

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of ) DOCKET NO. 960185-GU  
off-system sales rate schedule ) ORDER NO. PSC-96-0482-FOF-GU  
(Rate Schedule OSS) by City Gas ) ISSUED: April 5, 1996  
Company of Florida. )  
\_\_\_\_\_ )

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 APPROVING CITY GAS COMPANY OF FLORIDA'S  
OFF-SYSTEM SALES RATE SCHEDULE

BY THE COMMISSION:

On February 15, 1996, City Gas Company of Florida (City Gas) filed a petition for approval of its Off-System Sales Rate Schedule (Rate Schedule OSS). Rate Schedule OSS is similar to the Load Development Tariff we approved in Order No. PSC-94-0680-FOF-GU which allows City Gas to reduce its reservation charges by sales of natural gas and available pipeline capacity to Orlando Utilities Commission. Under Rate Schedule OSS, City Gas now proposes to allow the opportunity for additional sales to any customer not connected to the Company's distribution system.

At various times, the demands of City Gas' customers are less than the total firm capacity reserved by City Gas on Florida Gas Transmission Pipeline (FGT). This takes place for two reasons. First, historically, the capacity of FGT's pipeline system has been constrained. City Gas can increase its capacity only when FGT expands its system, thus City Gas has had to reserve sufficient capacity on the pipeline to provide for system growth during the periods between such expansions. Second, due to fluctuations in its customers' requirements for gas, coupled with the seasonal limitations FGT has placed on subscriptions of capacity, some of the capacity reserved by City Gas becomes available from time to time. Whether or not all of the reserved capacity is used by City Gas or its customers, City Gas must pay the fixed reservation

DOCUMENT NUMBER-DATE

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FD-50 (REV. 10-20-80) REPORTING

ORDER NO. PSC-96-0482-FOF-GU  
DOCKET NO. 960185-GU  
PAGE 2

charges to the pipeline. These reservation charges are borne by all of City Gas' sales customers through the Purchased Gas Adjustment (PGA) Clause.

City Gas will offer sales under Rate Schedule OSS only when it has available capacity on FGT. Customers will not be required to take minimum quantities in order to participate in transactions under the new rate schedule.

In making sales under the OSS Rate Schedule, City Gas will recover all variable costs associated with the quantities of gas sold. In order to offset the administrative expense, City Gas proposes a \$100.00 charge for each transaction in lieu of a monthly customer charge. This charge will be credited to the PGA clause to ensure that City Gas' firm sales customers actually receive the benefits through the reduction in the PGA charges.

City Gas will determine the Non Gas Energy Charge based on competitive conditions existing at the time of each transaction. City Gas has incorporated a 50/50 sharing mechanism in Rate Schedule OSS, whereby both City Gas and its customers benefit from the non gas revenues generated from the off-system or opportunity sales. That is, City Gas will retain 50% of non-gas revenues above the line, and the firm sales customers will receive 50% through a credit to the costs of purchases in the PGA clause. Because off-system sales will improve City Gas' system load factor and provide additional revenues to meet the company's revenue requirements, we find that the proposed Off-System Rate Schedule should be approved, to become effective March 19, 1996.

Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that City Gas Company of Florida's Off-System Sales Rate schedule is hereby 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.

ORDER NO. PSC-96-0482-FOF-GU  
DOCKET NO. 960185-GU  
PAGE 3

By ORDER of the Florida Public Service Commission, this 5th  
day of April, 1996.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

by: Kay Flynn  
Chief, Bureau of Records

( S E A L )

VDJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

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 April 26, 1996.

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.

ORDER NO. PSC-96-0482-FOF-GU  
DOCKET NO. 960185-GU  
PAGE 4

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.