

# KENNETH M. PIERCE

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October 1, 2020

Office of the Commission Clerk  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

CORRESPONDENCE  
10/9/2020  
DOCUMENT NO. 11050-2020

RE: Docket No. 20200051-GU

Dear Clerk and Commissioners of the PSC,

For reasons set out below, I strongly opposed, and believe the PSC is duty bound to oppose, the TECO rates and service charges proposed in Docket No. 20200051-GU.

The TECO proposal is spectacularly excessive on its face. For example, in Rate Class RS-1 TECO proposes to raise the Customer charge by 42.1% (and the Distribution charge by 35.3%).

But the extreme excesses do not stop there. For the larger residential customers with standby generators (rate class RSG), Teco proposes to raise the Customer charge by 47%.

*(Notably, Teco does not propose to increase the "per therm" Distribution charge for these larger customers. That might seem conscientious until you notice that TECO is currently charging RSG customers per therm a distribution charge that is 376% higher per therm than ordinary customers pay (rate class RS-1 and RS-2).*

Teco justifies their wild proposal by stating that they have not raised rates for 12 years. **But the All-Consumer price index (CPI-U) has only risen by 18.7% in the past 12 years--nowhere near Teco's excessive requests for increases of 42%, 47%, and 35.3%.**

**There is one other reason that it appears to be well nigh mandatory that the PSC reject TECO's proposed rate increase: We are living in the midst of a historic, long-term REDUCTION in the price of natural gas. In the past 12 years, the average yrly closing market price for natural gas has dropped by 78.9%. Given these economic facts, TECO should be LOWERING distribution charges set 12 years ago, and the PSC should so require.**

**See attached chart showing historic natural gas prices since 2008 (from the website Major Trends.)**

Sincerely,

  
Kenneth M. Pierce

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# Natural Gas Prices - Historical Chart

Interactive chart illustrating the history of Henry Hub natural gas prices. The prices shown are in U.S. dollars. The current price of natural gas as of September 29, 2020 is **\$1.74**.

## Henry Hub Natural Gas Spot Price - Historical Annual Data

Year	Average Closing Price	Year Open	Year High	Year Low	Year Close	Annual % Change
2020	\$1.87	\$2.05	\$2.57	\$1.33	\$1.74	-16.75%
2019	\$2.56	\$3.25	\$4.25	\$1.75	\$2.09	-35.69%
2018	\$3.15	\$6.24	\$6.24	\$2.49	\$3.25	-11.92%
2017	\$2.99	\$3.71	\$3.71	\$2.44	\$3.69	-0.54%
2016	\$2.52	\$2.28	\$3.80	\$1.49	\$3.71	62.72%
2015	\$2.62	\$3.01	\$3.32	\$1.63	\$2.28	-27.39%
2014	\$4.37	\$4.32	\$8.15	\$2.74	\$3.14	-27.15%
2013	\$3.73	\$3.30	\$4.52	\$3.08	\$4.31	25.66%
2012	\$2.75	\$2.97	\$3.77	\$1.82	\$3.43	15.10%
2011	\$4.00	\$4.54	\$4.92	\$2.84	\$2.98	-29.38%
2010	\$4.37	\$6.09	\$7.51	\$3.18	\$4.22	-27.49%
2009	\$3.94	\$5.41	\$6.10	\$1.83	\$5.82	3.37%
2008	\$8.86	\$7.83	\$13.31	\$5.37	\$5.63	-20.82%

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