

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: January 31, 2014
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Laura V. King, Economic Analyst, Division of Economics *LVK*
RE: Docket No. 130256-GU - Joint petition for approval of territorial agreement in Duval and St. Johns Counties between Peoples Gas System and the City of Jacksonville Beach d/b/a Beaches Energy Services.

Please place the attached documents in the docket file.

RECEIVED--FPSC

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COMMISSION
CLERK



December 9, 2013

Customer Notice

Peoples Gas System ("Peoples") and Beaches Energy Services ("BES") have entered into a new Territorial Agreement ("Agreement") delineating, as between the two natural gas utilities, an area to be the exclusive service area of BES. You are located within the boundaries of the new BES service area described in the Territorial Agreement.

Pursuant to the Agreement Peoples will transfer the natural gas service it provides to you and several other customers located within the new BES service area to BES at such time as BES decides to provide natural gas service to you and requests that such transfer be made.

As of the date of this letter, neither Peoples nor BES knows whether or when any such transfer may occur.

If your account were to be transferred from Peoples to BES, BES would become your natural gas utility and you would then be charged the rates set forth in BES's natural gas tariff once the transfer became effective. Those rates currently differ in some respects from the rates you are currently paying to Peoples for natural gas service. The current differences may or may not exist in the future if and when any transfer of your natural gas service pursuant to the Agreement occurs (if it ever occurs).

Examples of monthly bill calculations under the current Peoples and BES rates are enclosed with this letter to indicate the current difference between the rates and charges of the two utilities. If you have any questions regarding this letter or the Peoples' rates in the examples, you may contact Kandi Floyd at 813-228-4668. If you have any questions regarding the rates of BES in the examples, you may contact Roy Trotter at 904-247-6281.

The purpose of this letter is to make you aware of the Territorial Agreement and its transfer provisions mentioned above, and to notify you there could be a difference in rates should your service be transferred to BES at some time in the future. The Territorial Agreement has been filed with the Florida Public Service Commission, together with a joint petition by Peoples and BES seeking the Commission's approval of its terms. These documents can be accessed through the Public Service Commission's website (www.psc.state.fl.us), referencing docket no. 130256-GU.

Peoples appreciates the opportunity to serve your natural gas needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Narzissenfeld".

Bruce Narzissenfeld
Vice President, Customer Service

Beaches Energy / Peoples Gas Residential and Commercial Rate Comparison

Rate Class

Customer Charge

Energy Charge

Energy Conservation Surcharge

Cast Iron/Bare Steel Surcharge

Purchased Gas Adjustment (Fuel)

Total Bill

**PGA may change monthly*

***Taxes not included*

Residential - 20 therms / month	
Beaches Energy Services	Peoples Gas System
<u>GS1</u>	<u>RS-2</u>
\$ 12.00	\$ 15.00
\$ 6.00	\$ 5.36
\$ -	\$ 1.19
\$ -	\$ 0.02
\$ 16.00	\$ 16.00
\$ 34.00	\$ 37.58

Commercial - 400 therms / month	
Beaches Energy Services	Peoples Gas System
<u>GS3</u>	<u>GS1</u>
\$ 40.00	\$ 35.00
\$ 120.00	\$ 107.20
\$ -	\$ 7.55
\$ -	\$ 0.44
\$ 320.00	\$ 300.00
\$ 480.00	\$ 450.19