

LAW OFFICES  
**Messer, Caparelo & Self**  
A Professional Association

Post Office Box 1876  
Tallahassee, Florida 32302-1876  
Internet: www.lawfla.com

Reply to: P.O. Box 1876  
Tallahassee, FL 32302-1876

January 3, 2003

**BY HAND DELIVERY**

Ms. Blanca Bayó, Director  
The Commission Clerk and Administrative Services  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Dear Ms. Bayó:

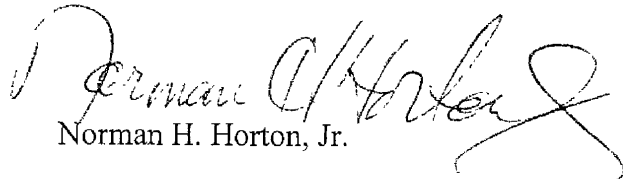
030022-BU

Enclosed for filing on behalf of Florida Public Utilities Company are an original and ten copies of Florida Public Utilities Company's Petition for Modification of Transportation Cost Recovery Factors.

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely yours,

  
Norman H. Horton, Jr.

NHH/amb  
Enclosure  
cc: Ms. Cheryl Martin

DOCUMENT NUMBER DATE  
00075 JAN-38  
FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition by Florida Public Utilities Company )  
for modification of transportation cost recovery )  
factors )  
\_\_\_\_\_ )

Docket No.:  
Dated: January 3, 2003

**FLORIDA PUBLIC UTILITIES COMPANY'S  
PETITION FOR MODIFICATION OF  
TRANSPORTATION COST RECOVERY FACTORS**

Comes now, Florida Public Utilities Company ("FPUC") through undersigned counsel and requests the Commission approve a modification of the transportation cost recovery factors and as basis states:

1. The name and address of Petitioner is:

Florida Public Utilities Company  
401 South Dixie Highway  
West Palm Beach, FL 33401

2. The names and addresses of the people authorized to receive notices and communications with respect to this Petition are:

Norman H. Horton, Jr.  
Messer, Caparello & Self, P. A.  
Suite 701, First Florida Bank Building  
Post Office Box 1876  
Tallahassee, FL 32302-1876

Ms. Cheryl Martin  
Florida Public Utilities Company  
Post Office Box 3395  
West Palm Beach, FL 33402-3395

3. By Order No. PSC-01-0073-TRF-GU issued January 9, 2001, the Commission approved initial transportation service tariffs filed by FPUC pursuant to Rule 25-07.0335, Florida Administrative Code. The initial cost recovery factors for the approved Non-monitored Transportation Administration Charge ("NTAC") were also approved, as modified, in Order No.

PSC-01-1963-TRF-GU issued October 1, 2001. These factors were modified by Order No. PSC-02-0654-TRF-GU to reflect the effect of the acquisition of the assets of South Florida Natural Gas.

4. The NTAC applies to all non-residential customers not subject to the present Transportation Administration Charge and is billed on a cents-per-therm basis. The charge is intended to recover incremental expenses beyond those covered by the Transportation Lost Recovery Clause on a going forward basis.

5. Based on the attached schedules, FPUC request that the Commission modify the current NTAC factors for application for the period January 2003 through December 2003. For that period, FPUC projects ongoing program costs of \$63,000 (Schedule D). As shown on the attached schedules, the true-up is an overrecovery of \$70,668 resulting in a refund of \$7,668. FPUC proposes to refund this amount to customers during the period March through December 2003.

6. The specific NTAC factors proposed for the period March 2003 through December 2003 are:

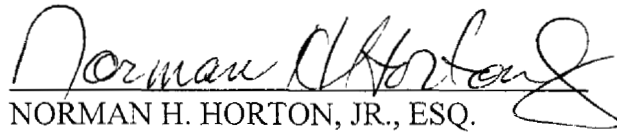
General Service and GS Transportation	(\$.00026)
Large Volume Service and LV Transportation	(\$.00017)
Interruptible Service	(\$.00008)

7. Attached to this petition are schedules reflecting the calculation of the proposed factors and the testimony of Marc Schneidermann sponsoring the schedules.

WHEREFORE, FPUC requests that the Commission approve the proposed revisions to be effective March 1, 2003.

Respectfully submitted,

MESSER, CAPARELLO & SELF, P.A.  
215 S. Monroe Street, Suite 701  
Post Office Box 1876  
Tallahassee, FL 32302-1876  
(850) 222-0720

  
NORMAN H. HORTON, JR., ESQ.  
FLOYD R. SELF, ESQ.

