

ORIGINAL

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March 2, 1998

IN REPLY REFER TO:

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## 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

**Re: Docket No. 961236-GU -- Petition for approval of experimental Rider FTA, Firm Transportation Supplier Aggregation Service, by Peoples Gas System, a division of Tampa Electric Company (formerly Peoples Gas System, Inc.)**

Dear Ms. Bayo:

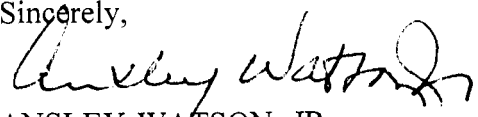
Enclosed for filing with the Commission on behalf of Peoples Gas System, please find the original and 15 copies of Peoples' petition for an order approving modifications to its optional experimental Firm Transportation Supplier Aggregation Service Rider ("Rider FTA").

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.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
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- EAG \_\_\_\_\_
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- SOI \_\_\_\_\_
- STP \_\_\_\_\_
- TRC \_\_\_\_\_
- WFO \_\_\_\_\_

1 AWjr/a  
Enclosures  
cc: Mrs. Cheryl Bulecza-Banks  
Mr. J. Brent Caldwell

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FPSC-BUREAU OF RECORDS

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DOCUMENT NUMBER-DATE  
**02799-MAR-3 86**  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of )  
experimental Rider FTA, Firm )  
Transportation Supplier Aggregation )  
Service, by Peoples Gas System, a )  
division of Tampa Electric Company )  
(formerly Peoples Gas System, Inc.) )  
\_\_\_\_\_ )

Docket No. 961236-GU

Submitted for filing:  
3-3-98

**PETITION OF PEOPLES GAS SYSTEM FOR MODIFICATION OF  
FIRM TRANSPORTATION SUPPLIER AGGREGATION (FTA) SERVICE RIDER**

Peoples Gas System ("Peoples" or the "Company"), by its undersigned attorneys, files its petition for an order approving modifications to its optional experimental Firm Transportation Supplier Aggregation Service Rider ("Rider FTA"), and in support thereof says:

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

Peoples Gas System  
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

**BACKGROUND**

3. The Commission approved the Company's Rider FTA by its Order No. PSC-96-1515-FOF-GU, issued December 21, 1996 in this docket. The experimental program was approved by that order for a one-year term with an effective date of December 2, 1996. By its Order No. PSC-98-0270-FOF-GU, issued February 10, 1998, the Commission approved an

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extension of the experimental rider through March 31, 1999.

4. The order approving a one-year extension of Rider FTA was issued following the Commission's vote at an agenda conference held on January 20, 1998. Later in the week of that agenda conference, Peoples received confirmation from two businesses (receiving service at 24 customer locations) that their suppliers no longer intended to supply gas under their current arrangements. In one case the suppliers have informed their customer (23 of the facilities) that they no longer desire to serve the facilities under the existing pricing mechanism. In the second case, the supplier reportedly no longer wants to participate in the pilot program or in retail gas marketing in Florida.

5. Both circumstances mentioned above force the participating customers to evaluate other supply options. In doing so, however, they are limited by certain provisions of the tariff implementing Peoples' Rider FTA experimental program. Specifically, while Special Condition 7 of the approved tariff provides for a customer to change its Qualified Aggregating Supplier, other provisions of the existing tariff limit each Qualified Aggregating Supplier to a maximum of 30 customers. That limit makes it difficult, if not impossible, for customers to change suppliers, whether by their own choice or because service is terminated by their supplier.

6. Currently, of the 12 Qualified Aggregating Suppliers participating in the pilot program, seven are corporate affiliates of the suppliers that have notified their customer that they no longer desire to serve under the existing price mechanism, one is the supplier that has reportedly announced its intention to cease retail gas marketing in Florida, and two others have reached the tariff limit of 30 customers. That leaves only two Qualified Aggregating Suppliers below the 30-customer maximum, effectively leaving the two customers that need to change

suppliers with only two suppliers from which to choose. One of those two remaining suppliers is reportedly in financial difficulty.

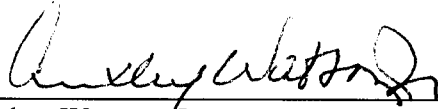
### **TARIFF MODIFICATION REQUESTED**

7. To address the situations faced by the two customers (and perhaps future participating customers) -- who have participated in the experimental aggregation program for more than a year -- Peoples proposes to modify its tariff for the experimental program (Rider FTA) to permit Qualified Aggregating Suppliers to exceed the limit of 30 customers. The purpose of the modification is solely to accommodate those customers who have participated in the program from its inception. It is not Peoples' intent to increase the number of either the customers or the Qualified Aggregating Suppliers who are currently participating in the pilot program. This tariff modification is in accord with the Commission's Order No. PSC-98-0270-FOF-GU, extending the term of experimental Rider FTA but keeping the participation levels constant.

8. The modifications to Rider FTA for which approval is sought by this petition are incorporated in the "Availability" section, and in a new Special Condition 12, of Rider FTA, copy of which is attached hereto as Exhibit A.

WHEREFORE, Peoples respectfully requests that the Commission grant this petition, and issue its order approving the modifications of Rider FTA described above, such modifications to be effective as of the date of the Commission's vote to approve the same.

Respectfully submitted this 2nd day of March, 1998.



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