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Public Service Commission

June 8, 2016

STAFF'S FIRST DATA REQUEST via email

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Re: Docket No. 160120-GU - Petition for approval of tariff modifications to Rider NCTS, the Firm Delivery and Operational Balancing Agreement, and negative imbalance cash-out prices, by Peoples Gas System

Dear Mr. Watson, Mr. Brown, Ms. Floyd, and Ms. Brown:

By this letter, Commission staff requests the following information from Peoples Gas System:

1. The table below serves as a basis for one or more questions in this data request. Please examine the table and confirm that the rates shown are characterized properly based on the sources cited. If there are errors in the information presented, please identify the errors and provide the correct information.

Description	Rate per MMBtu	Source Document
FTS-1 Usage Rate	1.56 cents	(1)
FTS-3 Usage Rate	0.23 cents	(2)
FTS-1 Reservation Charge	55.18 cents	(1)
FTS-3 Reservation Charge	132.99 cents	(2)
Peoples' Projected 2016 WACOC	56.4 cents	(3)

Sources: **(1)** Florida Gas Transmission Company, LLC, FERC NGA Gas Tariff, Fifth Revised Volume No. 1, Part IV Currently Effective Rates, Rate Schedule FTS-1, Version 16.0.0, effective: April 1, 2016.
 (2) Id., at Rate Schedule FTS-3, Version 14.0.0, effective April 1, 2016.
 (3) Exhibit A to Peoples' petition filed October 9, 2015 in Docket No. 150220-GU. [Note: Exhibit A presented the WACOC rate as \$0.0564 per therm.]

2. Please refer to paragraph 12(b) on page 6 of the petition, proposed Third Revised Sheet No. 8.119-8, and proposed Fourth Revised Sheet No. 7.805-6. The narrative portion of the petition appears to convey a message that the proposed tariff changes are intended to act as a deterrent to pool managers being in a negative monthly imbalance posture. However, there appears to be inconsistent intent in the wording between the two referenced tariff sheets. As currently proposed, revised Sheet No. 8.119-8, Section 5.5(b) would appear to do the following:

- Lower the FGT usage rate assessed from 1.56 cents per MMBtu (for FTS-1) to 0.23 cents per MMBtu (for FTS-3), and
- Raise the reservation charge assessed from 56.4 cents per MMBtu (Peoples' projected 2016 WACOC) to 132.99 cents per MMBtu (FGT's reservation charge for FTS-3).

As currently proposed, revised Sheet No. 7.805-6, paragraph (c)(ii) would appear to do the following: Lower the FGT usage rate assessed from 1.56 cents per MMBtu (for FTS-1) to 0.23 cents per MMBtu (for FTS-3). Staff notes that Peoples proposes to delete the term "Weighted Average Cost of Capacity" from the "Definitions" in its Firm Delivery and Operational Balancing Agreement. [See proposed revised tariff Sheet No. 8.119-2.]

Please review the referenced tariff sheets and provide additional clarification regarding the intent of how the proposed tariff changes would be administered. If necessary, please provide appropriate revised tariff sheets.

3. Please refer to the last sentence of paragraph 7 on page 3 of the petition. Please explain the differences (if any) between "the costs of ... peaking and future growth capacity" discussed in the instant petition and "the costs associated with reserved upstream capacity Peoples holds ... to meet customer demand during peak months" that were identified in paragraph 12 on page 7 of Peoples' petition filed in Docket No. 150220-GU.

4. Please refer to paragraph 10 on page 4 of the petition. Using the Load Factor Adjusted Release Rate (LFARR) and the WACOC, please provide a comparative example to illustrate the effects of Peoples' proposed "change to ... the rate, or reservation charge, at which releases of upstream capacity to Pool Managers under Rider NCTS will be made." Please use actual data for 2015 as the basis for the comparative example(s) showing how the LFARR and WACOC would be calculated and include the effects that the proposed methodology change would have on the following: (a) the reservation charge, (b) the PGA rates paid by retail sales customers, and (c) the swing service charge rates paid by NCTS customers. Also, please confirm that the types of charges to which the proposed methodology change would apply were identified as "Reserved Capacity" in Exhibit A to the petition filed in Docket No. 150220-GU and describe the impacts that using the LFARR in lieu of the WACOC would have on this pool of costs.

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5. Please refer to the proposed tariff language included in paragraph 11 on page 5 of the petition, which states that “the Load Factor Adjusted Release Rate may be varied as determined by the Company from time to time...” Please describe the specific circumstances under which consideration would be given to varying the rate and include for each identified scenario a procedural discussion regarding how the LFARR change would be calculated and what the implementation of the change would entail.
6. Please refer to paragraph 12(b) on page 6 of the petition. Please provide an estimate of the number of negative monthly imbalance posture situations that Peoples typically encounters on an annual basis.
7. Please refer to paragraph 12(c) on page 7 of the petition. Please provide an estimate of the number of misrepresentation incidents that Peoples typically encounters on an annual basis. Also, please describe the criteria used by Peoples to determine that a misrepresentation has occurred.
8. Please refer to proposed revised Sheet No. 8.119-1 and the proposed modifications to the definition of “FGT’s FERC Tariff.” The proposed modifications appear to be reiterative of the description given for the term “FGT.” Please clarify whether additional specific references to FGT FERC Tariffs should be included in its definition or whether it is Peoples’ intent to supersede this definition with the proposed definition of “Transporter’s Tariff” included on proposed revised Sheet No. 8.119-2.
9. Please refer to proposed revised Sheet No. 8.119-1 and the proposed definition of the term “Transporter.” Please confirm whether it is Peoples’ intent that the meaning of “Transporter” may be construed to potentially include intrastate pipelines.

Please file all responses electronically no later than Wednesday, June 22, 2016 via the Commission’s website at www.floridapsc.com by selecting the Clerk’s Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6540 if you have any questions.

Thank you.

/s/Sue Ollila

Economic Analyst

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cc: Office of Commission Clerk