

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased gas adjustment
(PGA) true-up.

DOCKET NO. 000003-GU
ORDER NO. PSC-00-2167-PHO-GU
ISSUED: November 14, 2000

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on Friday, November 3, 2000, in Tallahassee, Florida, before Commissioner Lila A. Jaber, as Prehearing Officer.

APPEARANCES:

WAYNE L. SCHIEFELBEIN, ESQUIRE, Post Office Box 15856,
Tallahassee, Florida 32317
On behalf of Chesapeake Utilities Corporation (CUC).

MICHAEL A. PALECKI, ESQUIRE, PMB 224, 3539 Apalachee
Parkway, Tallahassee, Florida 32308
On behalf of City Gas Company of Florida (CGC).

NORMAN H. HORTON, JR., ESQUIRE, Messer, Caparello & Self,
P.A., Post Office Box 1876, Tallahassee, Florida 32302
On behalf of Florida Public Utilities Company (FPUC),
Sebring Gas System, Inc. (SGS), and South Florida Natural
Gas (SFNG).

ANSLEY WATSON, JR., ESQUIRE, MacFarlane Ferguson &
McMullen, Post Office Box 1531, Tampa, Florida 33601
On behalf of Peoples Gas System (PGS).

D. BRUCE MAY, ESQUIRE, Holland & Knight LLP, Post Office
Drawer 810, Tallahassee, Florida 32302
On behalf of St. Joe Natural Gas Company (SJNG).

WM. COCHRAN KEATING IV, Esquire, Florida Public Service
Commission, 2540 Shumard Oak Boulevard, Tallahassee,
Florida 32399-0850
On behalf of the Commission Staff (STAFF).

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

PREHEARING ORDER

I. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, Florida Administrative Code, this Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

II. CASE BACKGROUND

As part of the Commission's continuing purchased gas adjustment true-up proceedings, an administrative hearing in this docket is set for November 20-22, 2000, to address the issues set forth in the body of this Prehearing Order. The parties have reached agreement concerning all issues identified for resolution at this hearing. Therefore, the case will be presented to the panel as a stipulation. Staff is prepared to present the panel with a recommendation at hearing for approval of the stipulated positions set forth herein. The Commission has the option to render a bench decision in this matter.

III. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093, Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

1. Any party intending to utilize confidential documents at hearing for which no ruling has been made, must be prepared to present their justifications at hearing, so that a ruling can be made at hearing.

2. In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- a) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.
- b) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- c) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- d) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.

- e) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Records and Reporting's confidential files.

IV. POST-HEARING PROCEDURES

Each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, Florida Administrative Code, a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony, if any, will be limited to five minutes. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so

answered first, after which the witness may explain his or her answer.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

VI. ORDER OF WITNESSES

As a result of discussions at the prehearing conference, each witness whose name is preceded by an asterisk (*) has been excused from this hearing if no Commissioner assigned to this case seeks to cross-examine the particular witness. Parties shall be notified by Monday, November 13, 2000, as to whether any such witness shall be required to be present at hearing. The testimony of excused witnesses will be inserted into the record as though read, and all exhibits submitted with those witnesses' testimony shall be identified as shown in Section IX of this Prehearing Order and be admitted into the record.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
*James A. Williams	CUC	1, 2, 3, 4, 5
*Thomas E. Smith	CGC	1, 2, 3, 4, 5
*George M. Bachman	FPUC	1, 2, 3, 4, 5
*Marc L. Schneidermann	FPUC	4
*Brian J. Powers	IGC	1, 2, 3, 4
*W. Edward Elliott	PGS	1, 2, 3, 4, 5
*Jerry Melendy	SGS	1, 2, 3, 4, 5
*Al Kara	SFNG	1, 2, 3, 4, 5
*Stuart L. Shoaf	SJNG	1, 2, 3, 4, 5

VII. BASIC POSITIONS

CUC: The appropriate over (under) recovery amounts, purchased gas adjustment factor, and effective date are as shown in the Company's positions on Issues 1-5.

- CGC:** NUI/City Gas has appropriately calculated its true-up and purchased gas adjustment factor as shown in the Company's positions on Issues 1-4.
- FPUC:** FPUC has properly projected its true-up amounts and projected gas costs. Its costs and projections are reasonable and its purchased gas cost recovery factors should be approved by the Commission.
- IGC:** Indiantown Gas has properly projected its fuel costs and true-up.
- PGS:** The Commission should approve Peoples' final PGA true-up amount for the period January 1999 through December 1999 of \$866,759 (underrecovery), its estimated PGA true-up amount of \$2,939,165 (underrecovery) for the period January 2000 through December 2000, and its levelized PGA (cap) factor of 71.171 cents per therm for application to customers' bills during the period January 1, 2001 through December 31, 2001.
- SGS:** Sebring has properly projected its true-up amounts and projected gas costs. Its costs and projections are reasonable and its purchased gas cost recovery factors should be approved by the Commission.
- SFNG:** SFNG has properly projected its true-up amounts and projected gas costs. Its costs and projections are reasonable and its purchased gas cost recovery factors should be approved by the Commission.
- SJNG:** The appropriate over (under) recovery amounts and purchased gas adjustment factors are shown in the company's positions on Issues 1-5.
- STAFF:** Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

VIII. ISSUES AND POSITIONS

STIPULATED

ISSUE 1: What are the appropriate final purchased gas adjustment true-up amounts for the period January, 1999 through December, 1999?

