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December 13, 2019

VIA E-PORTAL FILING


Elisabeth J. Draper, Economic Supervisor
Division of Economics
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: **Docket No. 20190004-GU** – Natural gas conservation recovery; &
Docket No. 2019-0003-GU – Purchase Gas Adjustment (PGS) True-Up
– Administrative Approval of the Revised Tariff Sheet
Numbers 7.101-1 and 7.101-2

Dear Ms. Draper:

Attached for administrative approval and filing on behalf of Peoples Gas System, please find the Revised Tariff Sheet Numbers 7.101-1 and 7.101-2 in regard to the above matter. We respectfully request an effective date of January 1, 2020.

We appreciate your assistance.

Sincerely,

Andrew M. Brown

AB/plb
Attachments
cc: Ms. Kandi Floyd

GENERAL APPLICABILITY PROVISIONS (Continued)

and Contract Interruptible rate schedules will be curtailed or interrupted at the sole discretion of the Company. The Customer shall hold the Company harmless from any and all liabilities, penalties, alternate fuels subsidies, price adjustments and claims of whatever type, resulting from or arising out of the Company's curtailment or interruption of deliveries of Gas transported by Company under an interruptible rate schedule.

B. PURCHASED GAS ADJUSTMENT CLAUSE

The energy charge of the Monthly Rate for Gas supplied in any Billing Period shall be adjusted by the Company's expected weighted average cost of Gas (WACOG). The WACOG may not exceed the Commission-approved purchased Gas cost recovery factor based on estimated Gas purchases for the twelve-month period of January through December, in accordance with the methodology adopted by the Commission on May 2, 1991, in Order No. 24463, Docket No. 910003-GU, or as such methodology may be amended from time to time by further order of the Commission. The WACOG determined as set forth above shall be multiplied by 1.00503 for regulatory fees, rounded to the nearest \$.00001 per Therm, and applied to the total number of Therms consumed by the Customer during the Billing Period.

The purchased Gas cost recovery factor (cap) approved by the Commission for bills rendered for meter readings taken on or after January 1, 2020, beginning with the first or applicable billing cycle through the last billing cycle for December 2020 is \$0.9909 per Therm.

The purchased Gas cost recovery factor shall serve as a cap or maximum recovery factor. If re-projected expenses for the remaining period exceed projected recoveries by at least 10% for the twelve (12) month period, a mid-course correction may formally be requested by the Company. For changes in market conditions and costs, the Company, upon one day's notice to the Commission, may increase or decrease the WACOG as long as any increase does not exceed the authorized cap. The current month WACOG may be adjusted for prior months' differences between projected and actual costs of Gas purchased, but may not exceed the approved cap for the period.

GENERAL APPLICABILITY PROVISIONS (Continued)

and Contract Interruptible rate schedules will be curtailed or interrupted at the sole discretion of the Company. The Customer shall hold the Company harmless from any and all liabilities, penalties, alternate fuels subsidies, price adjustments and claims of whatever type, resulting from or arising out of the Company's curtailment or interruption of deliveries of Gas transported by Company under an interruptible rate schedule.

B. PURCHASED GAS ADJUSTMENT CLAUSE

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The purchased Gas cost recovery factor (cap) approved by the Commission for bills rendered for meter readings taken on or after January 1, ~~2019~~2020, beginning with the first or applicable billing cycle through the last billing cycle for December ~~2019-2020~~ is ~~\$1.029680.9909~~ per Therm.

The purchased Gas cost recovery factor shall serve as a cap or maximum recovery factor. If re-projected expenses for the remaining period exceed projected recoveries by at least 10% for the twelve (12) month period, a mid-course correction may formally be requested by the Company. For changes in market conditions and costs, the Company, upon one day's notice to the Commission, may increase or decrease the WACOG as long as any increase does not exceed the authorized cap. The current month WACOG may be adjusted for prior months' differences between projected and actual costs of Gas purchased, but may not exceed the approved cap for the period.

GENERAL APPLICABILITY PROVISIONS (Continued)

C. ENERGY CONSERVATION COST RECOVERY ADJUSTMENT CLAUSE

The bill for Gas and transportation service supplied to a retail Customer in any Billing Period shall be adjusted as follows:

Except as otherwise provided herein, each rate schedule shall be increased or decreased to the nearest \$0.00001 per therm and include the tax factor of 1.00503 for each Therm of consumption or transportation to recover the conservation related expenditures by the Company. The Company shall record both projected and actual expenses and revenues associated with the implementation of the Company's Energy Conservation Plan as authorized by the Commission. The procedure for the review, approval, recovery and recording of such costs and revenues is set forth in the Commission Rule 25-17.015, F.A.C.

The cost recovery factors for the period from meter readings taken on or after January 1, 2020 through the last billing cycle for December 2020 are as follows:

<u>Rate Class</u>	<u>Recovery Factor</u>
Residential	\$0.10948 per Therm
Residential Standby Generator	\$0.10948 per Therm
Residential Gas Heat Pump Service	\$0.10948 per Therm
Small General Service	\$0.06692 per Therm
Commercial Standby Generator	\$0.03278 per Therm
Commercial Gas Heat Pump Service	\$0.03278 per Therm
General Service - 1	\$0.03278 per Therm
General Service - 2	\$0.02387 per Therm
General Service - 3	\$0.01977 per Therm
General Service - 4	\$0.01459 per Therm
General Service - 5	\$0.01073 per Therm
Commercial Street Lighting	\$0.01727 per Therm
Natural Gas Vehicle Service	\$0.02149 per Therm

Pursuant to FPSC Order No. 23576, no conservation cost recovery factor shall be applied to Therms consumed or transported for use in a cogeneration facility, regardless of the rate schedule under which such Therms are consumed or transported by Company.

GENERAL APPLICABILITY PROVISIONS (Continued)

C. ENERGY CONSERVATION COST RECOVERY ADJUSTMENT CLAUSE

The bill for Gas and transportation service supplied to a retail Customer in any Billing Period shall be adjusted as follows:

Except as otherwise provided herein, each rate schedule shall be increased or decreased to the nearest \$0.00001 per therm and include the tax factor of 1.00503 for each Therm of consumption or transportation to recover the conservation related expenditures by the Company. The Company shall record both projected and actual expenses and revenues associated with the implementation of the Company's Energy Conservation Plan as authorized by the Commission. The procedure for the review, approval, recovery and recording of such costs and revenues is set forth in the Commission Rule 25-17.015, F.A.C.

The cost recovery factors for the period from meter readings taken on or after January 1, 202019 through the last billing cycle for December 202019 are as follows:

<u>Rate Class</u>	<u>Recovery Factor</u>
Residential	\$0.406550 .10948 per Therm
Residential Standby Generator	\$0.406550 .10948 per Therm
Residential Gas Heat Pump Service	\$0.406550 .10948 per Therm
Small General Service	\$0.063970 .06692 per Therm
Commercial Standby Generator	\$0.031470 .03278 per Therm
Commercial Gas Heat Pump Service	\$0.031470 .03278 per Therm
General Service - 1	\$0.031470 .03278 per Therm
General Service - 2	\$0.023020 .02387 per Therm
General Service - 3	\$0.018970 .01977 per Therm
General Service - 4	\$0.014060 .01459 per Therm
General Service - 5	\$0.010340 .01073 per Therm
Commercial Street Lighting	\$0.016650 .01727 per Therm
Natural Gas Vehicle Service	\$0.019820 .02149 per Therm

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