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February 20, 2017

VIA E-PORTAL FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

**Re: NEW FILING - Petition for approval of tariff modifications
applicable to natural gas vehicles and fueling facilities by Peoples Gas
System**

Dear Ms. Stauffer:

Attached for electronic filing with the Commission on behalf of Peoples Gas System, please find Peoples' petition referenced above.

Please note that this tariff filing is not being made pursuant to the file-and-suspend provisions of Section 366.06(3), *Florida Statutes*, in order to permit the Commission Staff sufficient time to address the filing.

We appreciate your usual assistance.

Sincerely,

ANSLEY WATSON, JR. *Kf*

AWjr/a
Attachments

cc: Ms. Kandi M. Floyd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of tariff modifications)
applicable to natural gas vehicles and fueling)
facilities by Peoples Gas System.)
_____)

Docket No.

Submitted for Filing:
2-20-17

**PETITION FOR APPROVAL OF TARIFF MODIFICATIONS
APPLICABLE TO NATURAL GAS VEHICLES AND FUELING FACILITIES**

Peoples Gas System ("Peoples" or the "Company"), by and through its undersigned attorneys, hereby requests the Commission's approval of modifications to its Natural Gas Tariff, Original Volume No. 3, relating to natural gas vehicle service, submits herewith new and revised tariff sheets to become effective the date of the Commission's vote, and in support of its request states:

1. The name and address of the petitioner are:

Peoples Gas System
702 N. Franklin Street
Tampa, Florida 33602

2. The persons to whom notices, orders and pleadings in this docket should

be addressed are:

Ansley Watson, Jr., Esquire
Andrew M. Brown, Esquire
David T. Kronenfeld, Esquire
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BACKGROUND

3. By its Order No. PSC-13-0446-PAA-GU, issued October 1, 2013 in Docket No. 130197-GU, the Commission approved Peoples' Rate Schedule NGVS-2, which provided three new rate and service options for customers seeking to fuel natural

gas vehicles (“NGVs”) with compressed natural gas (“CNG”).¹ The three options were similar to tariff provisions for which Florida City Gas had sought Commission approval in Docket No. 130147-GU, and which were approved by the Commission’s Order No. PSC-13-0398-TRF-GU issued August 29, 2013. The three options and the Commission’s rationale for approving the Peoples and Florida City Gas tariff modifications are set forth in the orders referenced above.

4. Peoples has now had approximately three years of experience since the options approved by Order No. PSC-13-0446-PAA-GU became effective, and by this petition seeks approval for (i) modifications to Rate Schedule NGVS-2 and (ii) a new Rate Schedule NGVS-3, both of which will provide greater clarity with respect to the service covered by each rate schedule.

PROPOSED TARIFF PROVISIONS

5. Attached to this petition are legislative format versions of the new and revised tariff sheets for which the Commission’s approval is sought, and “clean” versions of the sheets follow the legislative ones.

6. As approved by the Commission in 2013, Rate Schedule NGVS-2 provided three “options” for customers, two of which contemplated Peoples’ provision of transportation service for customer gas which would be compressed and delivered into vehicles. One of the options contemplated the Company’s provision of such service on the customer’s premises, the other on Company premises. The third “option” was basically for sale by Peoples of CNG to customers desiring to fuel their vehicles at publicly accessible facilities located on Company premises.

7. Based on roughly three years for experience, Peoples has determined that former “Option 2” of Rate Schedule NGVS-2 is confusing not only to customers, but

¹ Peoples’ Rate Schedule NGVS (which was re-designated as NGVS-1) was closed to new customers while grandfathering the five customers then receiving service under that schedule.

to the Company. It has also determined that – if eliminated – whatever may have been contemplated could be provided under former “Option 1,” with the customer making its own arrangements with respect to any “partnerships” with third parties. Further, the former “Option 3” was a fundamentally different type of service from the other two options provided by the rate schedule.

8. Under the instant proposed tariff changes, Peoples’ former Option 1 NGV service would remain volume-based, and be billed under the applicable Residential Service (“RS”) or General Service (“GS”) rate schedule. Customers would continue to be billed based upon usage, thus continuing to provide them with the ability to control their own costs through their usage. Customers would continue to be assessed a customer charge reflective of their usage, plus all applicable taxes and clause and rider charges. This would be the only service covered by Rate Schedule NGVS-2, since the former Option 2 would be eliminated, and the former Option 3 would be moved to a new Rate Schedule NGVS-3.

