

FLORIDA PUBLIC SERVICE COMMISSION
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Tallahassee, Florida 32399-0850

M E M O R A N D U M

APRIL 4, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF APPEALS (MOORE) *CTM DS*
DIVISION OF ELECTRIC & GAS (MILLS) *CHBB*
DIVISION OF RESEARCH & REGULATORY REVIEW (HARLOW) *JDJ*

RE: DOCKET NO. 960169-GU - PROPOSED REPEAL OF RULE 25-7.067,
F.A.C., HEATING VALUE STANDARD FOR MANUFACTURED GAS; RULE
25-7.068, F.A.C., HEATING VALUE TESTS; AND RULE 25-7.069,
F.A.C., CALORIMETER EQUIPMENT; AND AMENDMENT OF RULE 25-
7.085(2)(c), F.A.C., CUSTOMER BILLING

AGENDA: 4/16/96 - REGULAR' AGENDA - RULE PROPOSAL - INTERESTED
PERSONS MAY PARTICIPATE

RULE STATUS: PROPOSAL MAY BE DEFERRED

SPECIAL INSTRUCTIONS: I:\PSC\APP\WP\960169GU.RCM

CASE BACKGROUND

The Commission and other state agencies were asked by the President of the Florida Senate last year to identify rules that are unnecessary, redundant, overlapping, or obsolete. In its response to that request, the Commission identified the rules in this docket as obsolete and stated that it would proceed with repealing them.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission repeal Rules 25-7.067, 25-7.068, and 25-7.069, Florida Administrative Code, and amend Rule 25-7.085(2)(c), to delete the provision about manufactured gas utilities?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Rules 25-7.067, 25-7.068, and 25-7.069, Florida Administrative Code, require manufactured gas utilities to maintain

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FPSC-RECORDS/REPORTING

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a standard heating value; require certain heating value tests; and require utilities to maintain or have access to calorimeter equipment to measure heating value. The second sentence of Rule 25-7.085(2)(c) prescribes the heating value factor for manufactured gas utilities. Staff recommends repeal of these rules because no manufactured gas utilities have been located in Florida for the past 20 to 30 years, and none are expected to locate within the State in the foreseeable future. The heating value tests and calorimeter equipment prescribed by the rules were used predominantly for manufactured gas and are not needed now.

Repeal of these rules does not result in a "substantial increase in costs" or "significant adverse effects" to the parties directly affected; therefore, an Economic Impact Statement is not required and none was prepared. (Attachment 2)

ISSUE 2: If no requests for hearing or comments are filed, should the rule repeal as proposed be filed for adoption with the Secretary of State and the docket be closed?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Unless comments or requests for hearing are filed, the rule proposed may be filed with the Secretary of State without further Commission action. The docket may then be closed.

CTM/

Attachments:
Recommended Rules
Economic Impact Memorandum

1
2 25-7.067 Heating Value Standard for Manufactured Gas.

3 ~~(1) Each manufactured gas utility shall establish and~~
4 ~~maintain, with the approval of the Commission, a standard heating~~
5 ~~value for its product. This heating value standard, expressed in~~
6 ~~BTU per standard cubic foot, shall be filed with the Commission as~~
7 ~~a part of its schedule of rates or rules and regulations.~~

8 ~~(2) The monthly average heating value of the manufactured~~
9 ~~gas, as delivered to consumers within the area served, shall be not~~
10 ~~less than the heating value standard on file with the Commission.~~

11 ~~(3) The heating value of the manufactured gas shall be~~
12 ~~maintained with as little deviation as practicable and the average~~
13 ~~total heating value on any one day should not exceed or fall below~~
14 ~~the authorized standard by more than four percent (4%) except when~~
15 ~~a substitute gas is used in accordance with the provisions of (5)~~
16 ~~of this rule.~~

17 ~~(4) In maintaining the established heating value, the~~
18 ~~chemical composition and specific gravity shall be such as to~~
19 ~~attain satisfactory combustion in the customer's appliances at all~~
20 ~~times without repeated readjustment of the burners.~~

21 ~~(5) In situations where a supplemental or substitute gas is~~
22 ~~distributed by a utility, the gas quality shall be such that the~~
23 ~~utilization performance, when used as a fuel, will be satisfactory~~
24 ~~regardless of the heating value of the gas.~~

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CODING: Words underlined are additions; words in
~~struck through~~ type are deletions from existing law.

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~~(6) No utility shall change its standard of heating value without first obtaining the approval of the Commission for such change.~~

Specific Authority: 366.05(1), F.S.

Law Implemented: 366.05(1), F.S.

