

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost) DOCKET NO. 930002-EG
Recovery Factor.) ORDER NO. PSC-93-0256-PHO-EG
) ISSUED: 2/17/93
)

Pursuant to Notice, a Prehearing Conference was held on February 11, 1993, in Tallahassee, Florida, before Chairman J. Terry Deason, as Prehearing Officer.

APPEARANCES:

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On behalf of Florida Power Corporation.

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On behalf of Florida Power & Light Company.

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On behalf of Florida Public Utilities Company and West Florida Natural Gas Company.

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On behalf of Gulf Power Company.

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On behalf of City Gas Company of Florida and Tampa Electric Company.

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On behalf of Chesapeake Utilities Corporation, Florida Division.

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On behalf of Peoples Gas System.

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On behalf of St. Joe Natural Gas Company, Inc.

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On behalf of the Citizens of the State of Florida.

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On behalf of the Staff of the Florida Public Service
Commission.

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Tallahassee, Florida 32399-0863
Counsel to the Commissioners

PREHEARING ORDER

I. CASE BACKGROUND

As part of the Commission's continuing fuel and energy conservation cost and purchased gas cost recovery proceedings, a hearing is set for February 17-19, 1993 in this docket and in Dockets No. 930001-EG and 930003-GU. The following subjects were noticed for hearing in such dockets:

1. Determination of the Proposed Levelized Fuel Adjustment Factors for all investor-owned utilities for the period April, 1993 through September, 1993;
2. Determination of the Estimated Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period October, 1992 through March, 1993, which are to be based on actual data for the period October, 1992 through November, 1992, and revised estimates for the period December, 1992 through March, 1993;
3. Determination of the Final Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period April, 1992 through September, 1992,

which are to be based on actual data for that period;

4. Determination of Projected Conservation Cost Recovery Factors for certain investor-owned electric and gas utilities for the period April, 1993 through September, 1993.
5. Determination of the Estimated Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period October, 1992 through March, 1993, which are to be based on actual data for the period October, 1992 through November, 1992 and revised estimates for the period December, 1992 through March, 1993.
6. Determination of the Final Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period April, 1992 through September, 1992, which are to be based on actual data for that period;
7. Determination of any Projected Oil Backout Cost Recovery Factors for the period April, 1993 through September, 1993, for the cost of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.016, Florida Administrative Code.
8. Determination of the Estimated Oil Backout Cost Recovery True-Up Factors for the period October, 1992 through March, 1993, for the costs of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.016, Florida Administrative Code, which are to be based on actual data for the period October, 1992 through November, 1992, and revised estimates for the period December, 1992 through March, 1993.
9. Determination of the Final Oil Backout True-Up Amounts for the period April, 1992 through September, 1992, which are to be based on actual data for that period;
10. Determination of Generating Performance Incentive Factor Targets and Ranges for the period April, 1993 through September, 1993;

11. Determination of Generating Performance Incentive Factor Rewards and Penalties for the period April, 1992 through September, 1992;
12. Determination of the Purchased Gas Adjustment Factors to be applied during the period April, 1993 through September 1993.

At the prehearing, agreement was reached as to all issues except for the treatment of Florida Power Corporation's Interruptible and Curtailable customers. The only Issues remaining at issue are Issue 8 and, as a result, Issue 3.

II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The

notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Commission Clerk's confidential files.

Post-hearing Procedures

Rule 25-22.056(3)(a), Florida Administrative Code, requires each party to file a post-hearing statement of issues and positions. You must include in that statement, a summary of each position of no more than 50 words, marked with an asterisk. In the absence of the summary statement, the prehearing position on that issue will be used in the staff recommendation. The rule also provides that any issue or position not included in the post-hearing statement is considered waived. If a party's position has

not changed since the prehearing order was issued, the post-hearing statement can simply restate the prehearing position.

All post-hearing memoranda, including findings of fact, conclusions of law, statement of issues and positions, and briefs, shall total no more than 50 pages, and shall be filed simultaneously. Arguments in briefs must be identified by issue number. Proposed findings of fact and conclusions of law are not required. However, if proposed findings of fact are submitted, each one must cite to the record, identifying transcript page and line. All proposed findings of fact which relate to a particular issue shall be grouped together and shall identify the issue number to which they relate. Each proposed finding of fact shall be separately and consecutively numbered. Any written statement which is not clearly designated as a proposed finding of fact shall be considered to be legal argument rather than a proposed finding of fact.

III. PREFILED TESTIMONY AND EXHIBITS

Testimony of all witnesses to be sponsored by the parties has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

IV. ORDER OF WITNESSES

All witnesses except for Mr. Sam Nixon have been excused from appearing. Their prefiled testimony will be inserted into the record as though read and their sponsored exhibits admitted into evidence.

