

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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COMMISSION CLERK
DOCKET # 030022-01
PSC

DATE: FEBRUARY 6, 2003
TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK
ADMINISTRATIVE SERVICES (BAYÓ)
FROM: DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT (MAKIN, M.
MARSHALL, BULECZA-BANKS) (mm) (PSC)
OFFICE OF THE GENERAL COUNSEL (C. KEATING) (WEX)
RE: DOCKET NO. 030022-GU - PETITION FOR MODIFICATION OF
TRANSPORTATION COST RECOVERY FACTORS BY FLORIDA PUBLIC
UTILITIES COMPANY.
AGENDA: 2/18/03 - REGULAR AGENDA - TARIFF FILING - INTERESTED
PERSONS MAY PARTICIPATE
CRITICAL DATES: 60-DAY SUSPENSION DATE: MARCH 3, 2003
SPECIAL INSTRUCTIONS: NONE
FILE NAME AND LOCATION: S:\PSC\CMP\WP\030022.RCM

CASE BACKGROUND

By Order No. PSC-01-0073-TRF-GU, issued January 9, 2001, the Commission approved Florida Public Utilities Company's (FPUC or the Company) initial transportation service tariffs, including a Non-monitored Transportation Administration Charge (NTAC). Customers subject to the NTAC are not required to have electronic measurement equipment for the monitoring of their gas usage. The function of the NTAC is to allow the recovery of the Company's incremental expenses in providing unbundled transportation service.

By Order No. PSC-01-1963-TRF-GU, issued October 1, 2001, the Commission approved the Company's projected NTAC incremental expense of \$58,500 associated with making transportation service available to all non-residential customers for the period August 1, 2001, through December 31, 2002, (thereafter the period will be January through December). In accordance with its approved tariff,

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FPUC proposed to recover those expenses for the period on a cents-per-therm basis applied to the customer's actual consumption, with any over or underrecovery trued up at the end of the period. The Commission approved initial cost recovery factors to be applied during the October 2001 through December 2002 period.

By Order No. PSC-02-0654-TRF-GU, issued May 13, 2002, these factors were modified to reflect the effect of FPUC's acquisition of the assets of South Florida Natural Gas.

On January 3, 2003, FPUC filed a petition for modification of its NTAC cost recovery factors, the petition was later revised on January 29, 2003.

Jurisdiction over this matter is vested in the Commission by several provisions of Chapter 366 Florida Statutes, including Sections 366.04, 366.05, and 366.06 Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant FPUC's petition for modification of its NTAC cost recovery factors?

RECOMMENDATION: Yes. The Commission should grant FPUC's petition for modification of its NTAC cost recovery factors effective March 1, 2003. (MAKIN, BULECZA-BANKS, MARSHALL)

STAFF ANALYSIS: Based on the Company's calculations, the total revenue for the period October 1, 2001 through December 31, 2002, is \$101,261, with a corresponding expense of \$23,372. This results in a \$77,889 overrecovery. The Company proposes to modify its NTAC factors for the period January 2003 through December 2003. For that period FPUC projects ongoing program costs of \$63,000. As stated above, the prior period true-up is a \$77,889 overrecovery, resulting in a net refund of \$14,889 (\$63,000 - \$77,889). FPUC proposes to refund this amount to its customers through the NTAC factors during the period March 2003 through December 2003.

The specific NTAC factors proposed for the recovery period March 2003 through December 2003 are:

General Service and GS Transportation (\$0.00054)

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Large Volume Service and LV Transportation	(\$.00035)
Interruptible Service	(\$.00016)

The Company used its 2003 annualized budget data regarding the number of bills and therm sales to allocate the annualized costs to the different rate schedules using the same methodology as the natural gas conservation cost recovery clause.

Based on the Company's amended petition, Staff believes that FPUC's modified NTAC cost recovery factors, which represent the overrecovery refund, are appropriate and should be approved, and should become effective March 1, 2003, through December 2003.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If a protest is filed by a person whose substantial interests are affected within 21 days of the Commission Order approving this tariff, the tariff should remain in effect pending resolution of the protest, with any charges held subject to refund pending resolution of the protest. If no protest is filed, this docket should be closed upon the issuance of a Consummating Order. (C. KEATING)

STAFF ANALYSIS: If a protest is filed by a person whose substantial interests are affected within 21 days of the Commission Order approving this tariff, the tariff should remain in effect pending resolution of the protest, with any charges held subject to refund pending resolution of the protest. If no protest is filed, this docket should be closed upon the issuance of a Consummating Order.