History: Repromulgated 1/8/75, 5/4/75, formerly 25-7.67, Repealed

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2 ~~25-7.068 Heating Value Tests.~~

3 ~~(1) Tests for heating value shall be made at a location or~~
4 ~~locations which will insure a representative sampling of the gas~~
5 ~~being sent out to the distribution system.~~

6 ~~(2) Any utility supplying manufactured or mixed gas shall~~
7 ~~determine the heating value of such gas at least once each day,~~
8 ~~except Sundays and holidays.~~

9 ~~(3) Any utility supplying natural gas shall make sufficient~~
10 ~~tests, or have access to such tests made by its supplier, as to~~
11 ~~ascertain the heating value.~~

12 ~~(4) Unless the Commission rules otherwise in specific cases,~~
13 ~~the average for any day shall be determined from the record of a~~
14 ~~recording calorimeter where such is available, or it shall be taken~~
15 ~~as the average of the results of all tests of heating value made on~~
16 ~~that day. The average of all such daily averages shall be taken as~~
17 ~~the monthly average.~~

18 ~~(5) Gas which has been compressed to more than five (5)~~
19 ~~pounds per square inch shall be tested for heating value after~~
20 ~~compression, except natural gas.~~

21 Specific Authority: 366.05, F.S.

22 Law Implemented: 366.05, F.S.

23 History: Repromulgated 1/8/75, 5/4/75, formerly 25-7.68, Repealed

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2 ~~25-7.069 Calorimeter Equipment.~~

3 ~~(1) The utility shall maintain or have access to an approved~~
4 ~~type calorimeter located as specified in Rule 25-7.068(1).~~

5 ~~(2) The utility may use a standard recording calorimeter which~~
6 ~~shall be maintained in proper working order and shall be subjected~~
7 ~~to accuracy tests at least three times a year at four month~~
8 ~~intervals with a standard calorimeter or against a standard gas.~~

9 ~~(3) The calorimeter, method of testing, and accuracy tests~~
10 ~~shall be subject to inspection and approval of the Commission.~~

11 Specific Authority: 366.05(1), F.S.

12 Law Implemented: 366.05(3), F.S.

13 History: Repromulgated 1/8/75, 5/4/75, formerly 25-7.69, Repealed

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25-7.085 Customer Billing.

(1) Bills shall be rendered monthly. With the exception of a duplicate bill, each customer's bill shall show at least the following information:

(a) - (j) No Change.

(2) All gas utilities shall charge for gas service on a thermal basis instead of on a volume basis. The provisions governing customer billing on a thermal basis shall be as follows:

(a) The unit of service shall be the "Therm."

(b) The number of therms which shall have been taken by consumer during a given period shall be determined by multiplying the difference in the meter readings in cubic feet at the beginning and end of the period by the conversion factors in (1) (h) including a heating-value factor which has been determined as prescribed in (c) below.

(c) The heating-value factor for gas utilities receiving and distributing natural gas shall be the average thermal value of the natural gas received and distributed during the preceding month. ~~For manufactured gas utilities the heating value factor shall be the heating value standard which the utility has on file with the Commission, divided by 100,000, provided that during the calendar month nearest coinciding with the billing period the average heating value as determined under Rule 25-7.068(4) is at or above that standard.~~ In case the average heating value during the

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calendar month has been below the standard, then the value to be used in determining the factor shall be the heating value standard minus a deduction of one percent (1%) for each one percent (1%) or fraction thereof that the average heating value has been below the standard.

(d) The consumer shall be billed to the nearest one-tenth of a therm.

(3) - (7) No change

Specific Authority: 366.05(1), F.S.

Law Implemented: 366.05(1), 366.06(1), F.S.

History: Amended 12/15/73, Repromulgated 1/8/75, amended 5/4/75, 11/21/82, 12/26/82, formerly 25-7.85, Amended 10/10/95, _____.

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MEMORANDUM

January 29, 1996

TO: DIVISION OF APPEALS (Moore)

FROM: DIVISION OF RESEARCH AND REGULATORY REVIEW (Harlow) *JGH PA EMB*

SUBJECT: ECONOMIC IMPACT STATEMENT FOR PROPOSED REPEAL OF RULES 25-7.067, FAC, HEATING VALUE STANDARD FOR MANUFACTURED GAS; 25-7.068, FAC, HEATING VALUE TEST; AND 25-7.069, FAC, CALORIMETER EQUIPMENT

The rules referenced above apply to manufactured gas utilities. The rules currently require the utilities to: (1) maintain a standard heating value, (2) perform heating value tests, and (3) maintain or have access to a calorimeter.

Staff has proposed the repeal of these rules because no manufactured gas utilities have been located within Florida since the early 1960's. No manufactured gas utilities are expected to locate within the state in the foreseeable future. Therefore, the rules can be repealed with no effect on utilities, customers or staff, beyond the costs associated with the rule repeal itself.

Florida Statutes require an agency to prepare an economic impact statement if a rule revision results in any "substantial increase in costs" or "significant adverse effects" to the parties directly affected, including state and local governmental entities. Since no additional costs or adverse impacts have been identified, there is no need for preparation of an EIS for the proposed rule changes.

Please keep my name on the CASR.

JGH:tf/e-memo96

cc: Mary Andrews Bane
Hurd Reeves