<u>Witness (Direct)</u>	<u>Appearing For</u>	<u>Issues</u>
Sam Nixon ¹	FPC	1, 2, 3, 8
N. G. Hawk	FPL	1-4
Peacock	FPUC	1, 2, 3
J. T. Kilgore, Jr. ²	Gulf	1, 2, 3
Gerard J. Kordecki	TECO	1, 2, 3
William M. Nettles ³	CUC	1, 2, 3
T. D. Anderson	CGS	1, 2, 3
Vernon I. Krutsinger	PGS	1, 2, 3
Debbie Stitt	SJNG	1, 2, 3
Arnold	WFNG	1, 2, 3
Sott	WFNG	2, 3
Goodwin	WFNG	2, 3

¹ Mr. Nixon will adopt the prefiled testimony of P. D. Cleveland.

² Mr. Kilgore will adopt the prefiled testimony of J. F. Young.

³ Mr. Nettles will adopt the prefiled testimony of Ms. Albin.

V. BASIC POSITIONS

FLORIDA POWER CORPORATION (FPC): FPC's true-up amounts and cost recovery factors should be approved as filed.

FLORIDA POWER AND LIGHT COMPANY (FPL): FPL's proposed .205 cents per kWh Conservation Factor for the April 1993 through September 1993 recovery period should be approved.

FLORIDA PUBLIC UTILITIES COMPANY (FPUC): Florida Public Utilities has properly projected its costs and calculated its true-up amounts and conservation cost recovery factors. Its expenses

and projections are prudent, and its conservation cost recovery factors should be approved by the Commission.

GULF POWER COMPANY (GULF): It is the basic position of Gulf Power Company that the proposed ECCR factor presents the best estimate of Gulf's Conservation expense for the period April 1993 through September 1993, including the true-up calculations and other adjustments allowed by the Commission.

TAMPA ELECTRIC COMPANY (TECO): The Commission should determine that Tampa Electric has properly calculated its conservation cost recovery true-up and projections and that the appropriate conservation cost recovery factor to be applied by Tampa Electric during the period April 1993 through September 1993 is 0.007 cents per KWH for interruptible sales and 0.128 cents per KWH for firm sales.

CHESAPEAKE (CUC): The Commission should approve CUC's final adjusted net true-up amount of \$7,701.20 (overrecovery) for the period April 1, 1992 through September 30, 1992, and should approve the estimated true-up amount for the six months ending September 30, 1993, and the projected conservation program expenses for the period April 1, 1993 through September 30, 1993.

The Commission should approve the following ECCR factors for the following rate classes for application to bills rendered for meter readings taken between April 1, 1993 and September 30, 1993:

<u>Rate Class</u>	<u>ECCR Factor</u> <u>cents per therm</u>
GS Residential	.02776
GS Commercial	.00785
GS Commercial Large Volume	.00471
GS Industrial	.00253
Firm Transportation	.00249

CITY GAS COMPANY (CGC): The Commission should determine that City Gas has properly calculated its conservation cost recovery true-up and projections and that the appropriate conservation cost recovery factor to be applied by City Gas during the period April 1993 - September 1993 is 0.06438 cents per therm for the Residential rate class and 0.01774 cents per therm for the Commercial rate class.

PEOPLES GAS SYSTEM (PGS): Based on the audit findings of the Commission Staff, the Commission should approve PGS's final adjusted net true-up amount of \$505,139.33 (underrecovery) for the period April through September 1992, and should approve the

estimated true-up amount for the six months ending March 31, 1993, and the projected conservation program expenses for the six months ending September 30, 1993.

The Commission should approve the following ECCR factors for the following rate classes for application to bills rendered for meter readings taken between April 1 and September 30, 1993:

<u>Rate Class</u>	<u>ECCR Factor</u> <u>(cents per therm)</u>
Residential	7.183
Commercial Street Lighting	0.741
Small Commercial	7.275
Commercial	2.182
Commercial - Large Volume 1	1.752
Commercial - Large Volume 2	1.274

ST. JOE NATURAL GAS COMPANY (SJNG): The Commission should approve the final adjusted net true-up amount for the six month period ending March 31, 1993 including interest, the projected conservation program expenses for the six month period ending September 30, 1993 and the Conservation Cost Recovery Factors to be applied to customer bills rendered for the six month period ending September 30, 1993 as filed by SJNG.

WEST FLORIDA NATURAL GAS (WFNG): West Florida Natural Gas Company has properly projected its costs and calculated its true-up amounts and conservation cost recovery factors. Its expenses and projections are prudent, and its conservation cost recovery factors should be approved by the Commission.

FLORIDA INDUSTRIAL POWER USER GROUP'S (FIPUG): As to FPC, it is FIPUG's position that interruptible/curtail-able customers should not be required to pay for demand-related conservation programs as interruptible/curtailable customers do not contribute to demand.

OPC: None.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

VI. ISSUES AND POSITIONS

Issues noted with an asterisk are fully stipulated.

***ISSUE 1:** What are the appropriate adjusted net true-up recovery amounts for the period April 1992 through September 1992?

