

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy conservation cost
recovery clause.

DOCKET NO. 990002-EG
ORDER NO. PSC-99-0197-PHO-EG
ISSUED: February 8, 1999

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on Thursday, January 27, 1999, in Tallahassee, Florida, before Commissioner Susan F. Clark, as Prehearing Officer.

APPEARANCES:

KATHRYN COWDERY, ESQUIRE, AND WAYNE SCHIEFELBEIN, ESQUIRE, Ruden McClosky Smith Schuster & Russell, P.A., 215 South Monroe Street, Suite 815, Tallahassee, Florida 32301
On behalf of Chesapeake Utilities Corporation (CUC).

MICHAEL A. PALECKI, ESQUIRE, NUI Corporation, 955 East 25th Street, Hialeah, Florida 33013
On behalf of City Gas Company of Florida (CGC).

ANSLEY WATSON, JR., ESQUIRE and JAMES M. ROBINSON IV, ESQUIRE, Macfarlane Ferguson & McMullen, P.O. Box 1531, Tampa, Florida 33601
On behalf of Peoples Gas System (PGS and PGS-WFD).

KENNETH A. HOFFMAN, ESQUIRE, Rutledge Ecenia Underwood Purnell and Hoffman, P.A., P.O. Box 551, Tallahassee, Florida 32302
On behalf of Florida Public Utilities Company (FPUC).

JAMES D. BEASLEY, ESQUIRE and LEE L. WILLIS, ESQUIRE, Ausley & McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company (TECO).

JOHN W. McWHIRTER, Jr., ESQUIRE, McWhirter Reeves McGlothlin Davidson Decker Kaufman Arnold & Steen, P.A., Post Office Box 3350, Tampa, Florida 33601; and JOSEPH A. McGLOTHLIN, ESQUIRE, and VICKI GORDON KAUFMAN, ESQUIRE, McWhirter Reeves McGlothlin Davidson Decker Kaufman Arnold & Steen, P.A., 117 South Gadsden Street, Tallahassee, Florida 32301.
On behalf of the Florida Industrial Power Users Group (FIPUG).

JOHN ROGER HOWE, ESQUIRE, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399
On behalf of the Citizens of the State of Florida (OPC).

DOCUMENT NUMBER-DATE

01602 FEB-89

FPSC-RECORDS/REPORTING

GRACE A. JAYE, ESQUIRE, Florida Public Service Commission,
2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Commission Staff (STAFF).

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 fuel cost, energy conservation cost, purchased gas cost, and environmental cost recovery proceedings, a hearing is set for February 10, 1999, in this docket. The hearing will address the issues set out in the body of this prehearing order. Subsequent to the Prehearing held January 27, 1999, the parties have reached agreement concerning all issues identified for resolution at the February 10, 1999, hearing. Therefore, the case will be presented to the panel as a stipulation.

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.

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

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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. 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

- * Witnesses whose names are preceded by an asterisk (*) have been excused. The parties have stipulated that the testimony of those witnesses will be inserted in to the record as though read, and cross-examination will be waived. The parties have also stipulated that all exhibits submitted with those witnesses' testimony shall be identified as shown in Section VII of this Prehearing Order and be admitted into the record.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
*Beverly A. Bauck	CUC	1, 2
*Carl Smith	CGC	1, 2
*Debbie Stitt	SJNG	1, 2
*V.I. Krutsinger	PGS/PGS-WFD	1, 2
*Michael A. Peacock	FPUC	1, 2
*Howard T. Bryant	TECO	1, 2

VII. BASIC POSITIONS

CUC: Chesapeake stipulates with staff's numbers.

CGC: City Gas stipulates to staff's numbers.

PGS and

PGS-WFD: Peoples Gas System, including Peoples West Florida Division, stipulates to staff's numbers.

SJNG: St. Joe Natural Gas stipulates with staff's numbers.

FPUC
MARIANNA and
FPUC
FERNANDINA:

FPUC Marianna and FPUC Fernandina stipulate to staff's numbers.

TECO: TECO stipulates to staff's numbers.

FIPUG: No position.

OPC: None.

STAFF: Based on the agreement of all parties taking a position to the amounts, factors, and effective dates detailed in Issues 1-3, staff recommends approval of true-up amounts, factors, and effective dates.

VIII. ISSUES AND POSITIONS

Generic Conservation Cost Recovery Issues

STIPULATED

ISSUE 1: What is the final end-of-the-period true-up amount for the period October 1, 1997 through March 31, 1998?

POSITION:

Gas:

CUC:	\$ 61,063	Underrecovery
CGC:	\$ 239,738	Overrecovery
PGS:	\$1,527,481	Overrecovery
PGS-WFD:	\$ 357,250	Overrecovery
SJNG:	\$ 1,909	Underrecovery

Electric:

FPUC (MARIANNA):	\$112,506	Over Recovery
FPUC (FERNANDINA BEACH):	\$137,457	Over Recovery
TECO:	\$975,858	Over Recovery

STIPULATED

ISSUE 2: What are the appropriate conservation cost recovery factors for the period April 1999 through December 1999?