9. As they are proposed to be modified, Rate Schedules NGVS-2 and NGVS-3 will continue to address cost while still maintaining a competitive pricing mechanism for each of the types of service. Each of the customer options represented by the modified Rate Schedule NGVS-2 and the new Rate Schedule NGVS-3 will allow the Company to fully recover its costs, thus avoiding any cross-subsidization or stranded investment concerns.

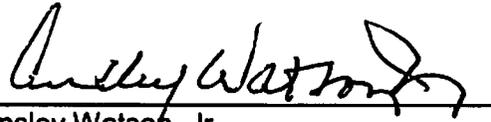
10. Peoples believes the tariff changes for which approval is sought herein will continue to provide options for consumers and are responsive to inquiries for service that the Company has heard in the market. Service under these tariff provisions will cover costs and provide benefits to Peoples’ system and its general body of ratepayers.

CONCLUSION

11. Peoples believes the tariff modifications for which approval is sought are reasonable and appropriate, as well as consistent with the legislatively expressed State policy of encouraging natural gas as a vehicle fuel of choice, and with the Commission's order initially approving Rate Schedule NGVS-2. The tariff changes proposed herein recognize that this still relatively untapped market calls for additional solutions that will meet the needs of customers, while ensuring that the Company's general body of ratepayers is appropriately protected.

WHEREFORE, Peoples Gas System respectfully requests that the Commission will enter its order permitting the revised tariff sheets submitted with this petition to become effective on the date of the Commission's vote disposing of this petition.

Respectfully submitted,



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Attorneys for Peoples Gas System

REVISED/NEW TARIFF SHEETS

LEGISLATIVE STYLE

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RATE SCHEDULES

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NATURAL GAS VEHICLE SERVICE -2
Rate Schedule NGVS-2

Availability:

Throughout the service areas of the Company.

Applicability:

For compression service provided by Company for gas delivered to any Customer for ~~the purpose of~~ compression and delivery into motor vehicle fuel tanks or other transportation containers ("NGV Service") pursuant to Rate Schedules RS, SGS, GS-1, GS-2, GS-3, GS-4, or GS-5. ~~This schedule provides options to Customers with respect to the facilities and equipment required for compression and dispensing of compressed natural gas ("CNG"). It also provides (see Option 3) the terms and conditions for Company's fueling of natural gas vehicles at publicly available fueling stations.~~

Monthly Rate:

NGV Service is available under anythe rate schedules referenced under "Applicability" above based on Customer's annual consumption in Therms as determined by Company. The charges, terms and conditions of the applicable rate schedule shall apply unless otherwise provided in this rate notwithstanding Customer's election of one or more of the options available under this schedule. ~~This schedule provides three options available to a Customer or Customers, and provides for a mMonthly Services cCharges i~~ In addition to those charges provided by the rate schedule pursuant to which the Customer ~~is receiving~~ service from Company, Customer shall pay a

Monthly Facilities Charge when Company Provides Equipment Necessary for NGV Service:

~~The~~ Monthly FacilitiesServices Charge, ~~if applicable, shall be~~ equal to 1.6% multiplied by the Company's Gross Investment in the facilities, as determined by the Company, required to provide NGV Service to the Customer. As used in this schedule, "Gross Investment" means the total installed cost of such facilities, as determined by the Company, ~~which facilities may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including any redundancy necessary to provide reliable NGV Service and land and land rights, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc.~~ The 1.6% factor is subject to adjustment if Customer makes a contribution in aid of construction and will be reduced based on the percentage of Company-provided Gross Investment to the total installed Gross Investment. The adjusted factor will be set forth in Company's agreement for NGV Service provided pursuant to this schedule. ~~If such NGV Service is provided to more than one Customer, the Monthly Facilities Charge applicable to each Customer shall be set forth in the agreement with such Customer.~~ The agreement may require a commitment by a Customer to purchase NGV Service for a minimum period of time, to take or pay for a minimum amount of NGV Service, a contribution in aid of construction, a guarantee, such as a surety bond, letter of credit, other means of establishing credit, and/or other provisions as determined appropriate by the Company.

The Monthly Services Charge shall be billed by Company pursuant to the agreement with Customer, in addition to the other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.

Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of compressed natural gas ("CNG") into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service.