FPC: \$ 164,751 overrecovery. (Cleveland)

FPL: \$1,102,623 overrecovery. (N. G. Hawk)

FPUC: Overrecovery \$3,427 (Marianna)
(Peacock)

Overrecovery \$728 (Fernandina Beach)
(Peacock)

GULF: Overrecovery of \$264,821. (Kilgore)

TECO: An underrecovery of \$76,678, including interest.
(Kordecki)

CUC: Agree with staff. (Nettles)

CGC: An overrecovery of \$22,586, including interest.
(Anderson)

PGS: \$505,139 underrecovery. (Krutsinger)

SJNG: \$2,302 overrecovery.

WFNG: Overrecovery \$22,427 (Arnold)

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

OPC: TECO: Agree with Staff.
FPC: Agree with Staff.
FPL: Agree with Staff.
GPC: Agree with Staff.
FPUC: Marianna: Agree with Staff.
Fernandina: Agree with Staff.
WEST FLORIDA: Agree with Staff.
PEOPLES GAS: Agree with Staff.
CHESAPEAKE: Agree with Staff.
CITY GAS: Agree with Staff.
ST. JOE: Agree with Staff.

STAFF: FPC: \$ 164,751 overrecovery
FPL: \$1,102,623 overrecovery
GULF: \$ 264,821 overrecovery
TECO: \$ 76,678 underrecovery
FPUC (Marianna): \$3,427 overrecovery
FPUC (Fernandina Beach): \$ 728 overrecovery
CUC: \$ 7,701 overrecovery.
CGC: \$ 22,586 overrecovery.
PGS: \$ 505,139 underrecovery.
SJNG:\$ 2,302 overrecovery.
WFNG:\$ 22,427 overrecovery.

***ISSUE 2:** What are the appropriate adjusted net estimated amounts for the period October 1992 through March 1993, based on two months of actual data and four months of estimated data?

FPC: An underrecovery in the amount of \$8,137,510.

FPL: \$2,220,870 underrecovery. (N. G. Hawk)

FPUC: Overrecovery \$3,898 (Marianna)
(Peacock)

Overrecovery \$2,917 (Fernandina Beach)
(Peacock)

GULF: Overrecovery of \$280,037. (Kilgore)

TECO: An overrecovery of \$43,910, including interest.
(Kordecki)

CUC: Overrecovery of \$17,103.49 (Nettles)

CGC: An underrecovery of \$55,345, including interest.
(Anderson)

PGS: \$67,167 underrecovery. (Krutsinger)

SJNG: An overrecovery of \$7,485.47.

WFNG: Overrecovery \$24,171
(Arnold, Sott, Goodwin)

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

OPC: TECO: Agree with Staff.
 FPC: Agree with Staff.
 FPL: Agree with Staff.
 GPC: Agree with Staff.
 FPUC: Marianna: Agree with Staff.
 Fernandina: Agree with Staff.
 WEST FLORIDA: Agree with Staff.
 PEOPLES GAS: Agree with Staff.
 CHESAPEAKE: Agree with Staff.
 CITY GAS: Agree with Staff.
 ST. JOE: Agree with Staff.

STAFF: FPC: \$8,137,510 underrecovery
 FPL: \$2,220,870 underrecovery
 GULF: \$ 280,037 overrecovery
 TECO: \$ 43,910 overrecovery
 FPUC (Marianna): \$3,898 overrecovery
 FPUC (Fernandina Beach): \$2,917 overrecovery
 CUC: \$ 17,103 overrecovery.
 CGC: \$ 55,345 underrecovery.
 PGS: \$ 67,167 underrecovery.
 SJNG: \$ 7,485 overrecovery.
 WFNG: \$ 24,171 overrecovery.

ISSUE 3: What is the appropriate conservation cost recovery factor for the period April, 1993 through September, 1993?

Note: This issue is stipulated except for FPC's Curtailable and Interruptible factors.

FPC: Residential: 0.459 cents/kWh.
 General Svc. Non-Demand: 0.363 cents/kWh.
 General Svc. 100% L.F.: 0.289 cents/kWh.
 General Svc. Demand: 0.326 cents/kWh.
 Curtailable: 0.266 cents/kWh.
 Interruptible: 0.278 cents/kWh.
 Lighting: 0.145 cents/kWh.

FPL: The appropriate conservation cost recovery factor is .205 cents per kWh given the Commission's vote at the February 16, 1993 agenda conference giving final approval to FPL's New Home Construction Research Project. (N.G. Hawk)

FPUC: .011 cents per kWh (Marianna)
 (Peacock)

.005 cents per kWh (Fernandina Beach)
(Peacock)

GULF: 0.015 cents per KWH. (Kilgore)

TECO: 0.007 cents per KWH for interruptible sales and 0.128 cents per KWH for firm sales. (Kordecki)

CUC:

<u>Rate Class</u>	<u>ECCR Factor</u> <u>dollars per therm</u>
GS Residential	.02776
GS Commercial	.00785
GS Commercial Large Vol.	.00471
GS Industrial	.00253
Firm Transportation	.00249

CGC: 6.438 cents per therm for the Residential rate class and 1.774 cents per therm for the Commercial rate class. (Anderson)

PGS:

<u>Rate Class</u>	<u>ECCR Factor</u> <u>(cents per therm)</u>
Residential	7.183
Commercial Street Lighting	0.741
Small Commercial	7.275
Commercial	2.182
Commercial-Large Volume 1	1.752
Commercial-Large Volume 2	1.274

(Krutsinger)

SJNG: \$0.01070 per therm for residential, \$0.01729 for commercial and \$0.00685 for large commercial.

