



Florida Public Service Commission

SPECIAL REPORT

SEPTEMBER 2002 NO. 18

Petition for a Rate Increase by

Peoples Gas System, A Division of Tampa Electric Company

On June 27, 2002, Peoples Gas System (Peoples Gas) filed a petition for a permanent rate increase with the Florida Public Service Commission (PSC or Commission). The company's last rate increase was granted by the PSC in 1992. Since its last rate increase, Peoples Gas has added more than 100,000 residential customers and now serves approximately 270,000 customers across Florida.

In its request to the PSC, Peoples Gas cited customer growth and pipeline expansion as reasons for the proposed rate increase.

The staff of the PSC has scheduled five customer service hearings in west, central and south Florida as part of its investigation. The purpose of the hearings is to provide customers and other interested persons an opportunity to offer comments regarding the quality of service Peoples Gas provides and the proposed rate increase.

PSC staff is scheduled to make a recommendation to the Commission for the final rates on February 20, 2003, and the Commission vote on Peoples Gas' proposed rate increase is scheduled for February 21, 2003.

CUSTOMER HEARINGS

DOCKET NO. 020384-GU

September 17, 2002 - 12:00 p.m. EDT

Hollywood Beach Cultural & Community Center
1301 South Ocean Drive
Hollywood, Florida

September 24, 2002 - 12:00 p.m. EDT

Doubletree Hotel Tampa - Westshore
Lake Forest Ballroom
4500 West Cypress Street
Tampa, Florida

September 25, 2002 - 12:00 p.m. EDT

Orlando City Council Chambers
City Hall, 2nd Floor
400 South Orange Avenue
Orlando, Florida

September 26, 2002 - 12:00 p.m. EDT

Holiday Inn - Baymeadows
9150 Baymeadows Road
Jacksonville, Florida

October 22, 2002 - 5:00 p.m. CDT

Holiday Inn Select
2001 North Cove Boulevard
Panama City, Florida

PSC COMMISSIONERS



Chairman Jaber

Chairman Jaber was appointed to the Florida Public Service Commission (PSC) by Governor Jeb Bush in February 2000 to complete a term ending in January 2001. She was reappointed by Governor Jeb Bush for a term ending in January 2005. Chairman Jaber serves on the National Association of Regulatory Utility Commissioners' Committee on Telecommunications and the Committee on Consumer Affairs. Chairman Jaber chairs the Federal-State Joint Conference on Advanced Services created by the Federal Communications Commission (FCC) to promote the rapid deployment of advanced services to all Americans. In July 2001, she was appointed to the Federal-State Joint Board on Universal Service created to promote the availability and access to quality telecommunications services at just, reasonable and affordable rates throughout the Nation. Chairman Jaber has served as co-chair of the e-Infrastructure Subcommittee for the Information Service Technology Development Task Force (ITFlorida.com) and is a current member of the Florida Research Consortium, the affiliate of ITFlorida.com created as a partnership between Florida's universities and technology sectors to focus on high-tech research and development and collaboration between researchers and Florida's high-tech entrepreneurs. Chairman Jaber is a court-certified mediator and a member of the Florida Bar. Chairman Jaber received a bachelor of arts degree in political science and business from Stetson University in DeLand, Florida, and received a juris doctorate from the Stetson University College of Law in St. Petersburg, Florida.



Commissioner Deason

Commissioner Deason was first appointed to the Commission by the Florida Public Service Commission Nominating Council in January 1991 for a term ending in January 1995. He was subsequently reappointed by the late Governor Lawton Chiles for a term ending in January 1999. Commissioner Deason was then reappointed by Governor Jeb Bush to his current term, which ends in January 2003. Commissioner Deason has served as Chairman of the Commission on two occasions, from January 1993 to January 1995, and from July 2000 to January 2001. Commissioner Deason is an active member of the National Association of Regulatory Utility Commissioners (NARUC). He currently serves on NARUC's Board of Directors, its Finance and Technology Committee, and its Utility Association Oversight Committee. Prior to his appointment, he served as Chief Regulatory Analyst in the Office of Public Counsel. In that capacity, he was responsible for the coordination of accounting and financial analysis used by the Public Counsel in cases before the Public Service Commission, presented testimony as an expert witness, and consulted with the Public Counsel on technical issues and ratemaking policies concerning regulated utilities in the State of Florida. From 1981 to 1987, Commissioner Deason served as Executive Assistant to PSC Commissioner Gerald L. Gunter, during which time he reviewed and analyzed staff recommendations and advised the Commissioner on those recommendations and other pertinent policy determinations. From 1977 to 1981, he served as a Legislative Analyst with the Office of Public Counsel. He attended the U.S. Military Academy at West Point, and in 1975 received his bachelor of science degree in accounting, summa cum laude, from Florida State University. He also received his master of accounting degree from FSU in 1989.



