

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.

DOCKET NO. 080004-GU

DATED: OCTOBER 10, 2008

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-08-0170-PCO-GU, filed March 20, 2008, and Order No. PSC-08-0363-PCO-GU, filed May 30, 2008, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

Staff intends to offer the Direct Testimony of Kathy L. Welch.

b. All Known Exhibits

Staff intends to offer the following exhibits associated with the Direct Testimony of Kathy L. Welch:

<u>Exhibit</u>	<u>Title</u>
KLW-1	History of testimony provided by Kathy L. Welch
KLW-2	Audit report

c. Staff's Statement of Basic Position

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.

d. Staff's Position on the Issues

Generic Conservation Cost Recovery Issues

ISSUE 1: What are the final conservation cost recovery true-up amounts for the period January 2007 through December 2007?

COM _____
ECR _____
GCL _____
OPC _____
RCP _____
SSC _____
SGA _____
ADM _____
CLK _____

POSITION:

Chesapeake (CUC)	\$386,079	Overrecovery
Florida City Gas (FCG)	\$126,342	Overrecovery
Florida Public Utilities Company (FPUC)	\$435,874	Overrecovery
Indiantown Gas Company (Indiantown)	\$1,390	Overrecovery

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Peoples Gas System (PGS)	\$5,922,525	Overrecovery
St. Joe Natural Gas (SING)	\$63,204	Underrecovery
Sebring Gas System, Inc. (Sebring)	\$382	Underrecovery

ISSUE 2: What are the actual/estimated conservation cost recovery true-up amounts for the period January 2008 through December 2008?

POSITION:

Chesapeake (CUC)	\$538,645	Overrecovery
Florida City Gas (FCG)	\$786,742	Underrecovery
Florida Public Utilities Company (FPUC)	\$419,248	Overrecovery
Indiantown Gas Company (Indiantown)	\$21,610	Overrecovery
Peoples Gas System (PGS)	\$2,921,911	Overrecovery
St. Joe Natural Gas (SJNG)	\$78,728	Underrecovery
Sebring Gas System, Inc. (Sebring)	\$10,238	Overrecovery

ISSUE 3: What are the total conservation cost recovery amounts to be collected during the period January 2009 through December 2009?

POSITION:

Chesapeake (CUC)	\$648,410
Florida City Gas (FCG)	\$3,204,167
Florida Public Utilities Company (FPUC)	\$1,830,752
Indiantown Gas Company (Indiantown)	\$7,378
Peoples Gas System (PGS)	\$4,047,089
St. Joe Natural Gas (SJNG)	\$125,428
Sebring Gas System, Inc. (Sebring)	\$8,837

ISSUE 4: What are the conservation cost recovery factors for the period January 2009 through December 2009?

POSITION:

Gas:

CUC	Rate Class	ECCR Factor
	FTS-A	11.835 cents/therm
	FTS-B	9.247 cents/therm
	FTS-1	8.372 cents/therm
	FTS-2	4.271 cents/therm
	FTS-3	2.590 cents/therm
	FTS-4	2.107 cents/therm
	FTS-5	1.802 cents/therm
	FTS-6	1.605 cents/therm
	FTS-7	0.965 cents/therm
	FTS-8	0.933 cents/therm
	FTS-9	0.740 cents/therm
	FTS-10	0.739 cents/therm
	FTS-11	0.615 cents/therm
	FTS-12	0.511 cents/therm

In accordance with Order No. PSC-07-0427-TRF-GU, issued May 15, 2007, in Docket No. 060675-GU, optional fixed rates are available to CUC customers in the following rate schedules:

CUC	Rate Class	ECCR Factor (\$ per bill)
	FTS-A	0.90
	FTS-B	1.24
	FTS-1	1.57
	FTS-2	3.46
	FTS-3	12.53

FCG	Rate Class	ECCR Factor
	GS-1, GS-100, GS-220	9.304 cents/therm
	GS-600	4.875 cents/therm
	GS-1200	3.115 cents/therm
	GS-6000	2.499 cents/therm
	GS-25000	2.452 cents/therm
	GS-60000	2.394 cents/therm

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	Gas Lights	4.846 cents/therm
	GS-120000	1.785 cents/therm
	GS-250000	1.643 cents/therm
FPUC	Rate Class	ECCR Factor
	Residential	6.768 cents/therm
	General Service	2.918 cents/therm
	Comm. Lge. Vol.	2.051 cents/therm
	Comm. Lge. Vol. Transport	2.051 cents/therm
Indiantown	Rate Class	ECCR Factor
	TS-1	1.339 cents/therm
	TS-2	0.233 cents/therm
	TS-4	0.087 cents/therm
PGS	Rate Class	ECCR Factor
	RS	2.438 cents/therm
	RSSG	2.438 cents/therm
	SGS	2.279 cents/therm
	CSG	2.279 cents/therm
	GS-1	0.817 cents/therm
	GS-2	0.664 cents/therm
	GS-3	0.556 cents/therm
	GS-4	0.501 cents/therm
	GS-5	0.285 cents/therm
	NGVS	0.428 cents/therm
	CSLS	0.355 cents/therm
SJNG	Rate Class	ECCR Factor
	RS-1	23.379 cents/therm
	RS-2	11.902 cents/therm
	RS-3	8.797 cents/therm
	GS-1	8.792 cents/therm
	GS-2	4.075 cents/therm
	FTS-4	1.566 cents/therm
	FTS-5	0.380 cents/therm

Sebring	Rate Class	ECCR Factor
	TS-1	3.076 cents/therm
	TS-2	1.817 cents/therm
	TS-3	1.118 cents/therm
	TS-4	0.913 cents/therm

ISSUE 5: What should be the effective date of the new conservation cost recovery factors for billing purposes?

POSITION: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2009 through December 2009. Billing cycles may start before January 1, 2009, and the last cycle may be read after December 31, 2009, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

Company Specific Conservation Cost Recovery Issues

Florida Public Utilities Company

ISSUE 6: What adjustments, if any, should be made to Florida Public Utility Company's final conservation cost recovery true-up amounts for the period January 2007 through December 2007 for expenses associated with the Southern Gas Association (SGA) Builders and Developers Conference?

POSITION: An adjustment of \$2,887, plus interest, should be made to reduce the recoverable cost associated with the SGA Builders and Developers Conference.

ISSUE 7: What adjustments, if any, should be made to Florida Public Utility Company's final conservation cost recovery true-up amounts for the period January 2007 through December 2007 for expenses associated with the Demo Kitchen project?

POSITION: An adjustment of \$3,125 should be made to reduce the recoverable cost associated with the Demo Kitchen project. This adjustment will allocate a portion to the non-regulated appliance sales operation.

e. **Stipulated Issues**

Staff is not aware of any stipulated issues at this time.

f. Pending Motions

Staff has no pending motions at this time.

g. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests at this time.


h. Objections to Witness Qualifications as an Expert

Staff has no objections to any witness' qualifications as an expert in this proceeding.

i. Compliance with Order Nos. PSC-08-0170-PCO-GU and PSC-08-0363-PCO-GU

Staff has complied with all requirements of the Orders Establishing Procedure entered in this docket.

Respectfully submitted this 10th day of October, 2008.


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DATED: OCTOBER 10, 2008

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of STAFF'S PREHEARING STATEMENT has been furnished to the following by electronic and U. S. mail this 10th day of October, 2008:

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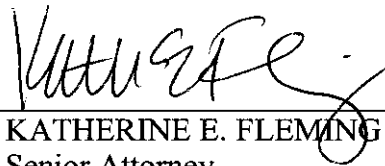
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