



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: February 14, 2000
TO: Mary Andrews Bane, Deputy Executive Director/Technical
FROM: Mary Anne Helton, Senior Attorney, Division of Appeals *MAH*
RE: Docket No. 960725-GU - Proposed Rule 25-7.0335, F.A.C.,
 Transportation Service

At the request of a Commissioner's aide, staff revisited the table on page 9 of its recommendation. The numbers on this table were taken from the July 28, 1999, Statement of Estimated Regulatory Costs (SERC) attached to the recommendation. The table shows the Estimated Total One-Time Costs and Estimated Total Annual Recurring Costs that the natural gas utilities expect to incur from implementing Rule 25-7.0336, Florida Administrative Code, if adopted by the Commission.

The numbers reported on the table are taken directly from the data request responses provided by the utilities. At a request of one of the Commissioners, staff requested additional information concerning the numbers reported by Peoples Gas System (FPUC) and Florida Public Utilities Company (FPUC). Based on this recent information received last week, staff has updated the table as attached. The changes show reductions for Peoples for both types of costs, and show a reduction for FPUC for its one-time costs.

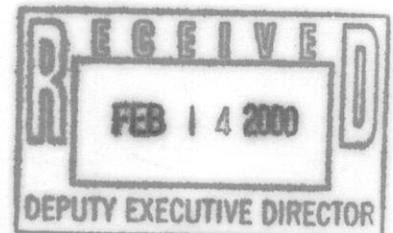
Staff wanted to let you know of this change to the information received.

cc: Cheryl Bulecza-Banks
 Craig Hewitt
 Wayne Makin

*OK MAB
 2/14/2000*

AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 MAS _____
 OPC _____
 REP _____
 SEC _____
 V _____
 C _____

DOCUMENT NUMBER-DATE
 01933 FEB 14 8
 FPSC-RECORDS/REPORTING



STAFF ADJUSTED

| Utility | Potential Number of Non-Residential Customers | Estimated Total One-Time Costs | Estimated Total Annual Recurring Costs |
|----------------------------------|---|--------------------------------|--|
| Peoples Gas System | 22,200 | \$3,914,635 (1) | \$1,525,000 (2) |
| City Gas Company | 4,681 | Insignificant | Insignificant |
| Florida Public Utilities Company | 3,458 | \$993,000 (3) | \$271,500 |
| Chesapeake Utilities Corporation | 799 | \$112,000-249,000 | \$80,000 |
| South Florida Natural Gas | 342 | Can't estimate | Can't estimate |
| St. Joe Natural Gas | 245 | \$2,565 | \$5,412 |
| Sebring Gas System | 93 | N/A | N/A |
| Indiantown Gas Company | 25 | N/A | N/A |

(1) Reduction of \$120,975 in program development cost, using existing employees. Removal of \$6.6 million of capacity costs, already incurred. Removal of Altra GMS expense \$850,000, already exists. Removal of \$60,060 in certain education expense, using existing employees. Removal of \$400,000 of customer service support, existing employees.

(2) Removal of \$6.6 million of capacity costs, already incurred. Removal of \$200,000 billing, \$100,000 gas management, \$200,000 customer service.

(3) Reduction of software upgrades by \$750,000, received by Mark Schneidermann, Florida Public Utilities.