WFNG:

Residential	6.406¢/therm
Commercial	1.817¢/therm
Commercial Large Volume	1.306¢/therm
Industrial	0.328¢/therm
Firm Transportation	0.328¢/therm
Special Contract	0.328¢/therm

(Arnold, Sott, Goodwin)

FIPUG: FPC's factors for interruptible/curtailable customers should not include demand-related conservation programs. FIPUG has no position at this time on the other company factors, but reserves the right to take a position on these factors by the date of the prehearing conference.

OPC: TECO: Agree with Staff.

FPC: Agree with Staff.
FPL: Agree with Staff.
GPC: Agree with Staff.
FPUC: Marianna: Agree with Staff.
Fernandina: Agree with Staff.
WEST FLORIDA: Agree with Staff.
PEOPLES GAS: Agree with Staff.
CHESAPEAKE: Agree with Staff.
CITY GAS: Agree with Staff.
ST. JOE: Agree with Staff.

STAFF:

FPC:	.493 cents/kWh (Residential)
	.363 cents/kWh (General Service Non-Demand)
	.289 cents/kWh (General Service)
	.326 cents/kWh (General Service Demand)
	.266 cents/kWh (Curtable)
	.278 cents/kWh (Interruptible)
	.145 cents/kWh (Lighting)
FPL:	.205 cents/kWh
GULF:	.015 cents/kWh
TECO:	.007 cents/kWh (interruptible)
	.128 cents/kWh (firm)
FPUC (Marianna):	.011 cents/kWh
FPUC (Fernandina Beach):	.005 cents/kWh

<u>Rate Class</u>	<u>ECCR Factor</u>
GS - Residential	2.776 cents / therm
GS - Commercial	.785 cents / therm
GS - Commercial Lrg. Vol.	.471 cents / therm
GS - Industrial	.253 cents / therm
Firm Transportation	.249 cents / therm

<u>Rate Class</u>	<u>ECCR Factor</u>
RS - Residential	6.438 cents / therm
CS - Commercial	1.774 cents / therm

<u>Rate Class</u>	<u>ECCR Factor</u>
Residential	7.183 cents / therm
Commercial - St Lighting	.741 cents / therm
Commercial - Small Vol.	7.275 cents / therm
Commercial	2.182 cents / therm
Commercial Lrg. Vol. 1	1.752 cents / therm
Commercial Lrg. Vol. 2	1.274 cents / therm

SJNG:

<u>Rate Class</u>	<u>ECCR Factor</u>
Residential	1.070 cents / therm
Commercial	1.729 cents / therm
Commercial Lrg. Vol.	.685 cents / therm

WFNG:

<u>Rate Class</u>	<u>ECCR Factor</u>
Residential	6.406 cents / therm
Commercial	1.817 cents / therm
Commercial Lrg. Vol.	1.306 cents / therm
Industrial	.328 cents / therm
Firm Transportation	.328 cents / therm
Special Contract	.328 cents / therm

OTHER ISSUES

***ISSUE 4:** Should Florida Power and Light resubmit their estimated/projected schedules to exclude costs for their New Home Construction Research Project?

STIPULATED RESOLUTION: No.

STAFF DISCUSSION: FPL's New Home Construction Research Project was approved by Commission Order PSC-92-1451-FOF-EG which was issued December 15, 1992 to become effective on January 6, 1993 if no significantly impacted party requested a hearing. On January 5, 1993, the Legal Environmental Assistance Foundation, Inc. and Deborah B. Evans (LEAF) petitioned for a Section 120.57(1), F.S., proceeding. The effect of LEAF's petition stayed the implementation of FPL's new Home Construction Research Project at least until after the Commission's vote pursuant to a hearing. As a consequence, FPL volunteered to revise and resubmit their estimated/projected schedules to exclude any costs for this program until the issues could be resolved.

However, after meeting with representatives of FPL, LEAF filed a notice of dismissal of protest on January 28, 1993, resulting in a Staff recommendation to accept LEAF's voluntary dismissal of their protest to Order No. PSC-92-1451-FOF-EG and recommendation to close Docket 921034-EG. The Commission voted to approve Staff's recommendation at the February 16, 1993 agenda conference. Therefore, FPL's filing is correct as submitted.

