Rider WNA) set forth in Peoples' Natural Gas Tariff, Original Volume No. 2.

I also enclose a diskette containing the petition in Wordperfect 5.1 format.

Please acknowledge your receipt and the date of filing of the enclosures on the duplicate copy of this letter and return the same to the undersigned in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,


ANSLEY WATSON, JR.

AWjr/a
Enclosures

DOCUMENT NUMBER-DATE
12791 DEC 15 97
FPSC RECORDS REPORTING

Blanca S. Bayo, Director
December 12, 1997
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cc: Mrs. Cheryl Bulecza-Banks, Bureau of Gas Regulation
Mr. Joseph W. McCormick, Peoples Gas System

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for modification :
of Rider WNA (Weather Normalization :
Adjustment) to provide for maximum :
adjustment to customers' bills, by :
Peoples Gas System, a division of :
Tampa Electric Company :
_____ :

DOCKET NO.

Submitted for Filing:
12-15-97

P E T I T I O N

Peoples Gas System, a division of Tampa Electric Company ("Peoples"), by its undersigned attorneys, files its petition for an order approving modifications to the Weather Normalization Adjustment (Rider WNA) set forth in Peoples' Natural Gas Tariff, Original Volume No. 2, and in support thereof says:

1. The name of the petitioner and the mailing address of its principal office is:

Peoples Gas System, a division of
Tampa Electric Company
P. O. Box 2562
Tampa, Florida 33601-2562

2. The name and mailing address of the person authorized to receive notices and communications with respect to this petition are:

Ansley Watson, Jr., Esq.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

B A C K G R O U N D

3. Peoples' Natural Gas Tariff, Original Volume No. 2, contains a Weather Normalization Adjustment (Rider WNA) which applies to the bill of a customer served by the Company under its Rate Schedules RS (Residential Service) and CS (Commercial Service). The

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adjustment reflects the impact of degree day variations from normal levels (as determined on a revenue month basis) for the months of November through April, inclusive.¹

4. Rider WNA was approved as an experimental tariff for an initial three-year period by the Commission's Order No. PSC-96-1192-FOF-GU, issued September 23, 1996 in Docket No. 960381-GU. The petition for approval of the adjustment was filed by West Florida Natural Gas Company ("West Florida"), which was merged into the Peoples Gas Division of Tampa Electric Company effective June 30, 1997. Peoples adopted and republished the tariff of West Florida in effect at the time of the merger as Peoples' Natural Gas Tariff, Original Volume No. 2.

5. West Florida's petition for approval of Rider WNA stated that the adjustment was intended to "incorporate a formula in the tariff which, when applied to customers' bills, would adjust the bill for variances in consumption caused by weather fluctuations. See West Florida's Petition in Docket No. 960381-GU, p. 2.

6. In its order approving Rider WNA, the Commission stated that "[t]he typical adjustment to a customer's bill is expected to be less than two dollars, therefore the WNA rider is not expected to significantly effect market signals." During the winter of 1996-1997, the Commission received approximately 10 complaints from customers stating that the Weather Normalization Adjustment on their bills was excessive.

¹ The adjustment is not applied to a customer's bill in a revenue month in which the cumulative actual degree day total falls within the Degree Day Dead Band (a range equal to two percent (2%) above or below the cumulative Normal Heating Degree Day total for a revenue month.

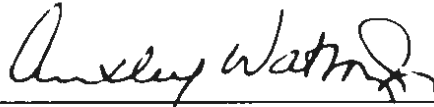
PEOPLES' PROPOSED MODIFICATION

7. Peoples believes it can continue to develop valuable information with respect to the manner in which this experimental rider operates and effects customers' bills for service, but is mindful of the impact on the bills of individual customers. Accordingly, Peoples seeks a modification to Rider WNA to limit the increase to any residential customer's bill in any revenue month to \$10.00 during the 1997/1998 winter. Peoples will calculate the adjustment that would have been made to each customer's bill as if the \$10.00 maximum on the adjustment had not been imposed, but will limit the actual increase in any bill in any month to a maximum of \$10.00. The Weather Normalization Adjustment mechanism will continue to be applied without modification in calculating and adjusting residential customers' bills for decreases due to colder than normal weather. This provides customers a one-year opportunity to benefit from potential downward adjustments to balance any upward adjustment applied last year, while the Company forgoes its right to recover positive adjustments above the \$10.00 limit. After the 1997/1998 winter heating season, the maximum adjustment, whether increase or decrease, will be subject to the \$10.00 limit. During the winter of 1996/1997 (November 1996 through April 1997), West Florida made weather normalization adjustments to 5,003 customer bills totaling \$72,830.01. Of that amount, the portion of the individual adjustments exceeding \$10.00 on any single month's bill was \$22,800.01.

8. A copy of Rider WNA, including the modification for which the Commission's approval is sought (*see* proposed First Revised Sheet No. 7.528), is attached to this petition as Exhibit A. Another copy of the rider, in legislative format to show the changes for which approval is sought, is attached hereto as Exhibit B.

WHEREFORE, Peoples respectfully requests that the Commission enter its order approving the modification described above to the Company's Rider WNA.

Respectfully submitted,



Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531, Tampa, Florida 33601
(813) 273-4200
Attorneys for Peoples Gas System, a
division of Tampa Electric Company

**RIDER WNA
WEATHER NORMALIZATION ADJUSTMENT**

Availability

Throughout the service area of the Company.

Applicability

The rates for gas sales service provided to all customers served under Rate Schedules RS and CS shall be subject to a weather normalization adjustment. The weather normalization adjustment will reflect the impact of degree day variations from normal levels, as determined on a revenue month basis, for the months of November through April, inclusive. The adjustment will be applied to a Customer's total gas consumption billed during the above defined period, on a cents per therm basis. The adjustment will not be applied to a Customer's bill in a revenue month where the cumulative actual degree day total falls within the Degree Day Dead Band. The maximum adjustment to a residential customer's monthly bill due to application of the Weather Normalization Adjustment will not exceed \$10.00 in any given month, before the application of taxes. During the 1997 / 1998 winter heating season, the maximum increase in a residential customer's monthly bill due to application of the Weather Normalization Adjustment will not exceed \$10.00 per month, before the application of taxes. During the 1998 / 1999 winter heating season, the maximum adjustment to a residential customer's monthly bill due to application of the Weather Normalization Adjustment will not exceed \$10.00 per month, before the application of taxes.

Definition of Terms Used in This Rider

1. Commission - the Florida Public Service Commission.
2. Relevant Rate Order - the final order of the Commission in the most recent base rate case of the Company in which the weather related factors applicable to this Rider are utilized to determine normalized test year revenues, or the most recent final order of the Commission specifically prescribing the factors and procedures to be used in the application of this Rider.

Issued by: President, William N. Cantrell
Issued on: ~~June 30, 1997~~ December 15, 1997

Effective on:

3. Heating Degree Days (HDD) - the difference between 65 F and the average outdoor dry bulb temperature for a given day. A day is defined as a twenty-four hour period corresponding to the data recording period at the National Oceanic and Atmospheric Administration (NOAA) weather observation stations located at the Bay County Water Treatment Plant (Station ID # 08-6842-1) and the Ocala Water Treatment Plant (Station ID # 08-6414-3) respectively.

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WEATHER NORMALIZATION ADJUSTMENT**

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