

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.

DOCKET NO. 20170004-GU
ORDER NO. PSC-2017-0435-FOF-GU
ISSUED: November 14, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
ART GRAHAM
RONALD A. BRISÉ
DONALD J. POLMANN
GARY F. CLARK

APPEARANCES:

GREGORY M. MUNSON, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South Monroe Street, Suite 601, Tallahassee, Florida 32301
On behalf of the Florida City Gas (FCG)

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South Monroe Street, Suite 601, Tallahassee, Florida 32301
On behalf of the Florida Public Utilities Company (FPUC), Florida Public Utilities Company - Indiantown Division (Indiantown), and Florida Public Utilities Company – Fort Meade (Fort Meade), and the Florida Division of Chesapeake Utilities Corporation

CHARLES J. REHWINKEL, PATRICIA CHRISTENSEN, ERIK SAYLER, STEPHANIE MORSE, and J.R. KELLY, ESQUIRES 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)

STEPHANIE CUELLO, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff)

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission

KEITH HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Florida Public Service Commission General Counsel

FINAL ORDER APPROVING NATURAL GAS CONSERVATION COST RECOVERY AMOUNTS AND ESTABLISHING NATURAL GAS CONSERVATION COST RECOVERY FACTORS FOR JANUARY 2018 THROUGH DECEMBER 2018

BY THE COMMISSION:

BACKGROUND

As part of the Florida Public Service Commission's continuing natural gas conservation cost recovery clause proceedings, an administrative hearing was held on October 25, 2017. Florida Division of Chesapeake Utilities Corporation (CUC), Florida Public Utilities Company (FPUC), Florida Public Utilities Company – Indiantown (Indiantown), Florida Public Utilities Company – Fort Meade (Fort Meade)¹, Florida City Gas (FCG), Sebring Gas System, Inc. (Sebring), Peoples Gas System (PGS), and St. Joe Natural Gas Company (SJNG) submitted testimony and exhibits in support of their proposed final and estimated true-up amounts and their conservation cost recovery factors. Prior to the hearing, the parties reached an agreement concerning all issues identified for resolution at the hearing. The Office of Public Counsel took no position. Sebring, PGS, and SJNG were excused from the hearing. We have jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S.

The parties stipulated to the final and estimated true-up amounts and purchased gas cost recovery factors appropriate for each utility. We accept and approve the stipulations as reasonable and find they are supported by competent, substantial evidence of record, as set forth below.

¹ Florida Division of Chesapeake Utilities Corporation (CUC), Florida Public Utilities Company (FPUC), Florida Public Utilities Company – Indiantown (Indiantown), and Florida Public Utilities Company – Fort Meade (Fort Meade), are collectively referred to as the “Consolidated Companies.”

DECISION

Conservation Cost Recovery Factors

We find the appropriate final conservation cost recovery true-up amounts for the January 2016 through December 2016 are as follows:

FCG	\$325,523 over-recovery
FPUC Consolidated Companies	\$169,605 over-recovery
PGS	\$606,371 under-recovery
SGS	\$8,491 under-recovery
SJNG	\$17,951 under-recovery

We find the appropriate conservation cost adjustment actual/estimated true-up amounts for the period January 2017 through December 2017 are as follows:

FCG	\$599,751 over-recovery
FPUC Consolidated Companies	\$778,201 over-recovery
PGS	\$1,567,598 under-recovery
SGS	\$2,582 under-recovery
SJNG	\$32,966 under-recovery

We find the appropriate total conservation adjustment true-up amounts to be collected/refunded from January 2018 through December 2018 are as follows:

FCG	\$925,274 over-recovery
FPUC Consolidated Companies	\$947,806 over-recovery
PGS	\$2,173,969 under-recovery
SGS	\$11,073 under-recovery
SJNG	\$50,917 under-recovery

We find the total conservation cost recovery amounts to be collected during the period January 2018 through December 2018 are as follows:

FCG	\$4,383,452
FPUC Consolidated Companies	\$3,881,244
PGS	\$16,997,630
SGS	\$55,749
SJNG	\$189,567

We find the appropriate conservation cost recovery factors for the period January 2018 through December 2018 are as follows:

FCG:

<u>RATE CLASS</u>	<u>ECCR Factor</u>
GS-1, GS-100, GS-220, RSG, CSG (Sales & Transportation)	\$0.12996
GS-600 (Sales & Transportation)	\$0.06042
GS-1200 (Sales & Transportation)	\$0.03710
GS-6k (Sales & Transportation)	\$0.03098
GS-25000 (Sales & Transportation)	\$0.03071
GS-60000 (Sales & Transportation)	\$0.02928
Gas Lights	\$0.05981
GS-120000 (Sales & Transportation)	\$0.02168
GS-250000 (Sales & Transportation)	\$0.02024

