# ORIGINAL BROWN

# BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for a rate increase by the Florida Division of Chesapeake Utilities Corporation

Docket No. 000108-GU

# REQUEST FOR OFFICIAL RECOGNITION OR NOTICE

The Florida Division of Chesapeake Utilities Corporation, by and through undersigned counsel, and pursuant to Section 90.202(2) and (12), and 90.203, Florida Statutes, and generally accepted Commission practice, requests that the Commission take notice of and officially recognize the following Commission orders:

- Order No. 11162 (September 13, 1982) and Consummating Order No. 11293 (November 1, 1982), issued in Docket No. 820364-GU, Petition of City Gas Company for an increase in rates and charges.
- Order No. PSC-95-0219-PCO-GU (February 16, 1995) and Order No. PSC-95-0301-PCO-GU (March 2, 1995), issued in Docket No. 940620-GU, Application for rate increase by Florida Public Utilities Company.

Attached are copies of the foregoing orders as published in the FPSC Reporter, except for Consummating Order No. 11293, which, not having been published, is submitted in the form of a certified copy by the Commission.

The undersigned counsel has consulted with Staff Counsel who indicated that Staff would not oppose this Request.

Wayne L. Schiefelbein

P.O. Box 15856

Tallahassee, FL 32308-5856

yre L. Schiefelben

(850) 422-1013

(850) 531-0011

Attorney for the Florida Division of Chesapeake Utilities Corporation

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## **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been hand-delivered to W. Cochran Keating, IV, Esq., Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, this 6<sup>th</sup> day of October, 2000.

Wayne L. Schiefelbein

### FLORIDA PUBLIC SERVICE COMMISSION REPORTER

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of City Gas Company ) DOCKET NO. 820364-GU for an increase in rates and charges. ) ORDER NO. 11162 | ISSUED: 9-13-82

The following Commissioners participated in the disposition of this matter:

JOSEPH P. CRESSE, Chairman JOHN R. MARKS, III KATIE NICHOLS

#### NOTICE OF PROPOSED AGENCY ACTION

BY THE COMMISSION:

City Gas Company of Florida (City Gas) is a Florida corporation engaged in the sale and distribution of natural gas to the public and is, therefore, subject to the jurisdiction of this Commission pursuant to Section 366.02(1), Florida Statutes.

In 1981, Docket No. 810004-GU was initiated by the Petition of City Gas for approval of proposed rate schedules designed to generate additional revenues in the amount of \$4,451,687 annually. By Order No. 10192 the Commission suspended City Gas' proposed permanent rates but granted the utility interim rate relief of \$855,455 annually. On November 6, 1981, Order No. 10395 was published authorizing the utility to place into effect new rate schedules designed to generate additional revenues of \$3,708,276 on an annual basis. Included in the calculation of this \$3,708,276 increase was a \$258,107 pro forms decrease in net operating income to recognize City Gas' loss of a portion of its sales to its largest customer, Lonestar Florida, Inc., when Lonestar converted its largest cement kiln from natural gas to coal.

On July 8, 1982, City Gas filed with the Commission a Petition for Proposed Agency Action requesting an interim and permanent increase in its rates and charges "in order to reflect the unanticipated loss of all revenue from a single, unique, and financially significant customer, Lonestar Florida, Inc., and the concomitant erosion of the rate of return approved by the Commission for City Gas in this Docket by Order No. 10395 issued on November 6, 1981". The petition alleged that prior to the conversion of its largest kiln from natural gas to coal, Lonestar had accounted for approximately 30% of the utility's gross operating revenues as booked. Notwithstanding the conversion of its largest kiln, Lonestar had been projected to continue gas purchases for its remaining kilns aggregating just under \$6,000,000 of revenue annually, or approximately 17% of City Gas' gross operating revenues. According to the petition, Lonestar continued its reduced level of natural gas purchases from City Gas until on or about May 11, 1982, when it suspended all purchases of natural gas because of its closing of its Dade County cement plant. Additionally, on June 11, 1982, Lonestar formally notified the utility of the cancellation of its gas purchase contract in accordance with the terms of that contract.