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***ISSUE 5:** Should the Commission adjust Gulf Power Company's projected cost for the Commercial/Industrial Heat Pipe pilot program for the period April 1993 through September 1993?

STIPULATED RESOLUTION: Yes.

STAFF DISCUSSION: Order 23561, issued October 2, 1990, capped Gulf's expenditures for the pilot Commercial/Industrial Heat Pipe program at \$300,000. The order also required Gulf to file a final report on the Heat Pipe program within 90 days of completion. From October 1990 through March 1993, Gulf will have spent \$289,586 on the pilot program. Since Gulf projects an additional \$27,489 (Schedule C-2, Page 2 of 3) in expenditures for the period April 1993 through September 1993, Gulf will exceed the \$300,000 cap by \$17,075. Staff, therefore, recommends reducing Gulf's projected costs for the period April 1993 through September 1993 from \$945,667 to \$928,582 (Schedule C-1) with the expectation that Gulf will file a recommendation for disposition of the Heat Pipe program during this period. Discounting Gulf's projected costs by \$17,075 does not change Gulf's conservation cost recovery factor of .015 cents/kWh.

***ISSUE 6:** Should the Public Service Commission ask the Florida Department of Revenue for an official ruling on whether utility revenues from the sale of electricity should be net of load management credits for purposes of Gross Receipts Taxes?

STIPULATED RESOLUTION: Yes.

STAFF DISCUSSION: Load management credits are a flat rate credit applied to participants' bills as an incentive for allowing the company to interrupt service for a limited time during periods of peak demand. The effect of these credits is to reduce revenues from the sale of electricity to load management customers. During a Gross Receipts Taxes (GRT) audit of Florida Power Corporation (FPC), it was the opinion of the Florida Department of Revenue (DOR) field auditors that GRT should be applied to FPC's revenues net of load management credits. Based on the DOR audit findings, FPC applied for and received a refund through the DOR Clearwater office (see Issue 7) which verified "gross receipts taxes had been remitted on amounts which in fact had been credited to customers in Florida Power's Residential Load Management Program."

Florida Power and Light Company and Tampa Electric Company, the other two ECCR utilities with load management programs, would like to apply for refunds based on the DOR Clearwater field office findings. However, absent an official ruling from DOR, there is no

guarantee the local field auditors for these utilities will make the same finding nor that such findings might not ultimately be reversed. According to a representative from DOR, pursuing an official DOR ruling at the utility level will take a great deal of time. If, instead, the Public Service Commission requested an expedited generic ruling, DOR would be able to respond quickly and uniformly. Staff will prepare the appropriate pleading for consideration by the panel assigned this docket at a scheduled agenda conference.

***ISSUE 7:** Should Florida Power Corporation's refund from the Florida Department of Revenue for overcollection of Gross Receipts Taxes be credited to the Residential retail rate class?

STIPULATED RESOLUTION: Yes.

ISSUE 8: Should interruptible/curtailable customers be required to pay for demand-related conservation programs?

FPC: Yes.

FIPUG: No. Interruptible and curtailable customers should not be required to pay for DSM programs which are implemented to reduce demand for other customers' classes. Since interruptible and curtailable do not contribute to demand, they should not be responsible for costs attributable to demand-related conservation programs. Therefore, the \$2.2 million of demand-related incremental costs shown on Mr. Cleveland's Exhibit No. PDC-1 (revised), page 1 of 1 should be removed from the calculation of the factor for interruptible and curtailable customers.

STAFF: Yes.

VII. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
P. D. Cleveland ¹	FPC	PDC-1	Revised Summary of Estimated Cost Recovery Clause Calculations
N. G. Hawk	FPL	NGH-1	Schedules C-1 through C-5
N. G. Hawk	FPL	NGH-3	Schedules CT-1 through CT-6
Peacock	FPUC	MAP-2	Schedules CT-1 through CT-6 (Marianna and Fernandina Beach Divisions)
			Schedules C-1 through C-5 (Marianna and Fernandina Beach Divisions)
Kilgore ²	Gulf	JFY-1	Schedules CT-1 through CT-6
		JFY-2	Schedules C-1 through C-5
Kordecki	TECO	GJK-1	Schedules supporting Cost Recovery Factor, actual April through September 1992
Kordecki	TECO	GJK-2	Schedules supporting Conservation Costs Projected for the period April 1, 1993 through September 30, 1993
Albin ³	CUC	PA-1 (composite)	True-up Variance Analysis Schedules CT1 through CT6
Nettles	CUC	WMN-2 (composite)	Projections Recovery Clause Calculation Page 1 Estimated ECCR charges by rate classification Schedule C1 through C5

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Anderson	CGC	TDA-1	Schedules CT-1 through CT-6, Conservation Cost Recovery True-up Data, April 1, 1992 through September 30, 1992 Schedules C-1 through C- 5, (TDA-1) Conservation Cost Recovery Projection Data, April 1, 1993 through September 30, 1993
Krutsinger	PGS	VIK-1	Conservation Cost Recovery True-up Data (April - September 1992) consisting of schedules CT-1 through CT-6. Data for development
Stitt	SJNG	DS-1	Schedules C1 through C5
Arnold	WFNG	CA-1 (composite)	Schedules CT-1 through CT-6
Arnold	WFNG	CA-2 (composite)	Schedules CT1 through C-5

¹ FPC's prefiled exhibits are attached to the prefiled testimony of P. D. Cleveland which will be adopted by Sam Nixon, Jr.