Attorneys for Florida Public Utilities Company

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. "UNDOCKETED"  
DETERMINATION OF TRANSPORTATION COSTS RECOVERY FACTOR

Direct Testimony of  
MARC SCHNEIDERMANN  
On Behalf of  
FLORIDA PUBLIC UTILITIES COMPANY  
CONSOLIDATED NATURAL GAS DIVISION

1 Q. Please state your name and business address.

2 A. Marc Schneidermann: my business address is P.O. Box  
3 3395, West Palm Beach, Florida 33402-3395.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as  
6 Director, South Florida Division.

7 Q. What is the purpose of your testimony at this time?

8 A. To advise the Commission as to the Non-Monitored  
9 Transportation Administration Charge for the period  
10 January 2003 through December 2003.

11 Q. What are the total projected costs for the period  
12 January 2003 through December 2003 in the  
13 Consolidated Natural Gas Division?

14 A. The total projected Unbundling Ongoing Program Costs  
15 are \$63,000. Please see Schedule D, for the  
16 functional breakdown of these total costs.

17 Q. What is the true-up for the period January, 2002  
18 through December, 2002?

1 A. As reflected in the respective "C" schedules, the  
2 True-up amount for the Non-Monitored Transportation  
3 Administration Charge is an over-recovery of  
4 \$70,668.

5 Q. What are the resulting net total projected  
6 unbundling ongoing costs to be refunded during the  
7 period March through December 2003?

8 A. The total costs to be refunded are \$7,668.

9 Q. What is the Non-Monitored Transportation  
10 Administration Charge Adjustment Factor necessary to  
11 refund these projected net total costs?

12 A. The Non-Monitored Transportation Administration  
13 Charge Adjustment Factors per them for the  
14 Unbundling Ongoing Program are:

15  
16 General Service & GS Transportation (\$ .00026)  
17 Large Volume Service & LV Transportation (\$ .00017)  
18 Interruptible Service (\$ .00008)

19  
20 Q. Are there any exhibits that you wish to sponsor in  
21 this proceeding?

22 A. Yes. I wish to sponsor as Exhibits Schedules C1, C-  
23 2, and D (Composite Prehearing Identification Number  
24 MS-1), which have been filed with this testimony.

SCHEDULE C - 1  
PAGE 1 OF 1

FLORIDA PUBLIC UTILITIES COMPANY

FLORIDA PUBLIC UTILITIES COMPANY  
NATURAL GAS DIVISIONS  
NON-MONITORED TRANSPORTATION ADMIN CHARGE  
MARCH 2003 THROUGH DECEMBER 2003

1. TOTAL ANNUAL COST (SCHEDULE D, PAGE 1)	\$ 63,000
2. TRUE-UP	(70,668)
3. TOTAL (LINE 1 AND LINE 2)	\$ (7,668)

RATE SCHEDULE	ANNUAL BILLS	ANNUAL THERMS	ANNUAL CUSTOMER CHARGE	ANNUAL NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ANNUAL NTAC REVENUES	NTAC AS % OF TOTAL REVENUES	DOLLARS THERMS	TAX FACTOR	FACTOR
GENERAL SERVICE & GS TRANSPORTATION	*11 *90	36,024	11,738,030	540,360	2,525,202	3,065,562	(3,068)	-0.10007%	(0.00026)	1.00503 (0.00026)
LARGE VOL. SERVICE & LG. VOL. TRANSPORTATION(<50,000 Th/Yr)	*51 *91	9,270	26,594,740	417,150	4,115,270	4,532,420	(4,535)	-0.10007%	(0.00017)	1.00503 (0.00017)
INTERRUPTIBLE SERVICE	*61	47	812,360	11,280	53,713	64,993	(65)	-0.10007%	(0.00008)	1.00503 (0.00008)
<b>TOTAL</b>		<b>45,341</b>	<b>39,145,130</b>	<b>968,790</b>	<b>6,694,186</b>	<b>7,662,976</b>	<b>(7,668)</b>			

**Note:** Lg Vol. Transportation Customers >=50,000 Th/Yr and Interruptible Transportation Service Customers are not subject to the (NTAC) since they are already charged a Transportation Administrative Charge (TAC).