~~NATURAL GAS VEHICLE SERVICE -2 (continued)~~

~~OPTION 1: COMPANY-PROVIDED FACILITIES ON CUSTOMER'S PREMISES~~

~~If Customer elects for Company to provide and maintain the necessary facilities for the provision of NGV Service on Customer's premises, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.~~

~~Under this option, the Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of CNG into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service. Company provided facilities could be those constituting a residential compression and fueling station.~~

~~OPTION 2: LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES~~

~~If Customer elects for Company, pursuant to agreement(s) with Customer and/or one or more other Customers, to provide and maintain, on Company premises, facilities for the provision of NGV Service, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company. In addition, Customer shall also pay a CNG Dispensing Fee, the amount of which fee shall permit the Company to recover all costs related to dispensing CNG and be provided in the agreement between Company and Customer.~~

~~Under this option, Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on CNG or the dispensing thereof. Any service provided pursuant to this Option 2 shall be provided at the times and on terms and conditions determined by Company and specified in the Company's agreement(s) with the Customer(s). The agreement(s) may require a Customer commitment to purchase service for a minimum period of time, to take or pay for a minimum amount of service, to make a contribution in aid of construction, to furnish a guarantee, surety bond or other means of establishing credit, and/or other provisions determined appropriate by Company.~~

~~OPTION 3: PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES~~

~~If Company offers service to Customer from facilities located on the Company's premises, the following charges shall apply in lieu of the charges otherwise applicable under this, or any other Company rate schedule or rider:~~

~~Distribution and Dispensing Charge: \$0.50 per Therm,
Plus Company's Gas Cost (as determined by Company),
Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel~~

NATURAL GAS VEHICLE SERVICE-2 (continued)

Special Conditions:

1. A separate meter or sub-meter may be requested by the Customer or required by

Issued By: G. L. Gillette, President
Issued On: July 25, 2013

Effective: September 25, 2013

Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.

2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided in Customer's agreement with Company.

3. Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.

4. If the Company, alone or together with another entity, responds to a competitive situation of a Customer that will consume quantities greater than 100,000 Therms per year, the Company may provide NGV Service at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

5. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Services Charge may, in the discretion of Company, be phased-in over the term of the agreement between Customer and Company. The terms of any such phase-in shall be included in the agreement between Customer and Company.

6. Service under this schedule shall be subject to the operation of the Company's Tax and Adjustment Clause set forth on Sheet No. 7.101-5.

NATURAL GAS VEHICLE SERVICE - 2 (continued)

~~The total charge, consisting of the Distribution and Dispensing Charge, Company's Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company's Gas Cost component of the charge shall not be less than Company's monthly Purchased Gas Adjustment ("PGA") factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 130003-GU (the annual PGA docket) and successor dockets.~~

~~Any service provided by Company pursuant to this Option 3 shall be provided at the times and on terms and conditions determined by Company.~~

Special Conditions:

- ~~1. A separate meter or sub-meter may be requested by the Customer or required by Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.~~
- ~~2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided for in Customer's agreement with Company.~~
- ~~3. NGV service is not available for resale by a residential customer.~~
- ~~4. If Customer has elected Option 2 or Option 3, Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.~~
- ~~5. If the Company, alone or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer that will consume quantities greater than 100,000 Therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this rate provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.~~
- ~~6. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Facilities Charge may, in the discretion of Company, be phased in over the term of the agreement between Customer and Company. However, the net present value of the revenue from the phased-in charges, discounted at the Company's then authorized rate of return, shall be set equal to the net present value of the revenue that would have been generated over the term of the agreement if the Monthly Facilities Charge had not been phased in. Any such phase-in shall be included in the agreement between Customer and Company.~~

NATURAL GAS VEHICLE SERVICE - 3
Rate Schedule NGVS - 3

Availability:

Throughout the service areas of the Company at such locations as are determined by Company.

Applicability:

Compressed natural gas ("CNG") for delivery into motor vehicles or other transportation containers from publicly accessible facilities located on Company's premises.

Monthly Rate:

None.

Distribution and Dispensing Charge:

\$0.50 per Therm.

Plus Company's Gas Cost (as determined by Company).

Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel.

The total charge, consisting of the Distribution and Dispensing Charge, Company's Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company's Gas Cost component of the charge shall not be less than Company's monthly Purchased Gas Adjustment ("PGA") factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 170003-GU (the annual PGA docket) and successor dockets.

Any service provided by Company pursuant to this rate schedule shall be provided at the times and on terms and conditions determined by Company.

Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.

Service under this schedule shall be subject to the operation of the Company's Tax and Adjustment Clause set forth on Sheet No. 7.101-5.