² Gulf's prefiled exhibits are attached to the prefiled testimony of J. F. Young which will be adopted by J. T. Kilgore, Jr.

³ Testimony to be adopted by William Nettles.

Parties and Staff reserve the right to identify additional exhibits for the purposes of cross-examination.

VIII. PROPOSED STIPULATIONS

Issues 1, 2, 4, 5, 6 and 7 are fully stipulated. Issue 3 is stipulated except for the factors to be charged FPC's Interruptible and Curtailable customers. These factors depend on the Commission's decision on Issue 8.

IX. PENDING MOTIONS


None.

X. RULINGS

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that these proceedings shall be governed by this order unless modified by the Commission.

By ORDER of Chairman J. Terry Deason, as Prehearing Officer, this 17th day of February, 1993.


J. TERRY DEASON, Chairman
and Prehearing Officer

(S E A L)

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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 25-22.038(2), 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.

*** NATURAL GAS UTILITIES ***

Issue	CHESAPEAKE UTILITIES CORPORATION					CITY GAS COMPANY				
	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff Position	Difference Co. & Staff	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff Position	Difference Co. & Staff
Prior Period ADJUSTED NET True-up - Apr'92/Sept'92 (Over)/Under Recovery	(\$7,701)	NA	\$0	(\$7,701)	\$0	(\$22,586)	NA	\$0	(\$22,586)	\$0
Current Period ESTIMATED True-Up - Oct'92/Mar'93 (Over)/Under Recovery	(\$17,103)	NA	\$0	(\$17,103)	\$0	\$55,345	NA	\$0	\$55,345	\$0
Future Period Projections Estimated Costs Apr'93/Sept'93	\$76,344	NA	\$0	\$76,344	\$0	\$852,378	NA	\$0	\$852,378	\$0
(Over)/Under Recovery Estimated - Oct'92/Mar'93	(\$17,103)	NA	\$0	(\$17,103)	\$0	\$55,345	NA	\$0	\$55,345	\$0
TOTAL to Recover Estimated - Apr'93/Sept'93	\$59,241	NA	\$0	\$59,241	\$0	\$907,723	NA	\$0	\$907,723	\$0

Issue	PEOPLES GAS SYSTEM, INC.					ST JOE NATURAL GAS COMPANY				
	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff Position	Difference Co. & Staff	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff Position	Difference Co. & Staff
Prior Period ADJUSTED NET True-up - Apr'92/Sept'92 (Over)/Under Recovery	\$505,139	NA	\$0	\$505,139	\$0	(\$2,302)	NA	\$0	(\$2,302)	\$0
Current Period ESTIMATED True-Up - Oct'92/Mar'93 (Over)/Under Recovery	\$67,167	NA	\$0	\$67,167	\$0	(\$7,485)	NA	\$0	(\$7,485)	\$0
Future Period Projections Estimated Costs Apr'93/Sept'93	\$2,797,928	NA	\$0	\$2,797,928	\$0	\$11,221	NA	\$0	\$11,221	\$0
(Over)/Under Recovery Estimated - Oct'92/Mar'93	\$67,167	NA	\$0	\$67,167	\$0	(\$7,485)	NA	\$0	(\$7,485)	\$0
TOTAL to Recover Estimated - Apr'93/Sept'93	\$2,865,095	NA	\$0	\$2,865,095	\$0	\$3,736	NA	\$0	\$3,736	\$0

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Issue	WEST FLORIDA NATURAL GAS				
	Company Position	Pub. Counsel Position	Difference Co. & PC	Staff Position	Difference Co. & Staff
Prior Period ADJUSTED NET True-up - Apr'92/Sept'92 (Over)/Under Recovery	(\$22,427)	NA	\$0	(\$22,427)	\$0
Current Period ESTIMATED True-Up - Oct'92/Mar'93 (Over)/Under Recovery	(\$24,171)	NA	\$0	(\$24,171)	\$0
Future Period Projections Estimated Costs Apr'93/Sept'93	\$329,926	NA	\$0	\$329,926	\$0
(Over)/Under Recovery Estimated - Oct'92/Mar'93	(\$24,171)	NA	\$0	(\$24,171)	\$0
TOTAL to Recover Estimated - Apr'93/Sept'93	\$305,755	NA	\$0	\$305,755	\$0

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*** NATURAL GAS UTILITIES ***
 ESTIMATED ECCR CHARGES BY RATE CLASSIFICATION BASED ON TOTAL CONTRIBUTION
 FOR THE PERIOD - APRIL, 1993 / SEPTEMBER, 1993