POSITION:

Chesapeake Utilities Corporation	\$26,715	Underrecovery
City Gas Company of Florida	\$705,403	Overrecovery
Florida Public Utilities	\$67,156	Underrecovery
Indiantown Gas Company	\$7,468	Underrecovery
Peoples Gas System	\$866,759	Underrecovery
Sebring Gas System, Inc.	\$3,428	Underrecovery
St. Joe Natural Gas Company	\$16,581	Overrecovery
South Florida Natural Gas Company	\$92,457	Underrecovery

STIPULATED

ISSUE 2: What are the estimated purchased gas adjustment true-up amounts for the period January, 2000 through December, 2000?

POSITION:

Chesapeake Utilities Corporation	\$890,959	Underrecovery
City Gas Company of Florida	\$4,513,148	Underrecovery
Florida Public Utilities	\$33,877	Overrecovery
Indiantown Gas Company	\$7,321	Overrecovery
Peoples Gas System	\$2,939,165	Underrecovery
Sebring Gas System, Inc.	\$20,338	Underrecovery

St. Joe Natural Gas Company	\$42,200	Underrecovery
South Florida Natural Gas Company	\$69,863	Underrecovery

STIPULATED

ISSUE 3: What are the total purchased gas adjustment true-up amounts to be collected during the period January, 2001 through December, 2001?

POSITION:

Chesapeake Utilities Corporation	\$917,674	Underrecovery
City Gas Company of Florida	\$3,807,718	Underrecovery
Florida Public Utilities	\$33,279	Underrecovery
Indiantown Gas Company	\$147	Underrecovery
Peoples Gas System	\$3,805,923	Underrecovery
Sebring Gas System, Inc.	\$23,766	Underrecovery
St. Joe Natural Gas Company	\$25,619	Underrecovery
South Florida Natural Gas Company	\$162,320	Underrecovery

STIPULATED

ISSUE 4: What are the appropriate levelized purchased gas cost recovery (cap) factors for the period January, 2001 through December, 2001?

POSITION:

Chesapeake Utilities Corporation	74.358 cents per therm
City Gas Company of Florida	79.093 cents per therm
Florida Public Utilities	84.781 cents per therm
Indiantown Gas Company	83.729 cents per therm

Peoples Gas System	71.171 cents per therm
Sebring Gas System, Inc.	70.663 cents per therm
St. Joe Natural Gas Company	82.100 cents per therm
South Florida Natural Gas Company	79.208 cents per therm

STIPULATED

ISSUE 5: What should be the effective date of the new purchased gas adjustment charge for billing purposes?

POSITION: The factor should be effective for all meter readings on or after January 1, 2001, beginning with the first or applicable billing cycle for the period January, 2001 through December, 2001.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
			<u>Direct</u>
James A. Williams	CUC	_____ (JAW-1)	January 1999- December 1999 True-up, Schedule A-7
James A. Williams	CUC	_____ (JAW-2)	January 2001- December 2001 PGA Factor, Schedules E-1 through E-5

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Stuart L. Shoaf	SJNG	_____ (SLS-3)	Transportation purchases system supply and end use for the projected period
Stuart L. Shoaf	SJNG	_____ (SLS-4)	Calculation of true-up amount for the projected period based on the prior period and current period (8 months actual, 4 months estimated)
Stuart L. Shoaf	SJNG	_____ (SLS-5)	Therms Sales and Customer Data (for the projected period)
Stuart L. Shoaf	SJNG	_____ (SLS-6)	Reprojected PGA for current period (8 months, 4 months estimated)

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

X. PROPOSED STIPULATIONS

All issues in this Prehearing Order have been stipulated. There are no other pending proposals for stipulations.

XI. PENDING MOTIONS

There are no pending motions at this time.

XII. PENDING CONFIDENTIALITY MATTERS

There are no pending confidentiality matters at this time.

XIII. RULINGS

Noting no objection from the parties, Indiantown Gas Company's request to be excused from attending the Prehearing Conference is granted.

Noting no objection from the parties, City Gas Company's oral request for leave to file its prehearing statement out-of-time is granted.

Counsel representing companies whose witnesses have been excused from attending the hearing for this docket, pursuant to Section VI of this Prehearing Order, shall be excused.

It is therefore,

ORDERED by Commissioner Lila A. Jaber, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Lila A. Jaber as Prehearing Officer, this 14th day of November, 2000.


LILA A. JABER
Commissioner and Prehearing Officer

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) 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 wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.