In further support of its petition for relief, City Gas alleges that the drastic loss of net operating revenue resulting from the cancellation of the Lonestar contract was not and could not have been anticipated at the time of the last full rate

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proceeding in Docket No. 810004-GU. In requesting rate relief through the proposed agency action methodology, City Gas suggests that while immediate financial relief is imperative, a new full rate proceeding is not essential for four reasons:

- The termination of the Lonestar contract is a unique and extraordinary event affecting the ability of the utility to earn its authorized rate of return;
- The resulting revenue loss is a discrete and isolated event, with a measurable financial impact;
- 3. The hardship imposed by the revenue loss is an unusual circumstance of the type to warrant rule waivers as permitted by Rule 25-7.02(2), Florida Administrative Code; and
- 4. The occurrence of this large revenue loss so soon after the completion of a full rate case allows for the use of current, familiar and verified data from the full case instead of requiring the filing of new minimum filing requirements (MFR's) for the petition.

Accordingly, City Gas has requested by its petition that the Commission:

- Waive the MFR's prescribed by Rules 25-7.39 and 25-7.40(1), Florida Administrative Code;
- Incorporate by reference in this proceeding all testimony, exhibits and materials from its full rate proceeding in Docket No. 810004-GU;
- Immediately approve the collection of additional revenues aggregating \$505,152 on an interim basis; and
- 4. Approve a permanent rate increase in the same amount as promptly as possible.

Subsequently, on July 22, 1982, the Company filed a Supplement to its petition reflecting a reduction in rate base of \$27,754, a reduction in operation and maintenance expenses of \$727, and a depreciation and amortization adjustment of \$4,406 due to the loss of the Lonestar contract. In view of these adjustments, City Gas reduced its requested rate reliaf from \$505,152 to \$494,180.

The Commission Staff has sudited City Gas' request based on the original test year in Docket No. 810004-GU ended March 31, 1981, and the most recent 12-month period ended June 30, 1982. Additionally, the Commission Staff has confirmed the cancellation of the Lonestar contract. Based upon its examination of City Gas' books and records, the Staff has found that for the twelve months ended June 30, 1982, the utility has earned an adjusted 8.12% rate of return (recognizing the loss of revenues from Lonestar) and 8.80% after allowing the requested \$494,180 increase. Each of the rates of returns is below the utility's currently authorized rate of return of 10.46% (See Schedules 4-6 attached to this Order). As a result of its investigation, the Commission Staff has recommended that the utility be granted a gross annual revenue increase of \$494,180 and that the increase be allocated to the company's residential and commercial classes in the same manner as the increase in the last full rate case. (See Schedule 7).

# FLORIDA PUBLIC SERVICE COMMISSION REPORTER

ORDER NO. 11162 DOCKET NO. 820364-GU PAGE THREE

In light of the specific facts of this case, we shall grant the waivers requested and approve the requested rate relief, subject to the right of affected persons to request a formal hearing on the matter.

We find, as alleged in the petition, that City Gas' loss of its largest customer is a singularly unique and traceable event warranting the grant of a revenue increase through proposed agency action where there is no request for either increased operating and maintenance expenses or a greater rate of return and, further, where the reductions in rate base and operating and maintenance expenses associated with the lost customer can be clearly defined and removed.

In provisionally granting the requested rate increase, we also will grant City Gas' request to waive the requirement of filing new MFR's for this case, as well as its request to incorporate in this case, by reference, the entire record of the utility's recently completed full rate case in Docket No. 810004-GU. We do so because we find that the data contained in the record of the full rate proceeding is sufficiently "fresh" for the purposes of the request in this petition and because doing so will save the utility's ratepayers the susbstantial rate case expense associated with preparing new MFR's and prosecuting a formal rate hearing.

In view of the above, it is

ORDERED AND NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the proposed permanent rate schedules accompanying the Petition filed by City Gas Company of Florida in this docket be and the same are hereby suspended pursuant to the provisions of Section 366.06(4), Florida Statutes, pending a final order in this docket.

ORDERED by the Florida Public Service Commission that Notice is hereby given of its Proposed Agency Action of granting to City Gas of Florida a permanent increase in its gross annual revenues in the amount of \$494,180. It is further

ORDERED that Notice is given of the Commission's Proposed Agency Action in granting City Gas' request for waiver of the requirements of Rules 25-7.39 and 25-7.40, Florida Administrative Code, regarding MFR's and its request to incorporate, by reference, the entire record of its last full rate case in Docket No. 810004-GU. It is further

ORDERED that Notice hereof shall be given in accordance with Section 120.57, Florida Statutes. It is further

ORDERED that City Gas shall publish 1/4 page newspaper notices of this proposed agency action in newspapers of general circulation in its service area. Said notices shall describe the proposed agency action and shall advise affected persons how a formal hearing may be requested. The notice shall be published twice; the first notice to be published no later than September 17, 1982 and the second notice on September 24, 1982. The newspaper notice shall be submitted to the Commission's Electric and Gas Department for prior approval.