CHESAPEAKE UTILITIES CORPORATION

Staff Position										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
RATE CLASS	BILLS	THERM SALES	TOTAL CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL (4+5)	TOTAL ESTIMATED ECCR	% SURCHARGE	DOLLARS PER THERM	REVENUE TAX	ADJUSTMENT FACTOR
GS - RESIDENTIAL	41,585	691,034	270,303	298,015	568,318	18,826	3.31%	0.02724	1.01911	0.02776
GS - COMMERCIAL	4,519	1,818,005	67,785	355,093	422,878	14,008	3.31%	0.00771	1.01911	0.00785
GS - COMMERCIAL - LV	156	650,755	3,120	87,624	90,744	3,006	3.31%	0.00462	1.01911	0.00471
GS - INDUSTRIAL	222	6,048,383	8,880	444,435	453,315	15,017	3.31%	0.00248	1.01911	0.00253
FIRM TRANSPORTATION	24	3,431,250	960	252,128	253,088	8,384	3.31%	0.00244	1.01911	0.00249
TOTAL	46,506	12,639,427	351,048	1,437,295	1,788,343	59,241	3.31%	0.00469	1.01911	0.00478

CITY GAS COMPANY

Staff Position										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
RATE CLASS	BILLS	THERM SALES	TOTAL CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL (4+5)	TOTAL ESTIMATED ECCR	% SURCHARGE	DOLLARS PER THERM	REVENUE TAX	ADJUSTMENT FACTOR
RS - RESIDENTIAL	493,172	8,498,394	2,940,732	2,928,799	5,869,531	545,107	9.29%	0.06414	1.00376	0.06438
CS - COMMERCIAL	25,320	20,516,769	303,840	3,600,693	3,904,533	362,616	9.29%	0.01767	1.00376	0.01774
INTERRUPTIBLE	0	0	0	0	0	0	9.29%	0.00000	1.00376	0.00000
TOTAL	518,492	29,015,163	3,244,572	6,529,492	9,774,064	907,723	9.29%	0.03128	1.00376	0.03140

*** NATURAL GAS UTILITIES ***
 ESTIMATED ECCR CHARGES BY RATE CLASSIFICATION BASED ON TOTAL CONTRIBUTION
 FOR THE PERIOD - APRIL, 1993 / SEPTEMBER, 1993

PEOPLES GAS SYSTEM, INC.

Staff Position

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
RATE CLASS	BILLS	THERM SALES	TOTAL CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL (4+5)	TOTAL ESTIMATED ECCR	% SURCHARGE	DOLLARS PER THERM	REVENUE TAX	ADJUSTMENT FACTOR
RESIDENTIAL	982,750	13,635,564	6,879,250	5,606,535	12,485,785	975,837	7.82%	0.07157	1.00376	0.07183
COMMERCIAL - STREET LT	71	31,914	0	3,015	3,015	236	7.82%	0.00738	1.00376	0.00741
SMALL COMMERCIAL	35018	890400	525270	300403	825,673	64,531	7.82%	0.07247	1.00376	0.07275
COMMERCIAL	78378	38781202	1332426	9452530	10,784,956	842,907	7.82%	0.02173	1.00376	0.02182
COMMERCIAL - LG VOL 1	9,164	49,090,655	229,100	10,731,219	10,960,319	856,613	7.82%	0.01745	1.00376	0.01752
COMMERCIAL - LG VOL 2	174	9,849,362	7,830	1,591,164	1,598,994	124,971	7.82%	0.01269	1.00376	0.01274
INTERRUPTIBLE	0	0	0	0	0	0	7.82%	0.00000	1.00376	0.00000
TOTAL	1,105,555	112,279,097	8,973,876	27,684,866	36,658,742	2,865,095	7.82%	0.02552	1.00376	0.02561

ST JOE NATURAL GAS COMPANY

Staff Position

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
RATE CLASS	BILLS	THERM SALES	TOTAL CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL (4+5)	TOTAL ESTIMATED ECCR	% SURCHARGE	DOLLARS PER THERM	REVENUE TAX	ADJUSTMENT FACTOR
RESIDENTIAL	15,362	281,250	46,547	5,583	52,130	2,922	5.61%	0.01039	1.02960	0.01070
COMMERCIAL	1,024	18,750	5,171	446	5,617	315	5.61%	0.01679	1.02960	0.01729
COMMERCIAL - LG VOL	273	75,000	5,506	3,393	8,899	499	5.61%	0.00665	1.02960	0.00685
INTERRUPTIBLE	0	0	0	0	0	0	5.61%	0.00000	1.02960	0.00000
INTERRUPTIBLE - LG VOL	0	0	0	0	0	0	5.61%	0.00000	1.02960	0.00000
TOTAL	16,659	375,000	57,224	9,422	66,646	3,736	5.61%	0.00996	1.02828	0.01024

