

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of tariff filing to implement experimental small commercial transportation service (rate schedule SCTS), and standards for third party supplier (rate schedule TPS) by City Gas Company of Florida.

DOCKET NO. 971084-GU  
ORDER NO. PSC-97-1536-FOF-GU  
ISSUED: December 8, 1997

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING TARIFF FOR EXPERIMENTAL  
SMALL COMMERCIAL TRANSPORTATION SERVICE  
AND STANDARDS FOR THIRD PARTY SUPPLIERS

BY THE COMMISSION:

On August 21, 1997, City Gas Company of Florida ("City Gas" or "Company") filed a request for approval to implement an experimental Small Commercial Transportation Service Rate Schedule ("Rate Schedule SCTS") and a Standards for Third Party Suppliers Rate Schedule ("Rate Schedule TPS"). On October 3, 1997, City Gas filed an amendment to its petition.

By its request, as amended, City Gas seeks to further unbundle its system by making available to additional qualifying customers the option to purchase natural gas directly from third party suppliers for one year. This service will be limited to (a) customers with multiple meters at one contiguous location, provided that in the aggregate the customer's consumption is equal to or greater than the minimum necessary (120,000 therms annually) to qualify for transportation under the Company's tariffs; (b) customers who install gas equipment to qualify for the Company's Load Profile Enhancement Discount; and (c) small commercial customers who neither meet minimum threshold requirements for transportation service nor qualify for the Load Profile Enhancement Rider, provided that their third party supplier adds incremental load in an equivalent volumetric amount to the customer's annual

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consumption. The purpose of proposed Rate Schedule SCTS is to allow a limited number of customers to accept transportation service, as the next step in the Company's unbundling process, without the requirement of purchasing expensive telemetering equipment.

Currently, for a customer to qualify for transportation service, the throughput of each of the customer's meters must meet or exceed the 120,000 therm threshold. Under proposed Rate Schedule SCTS, a customer having multiple meters will be given the opportunity to purchase natural gas directly from third party suppliers for all of the customer's gas needs, even though certain of the customer's individual meters would fail to meet the 120,000 therm threshold. Under proposed Rate Schedule SCTS, customers will not be charged to designate their initial third party supplier. However, customers will be charged a \$50.00 fee to cover administrative costs if they elect to change their third party supplier during a twelve month period.

Proposed Rate Schedule SCTS will have the same customer charge and non-fuel energy charge as City Gas' Rate Schedule CS, unless a meter qualifies individually for another rate schedule. The SCTS rate will be the same as the customer's bundled rate for that particular meter, absent the purchased gas adjustment charge.

Upon review, we find that proposed experimental Rate Schedule SCTS is reasonable and should be approved. We further find that, in order to enable this Commission to evaluate the success of this experimental rate schedule, City Gas should file the following information with the Commission on a quarterly basis: (1) the number of participating customers from each of the three groups eligible to participate under Rate Schedule SCTS; (2) the number of third party suppliers providing service to those customers; (3) the volume of gas, in therms, being transported under Rate Schedule SCTS for each of the three eligible customer groups; (4) a narrative of any problems in implementation of the rate schedule; and (5) monthly adjustments between receipts and deliveries for the customer's average daily delivered quantity. In addition, we find that City Gas should file a final report within 90 days of the conclusion of the experiment. If City Gas desires to implement Rate Schedule SCTS on a permanent basis, it must petition this Commission for approval.

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The provisions of proposed Rate Schedule TPS will apply to brokers, marketers, and other third party suppliers of natural gas that wish to act as agents for transportation customers or deliver natural gas to the Company's city gate for transportation customers. Under proposed Rate Schedule TPS, creditworthiness or financial standards are required to ensure that suppliers and marketers who may be liable for imbalance or nonperformance penalties are financially sound and able to meet their financial responsibilities. This tariff provision would establish such financial capability and creditworthiness standards for third party suppliers. Upon review, we find that proposed Rate Schedule TPS is reasonable and should be approved.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that City Gas Company of Florida's proposed experimental Small Commercial Transportation Service Rate Schedule is approved as discussed in the body of this Order. It is further

ORDERED that City Gas Company of Florida's proposed Standards for Third Party Suppliers Rate Schedule is approved. It is further

ORDERED that if a protest is filed in accordance with the requirements set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 8th day of December, 1997.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

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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.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 29, 1997.

In the absence of such a petition, this Order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting 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 of the date this Order becomes final, 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.