

# INDIANTOWN Gas company, inc.



CLEAN AND EFFICIENT NATURAL GAS AND PROPANE GAS FOR ALL YOUR ENERGY NEEDS  
November 17, 1997

Ms. Blanca Bayo  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

Re: Purchased Gas Adjustment True-up  
FPSC Docket No. 960725-GU

Dear Ms. Bayo:

Enclosed for filing in the above referenced docket on behalf of Indiantown Gas Company are an original and ten (10) copies of the following:

1. Indiantown Gas Company Comments on Draft Model Tariff for Firm Transportation Service

Thank you for your assistance.

Sincerely,

Brian J. Powers  
General Manager  
Indiantown Gas Co.

ACK \_\_\_\_\_  
AFC \_\_\_\_\_  
LSP \_\_\_\_\_  
GSP \_\_\_\_\_  
CSP \_\_\_\_\_  
ESP \_\_\_\_\_  
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FPSC-PUBLIC RECORDS/REPORTING

**Indiantown Gas Company Comments**  
**on Draft Model Tariff for Firm Transportation Service**

**Docket No. 960725-GU**

Indiantown Gas Company (IGC) offers the following comments in response to your Draft Model Tariff issued on October 6, 1997. IGC appreciates the opportunity to participate and make comments in this proceeding. The key issue for the parties involved in unbundling is whether the benefits will outweigh the costs of providing the service. While the unbundling concept may have some merit for the industry we are not convinced that it is in the best interest of the customers or shareholders of IGC. The IGC system is comprised of two industrial customers who collectively account for ninety eight (98%) of system throughput. These customers could currently unbundle by filing for transportation if they so desired. The remaining two (2%) of throughput consists of some twenty (20) commercial customers and six hundred (600) residential customers who could potentially reap some benefit from unbundling. Our concern is that a required tariff filing of the scope suggested would put IGC in a position of filing a rate case and thereby removing any benefit of unbundling to these customer classes on our system. Some specific concerns are outlined below.

Under the provisions of the tariff IGC would offer some services for a "cost based fee". IGC would also be responsible for managing imbalances on its system including Alert days and OFO's. IGC currently manages all aspects of its propane and natural gas operation with only five (5) employees. It would be impossible for IGC to contemplate adding any other services without adding additional staff.

IGC would also be required to provide standby service up to each customer's MDQ. This is dependent on IGC being able to secure capacity with FGT. To the extent that FGT has customers with excess capacity who are willing to provide this service, it should be provided at a market based rate rather than forcing entities who may not be able to secure the capacity to provide the service on a cost basis.

Several sections of the proposed tariff are based on operating provisions of the LDC's contract with FGT. These sections should reference the pipeline provisions without using the complete language of the pipeline tariff. This way the model tariff would not have to be rewritten after every pipeline rate case.

IGC believes that the biggest issue in unbundling is flexibility. LDC's must be allowed to file unbundling tariffs to the extent they are feasible and save the customer money. There are simply not enough customers on the IGC system among which to spread the added costs of unbundling. Given the flexibility to design a tariff using the model as a guide rather than a requirement will allow LDC's, for which unbundling makes sense, to do so in a manner most appropriate for their customer base. To require the use of only one tariff for all LDC's will only benefit some customers at the expense of other depending on the LDC who serves them.

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