

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Unbundling of Natural) DOCKET NO. 960725-GU
Gas Services) ORDER NO. PSC-96-0844-PCO-GU
_____) ISSUED: July 2, 1996

ORDER ESTABLISHING PROCEDURE

The purpose of this proceeding is to investigate the unbundling of gas services for all investor-owned gas utilities in the State of Florida.

The scope of this proceeding shall be based upon the issues raised by the parties and Commission staff (staff) up to and during the workshops scheduled in this docket. Upon the conclusion of all workshops and comment periods, staff will analyze the information and suggestions gathered through the workshop process. Using that information, staff will compile and present to the Commission a recommendation for proposed agency action pursuant to the provisions of Chapter 120, Florida Statutes, and the rules of this Commission.

Tentative Issues

Attached to this order as Appendix "A" is a tentative list of the issues which have been identified in this proceeding.

Controlling Dates

The following dates have been established to govern the key activities of this case.

- | | |
|--|------------------------|
| 1) Parties Submit Additional Issues | July 23, 1996 |
| 2) Workshop #1 | August 22 - 23, 1996 |
| 3) Comments Due | October 7, 1996 |
| 4) Workshop #2 | October 21 - 22, 1996 |
| 5) Comments Due | December 9, 1996 |
| 6) Workshop #3 | December 12 - 13, 1996 |
| 7) Comments Due | January 27, 1997 |
| 8) Agenda Conference (tentatively set) | April 1, 1997 |

DOCUMENT NUMBER-DATE

07049 JUL-2 96

FPSC-RECORDS/REPORTING

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Intervenors and Other Interested Persons

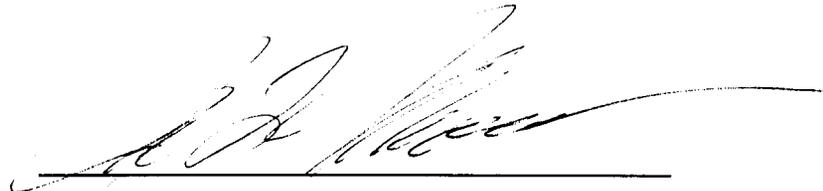
Interested persons, other than Florida's investor-owned gas utilities, wishing to become full parties to this proceeding shall file a petition to intervene, as set forth in Rule 25-22.039, Florida Administrative Code.

Persons that want to participate and to be added to the noticing address file, yet who do not seek party status, may file a written request with the Division of Records and Reporting, as set forth in Rule 25-22.005(6)(a), Florida Administrative Code.

Based upon the foregoing, it is

ORDERED by Commissioner Julia L. Johnson, as Prehearing Officer, that the provisions of this Order shall govern this proceeding unless modified by the Commission.

By ORDER of Commissioner Julia L. Johnson, as Prehearing Officer, this 2nd day of July, 1996.



JULIA L. JOHNSON, Commissioner
and Prehearing Officer

(S E A L)

BC

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.

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.

APPENDIX A

NATURAL GAS UNBUNDLING PROPOSED ISSUES
DOCKET NO. 960725-GU

OBLIGATION TO SERVE / SERVICE OFFERINGS

1. Should the Local Distribution Company (LDC) be required to be the supplier of last resort?
2. Should the LDC be required to offer transportation service to all classes of customers?
3. Should the LDC have the obligation to offer backup or no-notice service for firm transportation customers?
4. Should the LDC be relieved of its obligation to transport if the customer fails to secure firm supplies or backup service?
5. Should the LDC be allowed to use transportation customers' gas in critical need situations?
6. Should LDCs be allowed to curtail gas service to a firm transportation customer who has demonstrated that their gas supply arrived at the LDC city gate?
7. Should the LDC be allowed to require transportation customers using gas for "essential human needs" to contract for standby service?
8. Should the LDC be required to offer customers the ability to combine unbundled and bundled services?
9. Should the LDC be allowed to require a waiting period to transportation customers wanting to return to bundled service?
10. Should the price for transportation service be based on cost of service principles?

BALANCING

11. Should the LDC be required to file balancing tariffs that establish a period when transportation customers can balance deliveries into and out of the utility's system?
12. Should the LDC be allowed to issue Operational Flow Orders and impose special volume conditions and/or balancing provisions in case of system emergencies and capacity constraints?
13. Should the LDC be allowed to impose penalties when a customer fails to balance deliveries and withdrawals within an established time frame?
14. Should the LDC be required to institute a tolerance range for purposes of setting the threshold before an Operational Flow Order is issued?
15. Should balancing obligations, costs and penalties be based on a "no harm/no foul" principle?
16. Should the LDC be allowed to impose metering requirements on the transportation customers to ensure the LDC remains in balance with the pipeline?
17. Should the LDC be allowed to vary the metering requirements between classes?
18. Should the LDC be required to institute:
 - hourly flow limitations
 - mid-day nominations
 - no notice service
 - monthly cash out provisions
 - transportation nomination rules
 - delivery point allocation rules

AGGREGATION

19. Should LDCs be required to have aggregation tariffs?
20. Should capacity releases to aggregators be subject to recall to correct any mismatch between customer load and assigned capacity outside a determined tolerance?

MARKETERS AND AFFILIATED MARKETERS

21. Should the LDCs be allowed to charge marketers penalties for any daily over or under deliveries?
22. Should the LDC be required to develop eligibility policies/standards to evaluate potential marketers?
23. Should the Commission initiate rule-making to establish guidelines for utilities with marketing affiliates?

STRANDED INVESTMENT

24. Should the LDC be allowed to require transportation customers to take capacity held by the LDC?
25. Should the LDC be allowed to require marketers to pay the maximum rate for capacity purchased from an LDC?
26. Should the LDC be allowed to require an exit fee payment when a customer chooses to use third party capacity?
27. Should the LDC be required to make permanent relinquishments of unneeded capacity at max rates to lessen stranded capacity costs?
28. Should the LDC be allowed to institute a temporary Capacity Realignment Adjustment to recoup the LDC's stranded capacity costs?

OTHER ISSUES

29. Should LDCs be required to unbundle meter reading, billing, and collection services?
30. Should the LDCs be required to file unbundled tariffs within 90 days of the issuance of a Commission Order on unbundling?

M E M O R A N D U M

JULY 1, 1996

RECEIVED
JUL 1 1996

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (CULPEPPER) ^{12pm} ~~REC~~-RECORDS/REPORTING
RE: DOCKET NO. 960725-GU-UNBUNDLING OF NATURAL GAS SERVICES
6844-RC6

Attached is an ORDER ESTABLISHING PROCEDURE, with attachments, to be issued in the above-referenced docket.
(Number of pages in Order - ³6)

BC/js
Attachment
cc: Division of Electric and Gas (Bulecza-Banks, Makin)
I:\960725PO.bc

*all
right*

MUST GO TODAY

*Attachments
are on cms*

17/0