

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of experimental Rider FTA-2 (Firm Transportation Aggregation Service 2) and modifications to imbalance cashout provisions of Rider FTA program, by Tampa Electric Company d/b/a Peoples Gas System.

DOCKET NO. 990935-GU
ORDER NO. PSC-99-2122-PCO-GU
ISSUED: October 25, 1999

The following Commissioners participated in the disposition of this matter:

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

ORDER SETTING HEARING ON PROPOSED TARIFFS

BY THE COMMISSION:

On October 14, 1996, Peoples Gas System (Peoples) filed a petition to implement a one-year pilot program for a Firm Transportation Supplier Aggregation Service Rider (FTA Rider). The purpose of the FTA Rider was to test a transportation program on a pilot basis to determine the feasibility of providing simplified transportation service to firm customers. By Order No. PSC-96-1515-FOF-GU, issued December 13, 1996, we granted Peoples' petition. By Order No. PSC-98-0270-FOF-GU, issued February 10, 1998, we approved a one-year extension of the FTA Rider through March 31, 1999. By Order No. PSC-98-0489-FOF-GU, issued April 7, 1998, we approved a modification of the FTA rider to permit participating Qualified Aggregation Suppliers (Pool Managers) to exceed the thirty-customer limit established in Peoples' original FTA Rider.

In approving the experimental program and modifications, we ordered that this docket remain open pending the issuance of a final order in Docket No. 960725-GU (Unbundling of Natural Gas Services). If a final order had not been issued in that docket

DOCUMENT NUMBER-DATE

13075 OCT 25 98

FILED FOR PUBLIC REPORTING

ORDER NO. PSC-99-2122-PCO-GU
DOCKET NO. 990935-GU
PAGE 2

prior to the expiration of the one-year extension of the experimental tariff rider, Peoples was required to file a petition in the instant docket to end, extend, or convert the pilot program to a full program. By Order No. PSC-99-0487-FOF-GU, issued March 8, 1999, we approved certain modifications and granted a two-year extension of the FTA Rider through May 31, 2001.

The modified FTA Rider initially provided for participation by no more than 1,000 customer accounts. During April 1999, Peoples had qualified twelve Pool Managers and received applications from approximately 2,700 customer accounts, almost three times the number permitted to participate in the modified program. Peoples filed a revision to the modified program permitting all customers that had applied by the deadline to participate in the program. As a result of the approved modifications to the experimental program, approximately 2,700 customer accounts currently receive transport service from Peoples.

On July 19, 1999, Peoples filed a petition for approval of an experimental Rider FTA-2, and modifications to the imbalance cashout provisions of Rider FTA. On August 17, 1999, Peoples filed an amendment to this petition. This petition, as amended, is the subject of this Order.

In its petition, Peoples indicates that proposed Rider FTA-2 would result in the opportunity for participation in transportation service by additional customers. However, unlike the existing FTA program, proposed Rider FTA-2 limits participation by existing sales service customers. Rider FTA-2 allows new customers the opportunity to transport gas, but only allows existing sales service customers this opportunity if a supplier or marketer has brought new incremental load onto the system. If the supplier or marketer brings on new incremental load, Peoples will allow the supplier or marketer to offer transportation service to existing sales service customers up to the amount of new incremental load. For example, if a marketer was able to bring on new incremental load of 1,000 therms per month, then the marketer can offer transportation service to existing sales service customers up to 1,000 therms per month.

While we acknowledge that proposed Rider FTA-2 provides more limited access to transportation service for existing sales customers than Peoples' original Rider FTA, we also recognize that the existence of Rider FTA-2 will provide access to customers who would otherwise be unable to take transportation service in the

ORDER NO. PSC-99-2122-PCO-GU
DOCKET NO. 990935-GU
PAGE 3

absence of Rider FTA-2. Thus, we believe there are customer benefits to be gained if we were to approve Rider FTA-2.

We are concerned, however, about allegations that Peoples' marketing affiliate, TECO Gas Services, has already effectively gained control of the market for transportation service by soliciting and reaching agreements with new gas customers along the route of Peoples' new pipeline extension in southwest Florida, prior to approval of this proposed tariff. If these allegations prove true, customers seeking transportation service under Rider FTA-2 may have a limited choice of marketers and suppliers and may see few competitive offers for gas supply.

After balancing the potential benefits of the tariff against the significant issues raised by the allegations concerning Peoples' gas marketing affiliate, we find that the best course of action is to take no action on the proposed tariff and set this matter for hearing. At hearing, we can address the question of whether Rider FTA-2 should be approved, the allegations concerning TECO Gas Services' marketing efforts, and the question of whether a different tariff for transportation service would be more appropriate.

We acknowledge that by taking no action on the proposed tariff, it will become effective by operation of law on October 16, 1999, i.e., 60 days from the date of its filing, pursuant to Section 366.06(3), Florida Statutes. In making this decision, we are given some comfort by TECO Gas Services' commitment that it will not sign any customers to gas supply agreements for a period of thirty days from the date the tariff becomes effective.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the petition of Tampa Electric Company d/b/a Peoples Gas System for approval of experimental Rider FTA-2 and modifications to the imbalance cashout provisions of Rider FTA shall be set for a full evidentiary hearing. It is further

ORDERED that this docket shall remain open pending final action by the Florida Public Service Commission to approve or deny the proposed tariff provisions.

ORDER NO. PSC-99-2122-PCO-GU
DOCKET NO. 990935-GU
PAGE 4

By ORDER of the Florida Public Service Commission this 25th
day of October, 1999.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

WCK

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.

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

ORDER NO. PSC-99-2122-PCO-GU
DOCKET NO. 990935-GU
PAGE 5

review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

M E M O R A N D U M

October 25, 1999

RECEIVED-PPSC

OCT 25 PM 1:58

RECORDS AND
REPORTING

TO: DIVISION OF RECORDS AND REPORTING

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

RE: DOCKET NO. 990935-GU - PETITION FOR APPROVAL OF
EXPERIMENTAL RIDER FTA-2 (FIRM TRANSPORTATION AGGREGATION
SERVICE 2) AND MODIFICATIONS TO IMBALANCE CASHOUT
PROVISIONS OF RIDER FTA PROGRAM, BY TAMPA ELECTRIC
COMPANY D/B/A PEOPLES GAS SYSTEM.

2122-PCD

Attached is an ORDER SETTING HEARING ON PROPOSED TARIFFS to be
issued in the above-referenced docket. (Number of pages in Order
- 5)

WCK/sa

Attachment

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

I:990935or.wck

See 2

*pared - 2/10
wanted - 2/10*