NON-MONITORED TRANSPORTATION ADMIN CHARGE  
JANUARY 2002 THROUGH DECEMBER 2002

	ACTUAL										PROJECTION		TOTAL
	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	
CONSERVATION REVS													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a OTHER PROG REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
b.	0	0	0	0	0	0	0	0	0	0	0	0	0
c	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV ADJ REV (NET OF REV. TAXES)	7,695	6,917	7,940	6,197	6,183	6,585	5,721	5,815	6,012	6,071	5,042	5,040	75,218
TOTAL REVENUES	7,695	6,917	7,940	6,197	6,183	6,585	5,721	5,815	6,012	6,071	5,042	5,040	75,218
PRIOR PERIOD TRUE-UP NOT APPLIC TO PERIOD	1,495	1,492	1,492	1,492	1,492	1,492	1,492	1,492	1,492	1,492	1,492	1,492	17,907
CONSERVATION REVS APPLIC TO PERIOD	9,190	8,409	9,432	7,689	7,675	8,077	7,213	7,307	7,504	7,563	6,534	6,532	93,125
CONSERVATION EXPS. (FORM C-3, PAGE 3)	545	2,209	972	532	1,423	1,107	679	2,852	1,142	1,774	5,042	5,040	23,317
TRUE-UP THIS PERIOD	8,645	6,200	8,460	7,157	6,252	6,970	6,534	4,455	6,362	5,789	1,492	1,492	69,808
INTEREST THIS PERIOD (C-3,PAGE 5)	19	40	49	59	66	74	80	85	91	97	100	101	860
TRUE-UP & INT BEG. OF MONTH	17,907	25,076	29,824	36,841	42,565	47,391	52,942	58,064	61,112	66,073	70,467	70,567	17,907
PRIOR TRUE-UP COLLECT./(REFUND.)	(1,495)	(1,492)	(1,492)	(1,492)	(1,492)	(1,492)	(1,492)	(1,492)	(1,492)	(1,492)	(1,492)	(1,492)	(17,907)
END OF PERIOD TOTAL NET TRUE-UP	25,076	29,824	36,841	42,565	47,391	52,942	58,064	61,112	66,073	70,467	70,567	70,668	70,668



CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2002 THROUGH DECEMBER 2002

INTEREST PROVISION	-----ACTUAL-----										----PROJECTION----		TOTAL
	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	
BEGINNING TRUE-UP	138	25,076	29,824	36,841	42,565	47,391	52,942	58,064	61,112	66,073	70,467	70,567	
END T-UP BEFORE INT.	25,057	29,784	36,792	42,506	47,325	52,869	57,984	61,027	65,982	70,370	70,467	70,567	
TOT BEG & END. T-UP	25,195	54,859	66,616	79,347	89,890	100,259	110,927	119,092	127,095	136,444	140,935	141,135	
AVERAGE TRUE-UP	12,598	27,430	33,308	39,674	44,945	50,130	55,463	59,546	63,547	68,222	70,467	70,567	
INT RATE-FIRST DAY OF REPORTING BUS MTH	1.78%	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.71%	1.71%	1.71%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS MTH	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.71%	1.71%	1.71%	1.71%	
TOTAL	3.55%	3.52%	3.55%	3.55%	3.52%	3.52%	3.48%	3.44%	3.42%	3.42%	3.42%	3.42%	
AVG INTEREST RATE	1.78%	1.76%	1.78%	1.78%	1.76%	1.76%	1.74%	1.72%	1.71%	1.71%	1.71%	1.71%	
MONTHLY AVG RATE	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	
INTEREST PROVISION	\$19	\$40	\$49	\$59	\$66	\$74	\$80	\$85	\$91	\$97	\$100	\$101	\$860

**Florida Public Utilities Company, Natural Gas Divisions  
Non-Monitored Transportation Administration Charge  
Applicable to Non-Monitored Commercial Rate Schedule Customers  
January 2003 - December 2003**

<u>Annual Expenditure</u>		<u>Amount</u>
<u>LEASES</u>		
Notebook Computers Lease	\$ 6,000.00	
Voicemail Ports ACD Box	<u>3,000.00</u>	\$ 9,000.00
<u>FPU LABOR &amp; TRAINING EXPENSE</u>		
Labor		47,500.00
<u>EXTERNAL LABOR</u>		
Legal Expense	\$ 5,000.00	
Advertising & Postage	<u>1,500.00</u>	6,500.00
<b>Estimated Total</b>		<b>\$ <u><u>63,000.00</u></u></b>