Commissioner Baez

Commissioner Baez was appointed to the Florida Public Service Commission by Governor Jeb Bush on August 23, 2000, to complete a term ending January, 2002. He was then reappointed by the Governor to a four year term ending January, 2006. Prior to his appointment, Commissioner Baez was an attorney in Miami, Florida, with a statewide practice representing municipal and county governments in telecommunications, cable franchising and other regulatory matters. He was Executive Assistant to Commissioner Joe Garcia from 1994 to 1998. A native of South Florida, Commissioner Baez received his undergraduate degree from Florida International University in 1988, and his Juris Doctorate degree from Nova University, Shepard Broad Law Center, in 1993. Commissioner Baez serves on the National Association of Regulatory Utility Commissioners' Committees on Electricity and International Relations and is Past-President of the Southeastern Association of Regulatory Utility Commissioners. He was appointed to the North American Electric Reliability Council, and is a member of the Florida Bar and American Bar Association. He is a past Director of the Hispanic Bar Association, 2nd Judicial District.



Commissioner Palecki

Commissioner Palecki was appointed to the Florida Public Service Commission by Governor Jeb Bush on November 20, 2000, to complete a term ending in January 2003. From 1995 until his appointment, Commissioner Palecki was Manager of Regulatory Affairs for NUI Corporation, where he practiced before the New York, Pennsylvania, Maryland, North Carolina and Florida Public Service Commissions. He also served as Secretary of the Associated Gas Distributors of Florida, and was on the Board of Directors of the Florida Natural Gas Association. From 1989 to 1995, Commissioner Palecki was an attorney for the Florida Public Service Commission, and was promoted to Chief of the Electric and Gas Bureau in the Legal Division in 1990. Prior to that, he was an attorney for the State Fire Marshal's Office, where he prosecuted arsons and fire-related murders statewide. He also worked with a major law firm, where he represented 23 insurance companies in over 100 arson and fraud cases. He became president of the Florida Advisory Committee on Arson Prevention, and was a founding partner of FireDogs, a company that pioneered the training and use of canines to "sniff" for evidence of arson at fire scenes. Commissioner Palecki also worked for the State Attorney's Office in Polk County, and for the Florida Attorney General's Office, where he argued and won over 300 criminal cases, including the U.S. Supreme Court case of *Tibbs v. State*, preserving Florida's right to retry defendants after appellate reversal of conviction. He serves on the National Association of Regulatory Utility Commissioners' Committee on Water. Commissioner Palecki is a 1976 graduate of the Stetson University College of Law. He is a member of the Florida Bar and is admitted to practice in several federal courts, including the U.S. Supreme Court.



Commissioner Bradley

Commissioner Bradley was appointed to the Florida Public Service Commission by Governor Jeb Bush for a four year term beginning January 8, 2002. Commissioner Bradley serves on the National Association of Regulatory Utility Commissioners' Committees on Consumer Affairs, Gas and International Relations. He is also a member of the Energy Market Access Partnership Board which is a joint project between the Department of Energy and the National Association of Regulatory Utility Commissioners. Prior to his appointment to the Commission, Commissioner Bradley served as a member of the Florida Legislature for seven years representing District 55 which includes Pinellas, Manatee and Hillsborough Counties. As a member of the Legislature, he served as the Vice Chairman of the Utilities and Telecommunications Committee and as the Chairman of the Select Committee on Energy Restructuring. Commissioner Bradley also served as the Chairman of the Business Development and International Trade Committee and Chairman of the Economic Development Council. As a legislator, Commissioner Bradley maintained a special interest in improving Florida's educational system and expanding business opportunities for all citizens. Commissioner Bradley earned his Bachelor of Science Degree from the University of Tampa and his Masters Degree from the University of Michigan. He served as an educator in Pinellas County for several years and he developed several private enterprises involving real estate and livestock.

Consumer Statements at PSC Hearings

The PSC is interested in what consumers have to say about the petition for a rate increase by Peoples Gas System, A Division of Tampa Electric Company. The main purpose of these hearings is to receive comments from the public.

Anyone may make a statement, and speaking is an effective way to let the Commission know how you feel about the case under review. Those consumers who wish to speak should arrive early. The hearings will begin as scheduled and continue until all the consumers have been heard.

At the beginning of these hearings, procedures will be set up to establish an order for comments. PSC staff will have sign-up sheets, and consumers will be called in the order of those sheets. PSC staff will be available to coordinate consumer comments and assist members of the public.

Any person who wishes to comment or provide information to the PSC staff may do so at the hearing, orally or in writing. Written comments also may be sent to the Commission at: Florida Public Service Commission, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Your letter will be placed in the correspondence file of this docket (Docket No. 020384-GU). For your convenience, a comment form is attached to this Special Report. You may also call the Commission's toll-free number, **1-800-342-3552**, or dial **1-800-511-0809** to fax.