REVISED/NEW TARIFF SHEETS

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RATE SCHEDULES

RESIDENTIAL RATES:	
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GENERAL SERVICE RATES:	
Small General Service (SGS)	7.301
General Service - 1 (GS-1)	7.302
General Service - 2 (GS-2)	7.303
General Service - 3 (GS-3)	7.303-2
General Service - 4 (GS-4)	7.303-4
General Service - 5 (GS-5)	7.304
Commercial Street Lighting Service (CSLS)	7.306
SPECIAL FIRM GAS RATES:	
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Natural Gas Vehicle Service-2 (NGVS-2)	7.401-2
Natural Gas Vehicle Service-3 (NGVS-3)	7.401-4
Residential Standby Generator Service (RS-SG)	7.402-1
Commercial Standby Generator Service (CS-SG)	7.403
WHOLESALE RATES:	
Wholesale Service - Firm (WHS)	7.501
INTERRUPTIBLE RATES:	
Small Interruptible Service (SIS)	7.601
Interruptible Service (IS)	7.603
Interruptible Service - Large Volume (ISLV)	7.605
Contract Interruptible Service (CIS)	7.607

**NATURAL GAS VEHICLE SERVICE -2
Rate Schedule NGVS-2**

Availability:

Throughout the service areas of the Company.

Applicability:

For compression service provided by Company for gas delivered to any Customer for compression and delivery into motor vehicle fuel tanks or other transportation containers ("NGV Service") pursuant to Rate Schedules RS, SGS, GS-1, GS-2, GS-3, GS-4, or GS-5.

Monthly Rate:

NGV Service is available under the rate schedules referenced under "Applicability" above based on Customer's annual consumption in Therms as determined by Company. The charges, terms and conditions of the applicable rate schedule shall apply unless otherwise provided in this rate schedule. In addition to those charges provided by the rate schedule pursuant to which the Customer receives service from Company, Customer shall pay a Monthly Services Charge equal to 1.6% multiplied by the Company's Gross Investment in the facilities, as determined by the Company, required to provide NGV Service to the Customer. As used in this schedule, "Gross Investment" means the total installed cost of such facilities, as determined by the Company, necessary to provide reliable NGV Service. The 1.6% factor is subject to adjustment if Customer makes a contribution in aid of construction and will be reduced based on the percentage of Company-provided Gross Investment to the total installed Gross Investment. The adjusted factor will be set forth in Company's agreement for NGV Service provided pursuant to this schedule. The agreement may require a commitment by a Customer to purchase NGV Service for a minimum period of time, to take or pay for a minimum amount of NGV Service, a contribution in aid of construction, a guarantee, such as a surety bond, letter of credit, other means of establishing credit, and/or other provisions as determined appropriate by the Company.

The Monthly Services Charge shall be billed by Company pursuant to the agreement with Customer, in addition to the other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.

Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of compressed natural gas ("CNG") into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service.

NATURAL GAS VEHICLE SERVICE-2 (continued)

Special Conditions:

1. A separate meter or sub-meter may be requested by the Customer or required by Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.
2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided in Customer's agreement with Company.
3. Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.
4. If the Company, alone or together with another entity, responds to a competitive situation of a Customer that will consume quantities greater than 100,000 Therms per year, the Company may provide NGV Service at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
5. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Services Charge may, in the discretion of Company, be phased-in over the term of the agreement between Customer and Company. The terms of any such phase-in shall be included in the agreement between Customer and Company.
6. Service under this schedule shall be subject to the operation of the Company's Tax and Adjustment Clause set forth on Sheet No. 7.101-5.

NATURAL GAS VEHICLE SERVICE – 3
Rate Schedule NGVS - 3

Availability:

Throughout the service areas of the Company at such locations as are determined by Company.

Applicability:

Compressed natural gas (“CNG”) for delivery into motor vehicles or other transportation containers from publicly accessible facilities located on Company’s premises.

Monthly Rate:

None.

Distribution and Dispensing Charge:

\$0.50 per Therm,
Plus Company’s Gas Cost (as determined by Company),
Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel.

The total charge, consisting of the Distribution and Dispensing Charge, Company’s Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company’s Gas Cost component of the charge shall not be less than Company’s monthly Purchased Gas Adjustment (“PGA”) factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 170003-GU (the annual PGA docket) and successor dockets.

Any service provided by Company pursuant to this rate schedule shall be provided at the times and on terms and conditions determined by Company.

Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.

Service under this schedule shall be subject to the operation of the Company’s Tax and Adjustment Clause set forth on Sheet No. 7.101-5.