ORDERED that, if requested by any affected person, within 14 days after publication of notice hereof in the Florida Administrative Weekly, a public hearing on the matter will be held at a time and location to be announced by separate notice. It is further

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ORDERED that this Order and the proposed rate increase shall become effective on the 22nd day after publication of notice in the Florida Administrative Weekly if no formal hearing is requested. It is further

ORDERED that if no formal hearing is requested in the prescribed time, City Gas Company of Florida shall be authorized to file rate schedules designed to generate \$494,180 in additional annual revenues over and above that of the test year ended March 31, 1981, said schedules to become effective with bills rendered for meter readings made on or after November 1, 1982. It is further

ORDERED that the utility include in each bill during the first billing cycle during which this increase is effective a bill stuffer explaining the nature of the increase, average level of increase, a summary of the tariff changes and the reasons therefore. Said bill stuffer shall be submitted to the Commission's Electric and Gas Department for approval prior to implementation.

ORDERED that City Gas shall notify this Commission, in writing within 10 days of connecting any customer whose projected annual sales equal 15% of City Gas' annual gas sales.

By ORDER of the Florida Public Service Commission, this 13th day of September 1982.

(SEAL)

STEVE TRIBBLE COMMISSION CLERK BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of City Gas Company for an increase in rates and charges.

DOCKET NO. 820364-GU
ORDER NO. 11293
ISSUED: 11-01-82

### CONSUMMATING ORDER

#### YITHE COMMISSION:

By Order No. 11162, this Commission proposed to take certain die on the distribution of Formal Proceeding as provided in the 25-22-29, Florida Administrative Code. No response the proposed to the order and it has become effective. It is,

ORDS ED to the Florida Public Service Commission that Order (c) 11/16 . and the same is hereby effective and final in the minute and thing the fime as provided in Rule 25-22.29(6),

Old Commission, this

STEVE TRIBBLE COMMISSION CLERK

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believe we clearly have the authority to do that, for cost recovery purposes. If it appears as the case proceeds that FPC is asking for something other than approval of the modifications for cost recovery under the provisions of the Commission's cogeneration rules, Montenay/Dade will have the opportunity to renew its objection to the scope of the petition.

To prevail on its motion to dismiss, Montenay-Dade must demonstrate that the facts alleged in FPC's petition, when viewed in the light most favorable to FPC, fail to set forth any claim that the Commission can resolve. We find that FPC has adequately pleaded a claim that the Commission has the authority to resolve, and the motion to dismiss is therefore denied.

It is therefore

ORDERED by the Florida Public Service Commission that the Motion to Dismiss filed by Metro-Dade County/Montenay-Dade is denied. It is further

ORDERED that this docket shall remain open pending resolution of the substantive issues of the case.

By ORDER of the Florida Public Service Commission, this 16th day of February, 1995.

BLANCA S. BAYÓ, Director Division of Records and Reporting

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a rate increase by FLORIDA PUBLIC UTILITIES COMPANY.

DOCKET NO. 940620-GU ORDER NO. PSC-95-0219-PCO-GU ISSUED: February 16, 1995

# ORDER GRANTING LEAVE TO FILE SUPPLEMENTAL TESTIMONY AND EXHIBITS

On February 8, 1995, Florida Public Utilities Company (FPUC) filed its request for leave to file supplemental direct testimony and exhibits by February 16, 1995. FPUC asserts that supplemental testimony is needed to correct and modify its cost of service analysis with respect to the direct assignment of plant to the Large Volume Interruptible (LVI) Service and Transportation rates and the allocation of customer advances. Mr. Marc L. Schneidermann, FPUC's Manager of Engineering and Gas Supply, will file such testimony and related exhibits. Staff does not oppose FPUC's request.

Accordingly, it is found that permitting FPUC to file supplemental testimony on the limited subject areas described above would be fair and will permit an orderly examination of FPUC's rate case; therefore FPUC's request should be granted.

In consideration of the foregoing

ORDERED by Chairman Susan F. Clark, as Prehearing Officer, that Florida Public Utilities Company shall be permitted to file supplemental testimony and exhibits as described in the body of this Order. It is further

ORDERED that Florida Public Utilities Company shall file its supplemental testimony and exhibits by February 16, 1995.

By ORDER of Chairman Susan F. Clark, as Prehearing Officer, this 16th day of February, 1995.