Any person who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so by writing to: Director, Division of the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

Public Service Commission Staff & Reference Numbers

For technical questions, contact:

David Wheeler
(850) 413-6670

For legal questions, contact:

Adrienne Vining
(850) 413-6183

For general questions, contact:

Bridget Hoyle
(850) 413-6111

Or call toll-free 1-800-342-3552
(1-800-511-0809 to fax)

E-Mail: contact@psc.state.fl.us

Internet Home Page: www.floridapsc.com

Florida Public Service Commission

Bureau of
Consumer Outreach

2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 184
Tallahassee, Florida 32399-0850

The Public Service Commission's Bureau of Consumer Outreach provides a staff of information specialists who are available to answer questions from Florida consumers.

To reach a PSC consumer representative, please call the Bureau of Consumer Outreach during business hours at (850) 413-6100 or send a fax to 1-800-511-0809. See the PSC's Internet home page at www.floridapsc.com.

The following charts contain residential bill comparisons for the Peoples Gas rate case. Rate comparisons for the Non-West Florida divisions, and the West Florida division are shown on pages 4 and 5, respectively.

The charts compare bills under the present rates, the Commission-approved interim rates, and the company-requested rates, with the average 20-therm bill shown in bold. The bills include base rates, and the adjustment clause charges (i.e., Purchased Gas Adjustment (PGA), conservation, and competitive rate adjustment) effective September 2002. They do not include any additional taxes or franchise fees.

Peoples Gas System - Non-West Florida Divisions

Bill Comparisons - Present, Interim & Company - Requested Rates

RESIDENTIAL USAGE (AVERAGE USAGE: 20 THERMS PER MONTH)

PRESENT RATES		APPROVED INTERIM RATES		COMPANY REQUESTED RATES			
Customer Charge \$7.00		Customer Charge \$7.00		Customer Charge \$10.00			
Energy Charge (Cents per Therm) 41.117		Energy Charge (Cents per Therm) 41.986		Energy Charge (Cents per Therm) 50.871			
PGA - September 2002 (Cents per Therm) 61.537		PGA - September 2002 (Cents per Therm) 61.537		PGA - September 2002 (Cents per Therm) 61.537			
Conservation (Cents per Therm) 6.023		Conservation (Cents per Therm) 6.023		Conservation (Cents per Therm) 6.023			
Comp. Rate Adjustment (Cents per Therm) 1.16		Comp. Rate Adjustment (Cents per Therm) 1.16		Comp. Rate Adjustment (Cents per Therm) 1.16			
				INCREASE Present vs. Co. Requested		INCREASE Interim vs. Co. Requested	
Therm Usage	Present Monthly Bill	Approved Interim Monthly Bill	Company Requested Monthly Bill	Percent Increase	Dollar Increase	Percent Increase	Dollar Increase
5	\$ 12.49	\$ 12.54	\$ 15.98	27.9 %	\$ 3.49	27.5 %	\$ 3.44
10	\$ 17.98	\$ 18.07	\$ 21.96	22.1 %	\$ 3.98	21.5 %	\$ 3.89
15	\$ 23.48	\$ 23.61	\$ 27.94	19.0 %	\$ 4.46	18.4 %	\$ 4.33
20	\$ 28.97	\$ 29.14	\$ 33.92	17.1 %	\$ 4.95	16.4 %	\$ 4.78
25	\$ 34.46	\$ 34.68	\$ 39.90	15.8 %	\$ 5.44	15.1 %	\$ 5.22
30	\$ 39.95	\$ 40.21	\$ 45.88	14.8 %	\$ 5.93	14.1 %	\$ 5.67
35	\$ 45.44	\$ 45.75	\$ 51.86	14.1 %	\$ 6.41	13.4 %	\$ 6.11
40	\$ 50.93	\$ 51.28	\$ 57.84	13.5 %	\$ 6.90	12.8 %	\$ 6.55
45	\$ 56.43	\$ 56.82	\$ 63.82	13.1 %	\$ 7.39	12.3 %	\$ 7.00
50	\$ 61.92	\$ 62.35	\$ 69.80	12.7 %	\$ 7.88	11.9 %	\$ 7.44
55	\$ 67.41	\$ 67.89	\$ 75.78	12.4 %	\$ 8.36	11.6 %	\$ 7.89
60	\$ 72.90	\$ 73.42	\$ 81.75	12.1 %	\$ 8.85	11.3 %	\$ 8.33
65	\$ 78.39	\$ 78.96	\$ 87.73	11.9 %	\$ 9.34	11.1 %	\$ 8.78
70	\$ 83.89	\$ 84.49	\$ 93.71	11.7 %	\$ 9.83	10.9 %	\$ 9.22
75	\$ 89.38	\$ 90.03	\$ 99.69	11.5 %	\$ 10.32	10.7 %	\$ 9.66
80	\$ 94.87	\$ 95.56	\$ 105.67	11.4 %	\$ 10.80	10.6 %	\$ 10.11
85	\$ 100.36	\$ 101.10	\$ 111.65	11.3 %	\$ 11.29	10.4 %	\$ 10.55
90	\$ 105.85	\$ 106.64	\$ 117.63	11.1 %	\$ 11.78	10.3 %	\$ 11.00
95	\$ 111.35	\$ 112.17	\$ 123.61	11.0 %	\$ 12.27	10.2 %	\$ 11.44
100	\$ 116.84	\$ 117.71	\$ 129.59	10.9 %	\$ 12.75	10.1 %	\$ 11.89