*** NATURAL GAS UTILITIES ***
 ESTIMATED ECCR CHARGES BY RATE CLASSIFICATION BASED ON TOTAL CONTRIBUTION
 FOR THE PERIOD - APRIL, 1993 / SEPTEMBER, 1993

WEST FLORIDA NATURAL GAS

Staff Position

(1) RATE CLASS	(2) BILLS	(3) THERM SALES	(4) TOTAL CUSTOMER CHARGE	(5) NON-GAS ENERGY CHARGE	(6) TOTAL (4+5)	(7) TOTAL ESTIMATED ECCR	(8) % SURCHARGE	(9) DOLLARS PER THERM	(10) REVENUE TAX	(11) ADJUSTMENT FACTOR
RESIDENTIAL	144,582	2,809,870	1,012,074	913,910	1,925,984	179,330	9.31%	0.06382	1.00376	0.06406
COMMERCIAL	11,908	3,887,950	119,090	636,768	755,858	70,378	9.31%	0.01810	1.00376	0.01817
COMMERCIAL LARGE VOL	49	1,868,200	2,400	258,559	260,959	24,298	9.31%	0.01301	1.00376	0.01306
INDUSTRIAL	12	593,700	1,200	28,955	30,155	2,808	9.31%	0.00327	1.00376	0.00328
FIRM TRANSPORTATION	18	5933310	1800	289368	291,168	27,111	9.31%	0.00327	1.00376	0.00328
SPECIAL CONTRACT	6	3180600	19656	0	19,656	1,830	9.31%	0.00327	1.00376	0.00328
TOTAL	156,575	18,273,630	1,156,220	2,127,560	3,283,780	305,755		0.01673	1.00376	0.01679

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FLORIDA POWER CORPORATION

Issue	Company's Position							TOTAL	Staffs Position	Difference in Positions
	Residential	General Non-Demand	General 100% L.F.	General Demand	Curtailable	Interruptible	Lighting			
Demand Allocation %	63.422%	2.389%	0.089%	29.393%	0.863%	3.666%	0.158%	100.000%		
Prior Period True-up (Over)/Under Recovery Actual: Apr 92 / Sep 92	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$164,751)	(\$164,751)	\$0
Current Period True-up (Over)/Under Recovery Estimate: Oct 92 / Mar 93	\$2,623,516	\$198,535	\$7,786	\$2,498,035	\$79,023	\$324,321	\$18,586	\$5,749,802	\$5,749,802	\$0
Projected Incremental Costs: Project: Apr 93/Sep 93										
Demand Costs	\$26,512,110	\$998,667	\$37,204	\$12,287,068	\$369,118	\$1,532,696	\$65,840	\$41,802,703	\$41,802,703	\$0
Energy Costs	\$3,649,651	\$196,298	\$9,663	\$2,748,425	\$106,514	\$419,377	\$46,030	\$7,176,168	\$7,176,168	\$0
Total Projected Cost	\$30,161,971	\$1,194,965	\$46,867	\$15,035,493	\$475,632	\$1,952,073	\$111,870	\$48,978,871	\$48,978,871	\$0
Current Period True-up Estimate: Oct 92 / Mar 93										
Demand (O)/U Recovery	\$4,404,899	\$165,925	\$6,181	\$2,041,451	\$61,328	\$254,652	\$10,939	\$6,945,365	\$6,945,365	\$0
Energy (O)/U Recovery	\$606,335	\$32,610	\$1,605	\$456,584	\$17,695	\$69,669	\$7,647	\$1,192,145	\$1,192,145	\$0
Refund GRT LM Credits	(\$2,387,708)	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,387,708)	(\$2,387,708)	\$0
Total (O)/U Recovery	\$2,623,516	\$198,535	\$7,786	\$2,498,035	\$79,023	\$324,321	\$18,586	\$5,749,802	\$5,749,802	\$0
TOTAL to Recover Project: Apr 93/Sep 93	\$32,785,487	\$1,393,500	\$54,653	\$17,533,528	\$550,655	\$2,276,394	\$130,456	\$54,728,673	\$54,728,673	\$0
Retail KWH (000) Project: Apr 93/Sep 93	7,144,872	384,267	18,916	5,380,245	208,510	820,961	90,108	14,047,879	14,047,879	\$0
Costs/KWh (cents)										
Demand	0.4327159	0.3030684	0.2293561	0.2663172	0.2064390	0.2177141	0.0852078			
Energy	0.0261515	0.0595700	0.0595686	0.0595699	0.0595698	0.0595699	0.0595696			
Total	0.4588674	0.3626385	0.2889247	0.3258872	0.2660088	0.2772841	0.1447774			
Regulation Expansion Factor	1.00083	1.00083	1.00083	1.00083	1.00083	1.00083	1.00083			
Conservation Adjustment Factor (nearest .001 cent)	0.459	0.363	0.289	0.326	0.266	0.278	0.145			

Note: N/A - Not Applicable

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