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November 26, 1997

IN REPLY REFER TO:

Ansley Watson, Jr.
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VIA FEDERAL EXPRESS

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: **Docket No. 961236-GU -- Petition for approval of experimental Rider FTA, Firm Transportation Supplier Aggregation Service, by Peoples Gas System, a division of Tampa Electric Company (formerly Peoples Gas System, Inc.)**

Tampa Electric Company a/b/a Peoples Gas System

Dear Ms. Bayo:

Enclosed for filing with the Commission on behalf of Peoples Gas System, a division of Tampa Electric Company, please find the original and 15 copies of Peoples' petition for an order approving an extension of its optional experimental Firm Transportation Supplier Aggregation Service Rider ("Rider FTA"). The pilot program which Peoples seeks to extend was previously approved for a one-year term by the Commission's Order No. PSC-96-1515-FOF-GU, issued December 21, 1997 in the above docket.

I also enclose a diskette containing the petition in Wordperfect 5.1 format.

Please acknowledge your receipt and the date of filing of the enclosures on the duplicate copy of this letter and return the same to the undersigned in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,

Ansley Watson, Jr.
ANSLEY WATSON, JR.

AWjr/a
Enclosures

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Blanca S. Bayo, Director
November 26, 1997
Page 2

cc: Mrs. Cheryl Bulecza-Banks
Mr. J. Brent Caldwell

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of)
experimental Rider FTA, Firm)
Transportation Supplier Aggregation)
Service, by Peoples Gas System, a)
division of Tampa Electric Company)
(formerly Peoples Gas System, Inc.))
_____)

Docket No. ~~961236-GU~~ 0.5

Submitted for filing:
12-1-97

PETITION OF PEOPLES GAS SYSTEM FOR EXTENSION OF
FIRM TRANSPORTATION SUPPLIER AGGREGATION (FTA) SERVICE RIDER

Peoples Gas System, a division of Tampa Electric Company ("Peoples" or the "Company"), by its undersigned attorneys, files its petition for an order approving a one-year extension of its optional experimental Firm Transportation Supplier Aggregation Service Rider ("Rider FTA"), and in support thereof says:

1. The name of the petitioner and the mailing address of its principal office is:

Peoples Gas System, a division
of Tampa Electric Company
P. O. Box 2562
Tampa, Florida 33601-2562

2. The name and mailing address of the person authorized to receive notices and communications with respect to this petition are:

Ansley Watson, Jr., Esq.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

BACKGROUND

3. The Commission approved the Company's Rider FTA by its Order No. PSC-96-1515-FOF-GU, issued December 21, 1996 in this docket. The experimental program was approved by that order for a

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one-year term with an effective date of December 2, 1996.

4. The Commission's approval was based upon the petition of Peoples Gas System, Inc., filed October 14, 1996. (Peoples Gas System, Inc. was merged into Tampa Electric Company effective June 16, 1997.) As stated in the initial petition, the purpose of the pilot program is to determine the extent to which supplier aggregated transportation service can be performed efficiently and without detriment to the services the Company provides to its other sales and transportation service customers. The term of the pilot program was limited to one year.

5. Peoples currently has 177 customers, served by 205 meters, receiving gas supply from one of 11 eligible gas marketing companies pursuant to the pilot program. During the nine months from January through September 1997, these Rider FTA participants consumed 13.7 million therms of natural gas.

6. In approving the experimental program, the Commission 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 the one-year experimental tariff rider, Peoples be required to file a petition in the instant docket to end, extend or convert the pilot program to a full program.

7. The pilot program became effective on December 2, 1996 (the date of the Commission vote to approve the program), with customers beginning service under Rider FTA staggered over a four-month period. As proposed in the original petition, Rider FTA

allowed suppliers to begin supplying gas for up to 10 new customers each month, up to a maximum of 30 customers per supplier. Of the total 177 customers, only 15 began service January 1, 1997, while 39, 52 and 71 customers began service in February, March and April, respectively.

REQUEST TO EXTEND PILOT PROGRAM

8. Peoples requests that the Commission approve an extension of the Rider FTA pilot program through March 31, 1999. Such extension will permit all customers and suppliers participating in the experimental program to have a full two years of experience under the program.

9. Peoples believes the requested extension of the pilot program is necessary to allow Peoples to achieve its original objective -- to determine if such a program can provide benefits to participating customers without detriment to the Company's 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 is currently unable to fully assess the effects of Rider FTA.

10. Peoples wants to fully assess the impact on participating and non-participating customers. However, the program has not been in place long enough for Peoples to make informed conclusions with respect to the actual levels of supply reliability or customer benefit over a full calendar year. An extension of the pilot program will allow a more informed assessment of both of these issues.

11. Peoples believes additional time is needed to fully assess not only the nature and levels of any benefits to participating customers, but also any detrimental effects the program may have on Peoples' non-participating sales service and transportation service customers. Based on the limited time the pilot program has been in effect, and the information available to date, Peoples believes the Company and non-participating customers may be negatively impacted by the costs associated with administration of the program and by the levels of firm transportation capacity being assigned to the aggregating suppliers. Peoples also believes there may be additional detrimental effects from potential transportation scheduling and billing system modifications that would be necessary if the experimental program were to be expanded beyond its current limits. An extension of the current pilot program will allow Peoples to obtain and analyze additional data which may more accurately identify and quantify both participating customer benefits and any other effects on the Company's operations and/or non-participating customers.

12. During the period of the extension requested, Peoples may petition the Commission for modifications to, or termination of, Rider FTA. Peoples believes that the customers participating in the Rider FTA pilot program may desire that certain modifications be made, and Peoples may desire to incorporate their ideas where appropriate. Further, the extension requested may also allow Peoples to quantify costs associated with the administration of the

program, and possibly develop modifications designed to eliminate any detrimental effects on the Company's operations and/or on non-participating customers.

13. Consistent with the initial approval of the pilot program, Peoples will petition the Commission, prior to the expiration of the extended term, for authority to make any changes to the pilot program. In order to assure that final action may be taken on the petition prior to the requested termination date of the extended program (March 31, 1999), Peoples will file such petition on or before December 1, 1998.

WHEREFORE, Peoples respectfully requests that the Commission grant this petition, and issue its order approving an extension of the Firm Transportation Supplier Aggregation Service Rider pilot program through March 31, 1999.

Respectfully submitted this 26th day of November, 1997.



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