SUSAN F. CLARK, Chairman and Prehearing Officer

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Re: Proposed Rules 25-4.0761, F.A.C., Local Exchange Company Pay Telephone Rate Caps, and 25-24.516, F.A.C., Non-Local Exchange Company Pay Telephone Rate Caps; and proposed amendment to Rule 25-24.515, F.A.C., Pay Telephone Service

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DOCKET NO. 950107-TP ORDER NO. PSC-95-0220-NOR-TP ISSUED: February 17, 1995

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman

J. TERRY DEASON

JOE GARCIA

JULIA L. JOHNSON

DIANE K. KIESLING

### NOTICE OF RULEMAKING

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has initiated rulemaking to adopt new Rules 25-4.0761 and 25-24.516 and to amend Rule 25-24.515, Florida Administrative Code, relating to pay telephone rate caps.

The attached Notice of Rulemaking will appear in the February 24, 1995, edition of the Florida Administrative Weekly.

If timely requested, a hearing will be held at the following time and place:

95 FPSC 3:102

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for rate increase by FLORIDA UTILITIES

DOCKET NO. 940620-GU ORDER NO. PSC-95-0301-PCO-GU

COMPANY.

ISSUED: March 2, 1995

### ORDER GRANTING FLORIDA PUBLIC UTILITIES COMPANY'S MOTION FOR LEAVE TO FILE SUPPLEMENTAL RATE BASE TESTIMONY AND EXHIBITS AND ESTABLISHING A SCHEDULE OF ACTIVITIES

On February 24, 1995, Florida Public Utilities Company (FPUC or Company) filed its Motion for Leave to File Supplemental Rate Base Testimony and Exhibits (motion) by March 3, 1995. According to FPUC, corrections to calculations of its 1994 intermediate year and 1995 projected test year are needed to reflect certain adjustments. These adjustments include missing construction, update for 1994 actuals, change in depreciation rates, delay in general office construction, reallocation of non-regulated plant and cost advances for construction. It is anticipated that the testimony and exhibits will be filed by George M. Bachman and/or Cheryl M. Martin.

FPUC asserts that supplemental testimony and exhibits would avoid confusion and promote an orderly examination of its rate case. Our staff agrees with the company, however staff would like a reasonable opportunity to review the adjustments and to assess their impact on the company's rate base calculation and the effect on net operating income. To this end, staff and the company jointly propose the following schedule of activities:

- FPUC shall file supplemental testimony and exhibits by (1) March 3, 1995.
- Staff will submit interrogatories and/or document **(2)** requests regarding such testimony by March 10, 1995.
- FPUC shall respond to any interrogatories and document (3) requests by March 21, 1995.
- Staff shall file rebuttal testimony, if necessary, by March (4) 27, 1995.
- Staff shall depose the individual(s) filing such (5) supplemental testimony and exhibits, if necessary, by March 27, 1995.

Upon consideration, the above schedule of activities is found to be reasonable and fair, therefore, FPUC's motion should be granted. In order to accommodate these activities, the March 17, 1995 discovery completion date established for this docket in Order No. PSC-94-1485-PCO-GU shall be extended to March 27, 1995.

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nable and activities. No. PSC- In consideration of the foregoing, it is

ORDERED by Chairman Susan F. Clark, as Prehearing Officer, that Florida Public Utilities Company's Motion for Leave to File Supplemental Rate Base Testimony and Exhibits is approved. It is further

ORDERED that the schedule of activities set forth in the body of this order is approved. It is further

ORDERED that the discovery completion date established for this docket in Order No. PSC-94-1485-PCO-GU is extended to March 27, 1995. Order No. PSC-94-1485-PCO-GU is reaffirmed in all other respects.

By ORDER of Chairman Susan F. Clark, as Prehearing Officer, this 2nd day of March, 1995.

> SUSAN F. CLARK, Chairman and Prehearing Officer

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for staffassisted rate case in Volusia County by PINE ISLAND UTILITY CORPORATION

In Re: Application for staffassisted rate case in Volusia county by PINE ISLAND UTILITY CORPORATION

**DOCKET NO. 910276-WS** 

**DOCKET NO. 940982-WS** ORDER NO. PSC-95-0302-FOF-WS ISSUED: March 3, 1995

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman J. TERRY DEASON JOE GARCIA JULIA L. JOHNSON DIANE K. KIESLING

ORDER PERMANENTLY SUSPENDING SHOW CAUSE PROCEEDING, PERMANENTLY SUSPENDING A FINE. FINDING UTILITY NOT TO BE REQUIRED TO SHOW CAUSE, GRANTING EMERGENCY RATE RELIEF SUBJECT TO REFUND, CLOSING