

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of
Firm Transportation Supplier
Aggregation (FTA) service rider
by Peoples Gas System, Inc.

DOCKET NO. 961236-GU
ORDER NO. PSC-98-0270-FOF-GU
ISSUED: February 10, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

ORDER APPROVING EXTENSION OF EXPERIMENTAL SERVICE RIDER

BY THE COMMISSION:

On October 14, 1996, Peoples Gas System, Inc. (Peoples) filed a petition for our approval of a one-year optional experimental Firm Transportation Supplier Aggregation Service Rider (Rider FTA). By Order No. PSC-96-1515-FOF-GU, issued December 14, 1996, we approved Peoples' petition. In approving the experimental program, we ordered that this docket remain open pending the issuance of a final order in Docket No. 960725-GU (Unbundling of Natural Gas Services) and that, if a final order had not been issued in that docket prior to the expiration of experimental Rider FTA, Peoples be required to file a petition in the instant docket to end, extend, or convert the pilot program to a full program.

On December 1, 1997, Peoples filed its petition for approval of a one-year extension for its experimental Rider FTA through March 31, 1999. Peoples believes that the requested extension of this pilot program is necessary to allow Peoples to achieve its original objective, i.e., to determine if such a program can provide benefits to participating customers without detriment to the Peoples' other sales service and transportation service customers. Because many customers have participated in the program for only eight months (which has not included a winter demand period), Peoples states that it is currently unable to fully assess the effects of Rider FTA.

DOCUMENT NUMBER-DATE

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ORDER NO. PSC-98-0270-FOF-GU
DOCKET NO. 961236-GU
PAGE 2

In addition, Peoples states that the customers participating in the Rider FTA pilot program may desire that certain modifications be made and Peoples may desire to incorporate those customers' ideas where appropriate. Peoples believes that the extension may also allow it to quantify costs associated with the administration of the program and possibly develop modifications designed to eliminate any detrimental effects on its operations and/or non-participating customers.

Peoples further states that it will petition this Commission, prior to the expiration of the extended term (if approved), for authority to make any changes to the pilot program. To assure that final action may be taken on the petition prior to the requested termination date of the extended program of March 31, 1999, Peoples will file its petition on or before December 1, 1998.

We believe Peoples request is reasonable. Therefore, we find that the requested one year extension of Rider FTA should be approved and that Rider FTA should remain subject to change consistent with any final order issued by the Commission in Docket No. 960725-GU, Unbundling of Natural Gas Services. Approval of this extension will allow Peoples additional time to evaluate the effectiveness of Rider FTA and to potentially develop modifications to improve its effectiveness.

We also find that Peoples should continue to file, on a quarterly basis, with the Division of Records and Reporting, a progress report indicating, but not limited to, the number of customers participating under Rider FTA and the usage per customer by month per marketer/supplier until we issue a final order in Docket No. 960725-GU. In the event Peoples petitions this Commission to end, extend, or convert the pilot program to a full program before we issue a final order in Docket No. 960725-GU, we will address reporting requirements or changes to reporting requirements in that order.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the petition of Peoples Gas System, Inc., for approval of a one-year extension of its optional experimental Firm Transportation Supplier Aggregation Service Rider is granted. It is further

ORDER NO. PSC-98-0270-FOF-GU
DOCKET NO. 961236-GU
PAGE 3

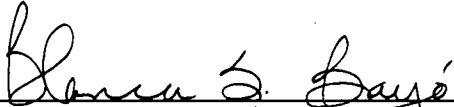
ORDERED that Peoples Gas System, Inc.'s optional experimental Firm Transportation Supplier Aggregation Service Rider shall remain subject to revision, consistent with any final order issued in Docket No. 960725-GU. It is further

ORDERED that Peoples Gas System, Inc., shall continue to file, on a quarterly basis, with the Division of Records and Reporting, a progress report indicating, but not limited to, the number of customers participating under its optional experimental Firm Transportation Supplier Aggregation Service Rider and the usage per customer by month per marketer/supplier until this Commission issues a final order in Docket No. 960725-GU. In the event Peoples Gas System, Inc., petitions this Commission to end, extend, or convert the experimental rider to a full program before we issue a final order in Docket No. 960725-GU, we will address reporting requirements or changes to reporting requirements at that time.

ORDERED that if a protest is filed in accordance with the requirement 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 10th day of February, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

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ORDER NO. PSC-98-0270-FOF-GU
DOCKET NO. 961236-GU
PAGE 4

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 March 3, 1998.

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.

MEMORANDUM

FEBRUARY 9, 1998

RECEIVED

FEB 09 1998
3:15
FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (C. KEATING) *WCK RVE*

RE: DOCKET NO. 961236-GU - PETITION FOR APPROVAL OF FIRM
TRANSPORTATION SUPPLIER AGGREGATION (FTA) SERVICE RIDER
BY PEOPLES GAS SYSTEM, INC.

98-0270-FDF-GU

Attached is an ORDER APPROVING EXTENSION OF EXPERIMENTAL
SERVICE RIDER to be issued in the above referenced docket.
(Number of pages in Order - 4)

WCK/js

Attachment

cc: Division of Electric and Gas (Makin, Bulecza-Banks, Lowery)

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