FPUC:CUC

<u>Rate Class</u>	<u>ECCR Factor</u>
FTS-A	\$ 0.19641
FTS-B	\$ 0.14849
FTS-1	\$ 0.12980
FTS-2	\$ 0.06840
FTS-2.1	\$ 0.05000
FTS-3	\$ 0.04353
FTS-3.1	\$ 0.03237
FTS-4	\$ 0.02735
FTS-5	\$ 0.02384

FTS-6	\$	0.01960
FTS-7	\$	0.01384
FTS-8	\$	0.01225
FTS-9	\$	0.01031
FTS-10	\$	0.00947
FTS-11	\$	0.00780
FTS-12	\$	0.00667

CUC also seeks approval of the following experimental per bill Conservation Cost Recovery Adjustment (Experimental) factors:

<u>Rate Class</u>	<u>ECCR Factor (\$ per bill)</u>
FTS-A	\$1.20
FTS-B	\$1.57
FTS-1	\$1.98
FTS-2	\$4.00
FTS-2.1	\$5.71
FTS-3	\$14.15
FTS-3.1	\$19.50

FPUC and FPU-Fort Meade

<u>Rate Class</u>	<u>ECCR Factor</u>
RESIDENTIAL	\$0.07936
COMMERCIAL SMALL (Gen Srv GS1 & GS1 Transportation <600)	\$0.04732
COMMERCIAL SMALL (Gen Srv GS2 & GS2 Transportation >600)	\$0.03684
COMM. LRG VOLUME	\$0.03047

(Large Vol & LV
Transportation <,> 50,000
units)

NATURAL GAS VEHICLES \$0.01496

Indiantown

<u>Rate Class</u>	<u>ECCR Factor</u>
TS1 (INDIANTOWN DIVISION)	\$0.07721
TS2 (INDIANTOWN DIVISION)	\$0.01142
TS3 (INDIANTOWN DIVISION)	\$0.03049
TS4 (INDIANTOWN DIVISION)	\$0.00000

PGS:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.09921
Residential Standby Generator	\$0.09921
Small General Service	\$0.05982
Commercial Standby Generator	\$0.02985
General Service 1	\$0.02985
General Service 2	\$0.02174
General Service 3	\$0.01806
General Service 4	\$0.01336
General Service 5	\$0.00980
Commercial Street Lighting	\$0.01577
Natural Gas Vehicle Service	\$0.01844

SGS:

<u>RATE CLASS</u>	<u>ECCR Factor</u>
TS-1	\$0.18218/therm
TS-2	\$0.08440/therm
TS-3	\$0.04943/therm
TS-4	\$0.04157/therm

SJNG:

<u>RATE CLASS</u>	<u>ECCR Factor</u>
RS-1	\$0.44277
RS-2	\$0.26916
RS-3	\$0.20359
GS-1	\$0.17729
GS-2	\$0.08111
GS-4/TS-4	\$0.03728

Tariff Revisions Reflecting Natural Gas Conservation Cost Recovery Amounts and Establishing Natural Gas Conservation Cost Recovery Factors

We find the revised tariffs reflecting the new energy conservation cost charges determined to be appropriate in this proceeding, are approved. We direct our staff to verify that the revised tariffs are consistent with this Order.

Conservation Cost Recovery Effective Date for 2018 Billing Cycle

The factors approved by us as reflected above shall be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2018 through December 2018. Billing cycles may start before January 1, 2018 and the last cycle may be read after December 31, 2018, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

Docket to Remain Open

While a separate docket number is assigned each year, this is a continuing docket and should remain open for administrative convenience.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations, findings, and rulings set forth in the body of this Order are hereby approved. It is further

ORDERED that each utility that was a party to this docket shall abide by the stipulations, findings, and rulings herein which are applicable to it. It is further

ORDERED that the utilities named herein are authorized to collect the natural gas conservation cost recovery amounts and utilize the factors approved herein for the period beginning with the specified conservation cost recovery cycle and thereafter for the period January 2018 through December 2018. Billing cycles may start before January 1, 2018, and the last cycle may be read after December 31, 2018, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. It is further

ORDERED that the utilities' revised tariffs, reflecting the natural gas conservation cost recovery amounts and establishing natural gas conservation cost recovery factors determined to be appropriate herein, are approved. Our staff shall verify that the revised tariffs are consistent with this Order. It is further

ORDERED that the Natural Gas Conservation Cost Recovery Clause docket is ongoing and the docket shall remain open.

By ORDER of the Florida Public Service Commission this 14th day of November, 2017.



HONG WANG
Chief Deputy Commission Clerk
Florida Public Service Commission
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Tallahassee, Florida 32399
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SAC

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.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) 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 and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.