Peoples Gas System - West Florida Division

Bill Comparisons - Present, Interim & Company - Requested Rates

RESIDENTIAL USAGE (AVERAGE USAGE: 20 THERMS PER MONTH)

PRESENT RATES		APPROVED INTERIM RATES		COMPANY REQUESTED RATES			
Customer Charge \$7.00		Customer Charge \$7.00		Customer Charge \$10.00			
Energy Charge (Cents per Therm) 32.525		Energy Charge (Cents per Therm) 33.238		Energy Charge (Cents per Therm) 50.871			
PGA - September 2002 (Cents per Therm) 61.537		PGA - September 2002 (Cents per Therm) 61.537		PGA - September 2002 (Cents per Therm) 61.537			
Conservation (Cents per Therm) 12.793		Conservation (Cents per Therm) 12.793		Conservation (Cents per Therm) 12.793			
				INCREASE Present vs. Co. Requested		INCREASE Interim vs. Co. Requested	
Therm Usage	Present Monthly Bill	Approved Interim Monthly Bill	Company Requested Monthly Bill	Percent Increase	Dollar Increase	Percent Increase	Dollar Increase
5	\$ 12.34	\$ 12.38	\$ 16.26	31.7 %	\$ 3.92	31.4 %	\$ 3.88
10	\$ 17.69	\$ 17.76	\$ 22.52	27.3 %	\$ 4.83	26.8 %	\$ 4.76
15	\$ 23.03	\$ 23.14	\$ 28.78	25.0 %	\$ 5.75	24.4 %	\$ 5.64
20	\$ 28.37	\$ 28.51	\$ 35.04	23.5 %	\$ 6.67	22.9 %	\$ 6.53
25	\$ 33.71	\$ 33.89	\$ 41.30	22.5 %	\$ 7.59	21.9 %	\$ 7.41
30	\$ 39.06	\$ 39.27	\$ 47.56	21.8 %	\$ 8.50	21.1 %	\$ 8.29
35	\$ 44.40	\$ 44.65	\$ 53.82	21.2 %	\$ 9.42	20.5 %	\$ 9.17
40	\$ 49.74	\$ 50.03	\$ 60.08	20.8 %	\$ 10.34	20.1 %	\$ 10.05
45	\$ 55.08	\$ 55.41	\$ 66.34	20.4 %	\$ 11.26	19.7 %	\$ 10.93
50	\$ 60.43	\$ 60.78	\$ 72.60	20.1 %	\$ 12.17	19.4 %	\$ 11.82
55	\$ 65.77	\$ 66.16	\$ 78.86	19.9 %	\$ 13.09	19.2 %	\$ 12.70
60	\$ 71.11	\$ 71.54	\$ 85.12	19.7 %	\$ 14.01	19.0 %	\$ 13.58
65	\$ 76.46	\$ 76.92	\$ 91.38	19.5 %	\$ 14.92	18.8 %	\$ 14.46
70	\$ 81.80	\$ 82.30	\$ 97.64	19.4 %	\$ 15.84	18.6 %	\$ 15.34
75	\$ 87.14	\$ 87.68	\$103.90	19.2 %	\$ 16.76	18.5 %	\$ 16.22
80	\$ 92.48	\$ 93.05	\$110.16	19.1 %	\$ 17.68	18.4 %	\$ 17.11
85	\$ 97.83	\$ 98.43	\$116.42	19.0 %	\$ 18.59	18.3 %	\$ 17.99
90	\$103.17	\$103.81	\$122.68	18.9 %	\$ 19.51	18.2 %	\$ 18.87
95	\$108.51	\$109.19	\$128.94	18.8 %	\$ 20.43	18.1 %	\$ 19.75
100	\$113.86	\$114.57	\$135.20	18.7 %	\$ 21.35	18.0 %	\$ 20.63

STAMP

Florida Public Service Commission
Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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