POSITION:

Gas:

CUC:	<u>Rate Class</u>	<u>ECCR Factor</u>
	Residential	6.517 cents/therm
	Commercial	1.881 cents/therm
	Commercial-Large Volume I	1.307 cents/therm
	Commercial-Large Volume II	.605 cents/therm
	Firm Transportation	.544 cents/therm
CGC:	<u>Rate Class</u>	<u>ECCR Factor</u>
	Residential (RS, ED, & GL)	5.078 cents/therm
	Commercial (CS, ED, CTS & SCTS)	1.189 cents/therm
	Commercial-Large Volume (LCS)	.972 cents/therm
PGS:	<u>Rate Class</u>	<u>ECCR Factor</u>
	Residential	6.823 cents/therm
	Small Commercial	6.043 cents/therm
	Commercial	2.250 cents/therm
	Commercial-Large Volume I	1.813 cents/therm
	Commercial-Large Volume II	1.317 cents/therm
	General Transportation	
	Service-Large Volume II	1.317 cents/therm
	Street Lighting	0.766 cents/therm
	NGVTS	0.594 cents/therm
PGS-WFD:	<u>Rate Class</u>	<u>ECCR Factor</u>
	Residential	4.687 cents/therm
	Commercial	1.315 cents/therm
	Commercial-Large Volume I	.990 cents/therm
	Commercial-Large Volume	
	Transportation	.990 cents/therm
	Industrial	.961 cents/therm
	Firm Transportation	.354 cents/therm
	Special Contract	.224 cents/therm

<u>SJNG:</u>	<u>Rate Class</u>	<u>ECCR Factor</u>
	Residential	.149 cents/therm
	Commercial	.189 cents/therm
	Commercial-Large Volume	.081 cents/therm

Electric:

Staff has some concerns that ECCR expenses associated with advertising of FPUC's "Good Cents" program for both Marianna and Fernandina Beach may not meet the requirements of Rule 25-17.015, Florida Administrative Code. Staff has requested further information on the program from the Company to allow staff to make a recommendation to the Commission as to whether FPUC's "Good Cents" advertising should be recoverable under as an ECCR expense. Staff and FPUC have agreed to investigate the matter before the November hearing in this docket and report to the Commission at that time. During this true-up period (April 1-December 31, 1999) the Company will hold the expense associated with the advertising program subject to refund with interest if the Commission determines that the advertisements do not meet the criteria of Rule 25-17.015, Florida Administrative Code.

<u>Rate Class</u>	<u>ECCR Factor</u>
Residential	0.029 cents/Kwh

<u>Rate Class</u>	<u>ECCR Factor</u>
Residential	0.011 cents/Kwh

TECO:

<u>Rate Class</u>	<u>ECCR Factor</u>
Residential	0.132 cents/Kwh
General Svc. Non-Demand	0.118 cents/Kwh
General Svc. Demand	0.104 cents/Kwh
@ Primary Voltage	0.103 cents/Kwh
General Svc. Large Demand	0.098 cents/Kwh
@ Primary Voltage	0.097 cents/Kwh
@ Subtransmission Voltage	0.096 cents/Kwh
Lighting	0.059 cents/Kwh
Interruptible	0.017 cents/Kwh

STIPULATED

ISSUE 3: What should be the effective date of the new conservation cost recovery factors for billing purposes?

The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period April 1, 1999, through December 31, 1999. Billing cycles may start before April 1, 1999, and the last cycle may be read after December 31, 1999, so that each customer is billed for nine months regardless of when the adjustment factor becomes effective.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Bauck	CUC	<u>(BAB - 1)</u>	True-up variance analysis [Schedules CT1 through CT6]
Bauck	CUC	<u>(BAB - 2)</u>	Projections Recovery Clause Calculation: Estimated ECCR charges by rate classification; [Schedule C1; Schedule C2; Schedule c3; Schedule C4]
Smith	CGC	<u>(CS - 1)</u>	Schedules C-1, C-2, C-3 and C-5

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Krutsinger	PGS/PGS-WFD	<u> </u> (VIK - 1)	Conservation cost recovery true-up data (October 1997 - March 1998) consisting of schedules CT-1 through CT-6 (except PGS West Florida Region)
Krutsinger	PGS/PGS-WFD	<u> </u> (VIK - 2)	Conservation cost recovery true-up data (October 1997 - March 1998) consisting of schedules CT-1 through CT-6 (PGS West Florida Region)
Krutsinger	PGS/PGS-WFD	<u> </u> (VIK - 3)	Data for development of conservation cost recovery factor (April - December 1999), consisting of schedules C-1 through C-5 (except PGS West Florida Region)
Krutsinger	PGS/PGS-WFD	<u> </u> (VIK - 4)	Data for development of conservation cost recovery factor (April - December 1999), consisting of schedules C-1 through C-5 (PGS West Florida Region)

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Stitt	SJNG	_____	Schedules C1 through C4
Peacock	FPUC	_____ (MAP - 2) Composite	T r u e - u p calculations and schedules CT-1 through CT-6 (Marianna and Fernandina Beach Divisions) -- prefiled September 2, 1998
Peacock	FPUC	_____ (MAP - 1)	Schedules C-1, C-2, C-3, C-4 and C-5 (Marianna and Fernandina Beach Divisions) -- prefiled December 7, 1998
Bryant	TECO	_____ (HTB - 1)	S c h e d u l e s supporting cost recovery factor, actual October 1997 through March 1998
Bryant	TECO	_____ (HTB - 2)	S c h e d u l e s supporting conservation costs projected for the period April 1, 1999 through December 1999.

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

X. PROPOSED STIPULATIONS

All issues have been stipulated.

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XI. PENDING MOTIONS

There are no pending motions at this time.

XII. PENDING RULINGS

Counsel representing companies whose issues have been stipulated shall be excused from attending the hearing for this docket. In addition, companies whose issues have been stipulated shall not be required to file post-hearing statements.

It is therefore,

ORDERED by Commissioner Susan F. Clark, 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 Susan F. Clark, as Prehearing Officer, this 8th day of February, 1999.



SUSAN F. CLARK
Commissioner and Prehearing Officer

(S E A L)

GAJ

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.