

LAW OFFICES
Messer, Caparello & Self
A Professional Association

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

January 7, 2004

BY HAND DELIVERY

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

040017-60

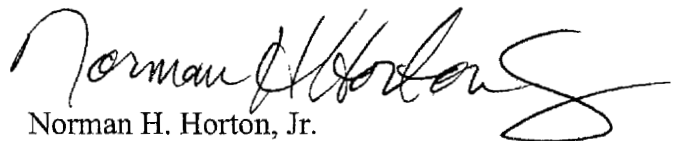
Dear Ms. Bayó:

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

Please acknowledge receipt of these documents 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
Enclosures

DOCUMENT NUMBER - DATE
00247 JAN-7 8
COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Public Utilities Company)
for modification of transportation cost recovery) Docket No.:
factors) Dated: January 7, 2004
_____)

**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 that the Commission approve a modification of the transportation cost recovery factors used by FPUC 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 25-07.03 35, 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 and by Order No. PSC-03-0336-TRF-GU to modify the factors.

4. The NTAC applies to all non-residential customers exclusive of Public Authorities not subject to the present Transportation Administration Charge and is billed on a cents-per-therm basis. The NTAC provides a mechanism to recover incremental expenses beyond those covered by the Transportation Cost Recovery Clause on a going forward basis.

5. Based on the attached schedules, FPUC requests that the Commission modify the current NTAC factors for application for the period March 2004 through December 2004. For that period, FPUC projects ongoing program costs of \$32,975 (Schedule D). As shown on the attached schedules, the ongoing true-up is an overrecovery of \$42,082 which when including the initial true-up underrecovery of \$1,229 results in net total projected cost to be refunded of \$7,878. FPUC proposes to refund this amount to customers during the period March through December 2004.

6. The specific NTAC factors proposed for the period March 2004 through December 2004 to be applied to all nonresidential customers exclusive of Public Authorities are:

General Service and GS Transportation	(\$0.00031)
Large Volume Service and LV Transportation	(\$0.00020)
Interruptible Service	(\$0.00009)

7. FPUC also proposed in conjunction with a planned rate proceeding, a temporary suspension of the unbundling transportation administrative charge program January 1, 2005. FPUC requests that the program costs be recovered through base rates effective that date. Should there be a material change, FPUC would reapply for unbundling rates.

8. As part of this petition, FPUC attaches prefiled testimony and exhibits of Marc Schneidermann.

WHEREFORE, FPUC requests that the Commission approve the proposed revisions to be effective March 1, 2004.

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 March 2004 through December 2004.
- 11 Q. What are the total projected costs for the period
12 January 2004 through December 2004 in the
13 Consolidated Natural Gas Division?
- 14 A. The total projected Unbundling Ongoing Program Costs
15 are \$15,500.
- 16 Q. Are there additional costs that you have projected
17 for this period?
- 18 A. Yes, we have also included an additional \$17,475

1 that represents the unamortized balance of the
2 Company's unbundling initial costs projected for the
3 period January 2005 through September 2005. The
4 total projected unbundling Ongoing and initial
5 program costs are \$32,975. Please see Schedule D,
6 for the functional breakdown of these total costs.

7 Q. What is the true up for the period January 2003
8 through December 2003?

9 A. As reflected in the respective "C" schedules, the
10 Ongoing True-up amount for the Non-Monitored
11 Transportation Administration Charge is an over-
12 recovery of \$42,082. There was also an Initial
13 True-up underrecovery of \$1,229.

14 Q. What are the resulting net total projected
15 unbundling ongoing costs to be refunded or collected
16 during the period March through December 2004?

17 A. The total costs to be refunded are \$7,878.

18 Q. What is the Non-Monitored Transportation
19 Administration Charge Adjustment Factor necessary to
20 refund these projected net total costs?

21 A. The Non-Monitored Transportation Administration
22 Charge Adjustment Factors per them for the
23 Unbundling Ongoing Program are:

24
25 General Service & GS Transportation (\$.00031)
26 Large Volume Service & LV Transportation (\$.00020)

SCHEDULE C - 1
 PAGE 1 OF 1

FLORIDA PUBLIC UTILITIES COMPANY

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS DIVISIONS
 NON-MONITORED TRANSPORTATION ADMIN. CHARGE
 MARCH 2004 THROUGH DECEMBER 2004
 (2004 PERIOD)

1	TOTAL ANNUAL COST (SCHEDULE D, PAGE 1)	\$	32,975
2.	TRUE-UP ONGOING		(42,082)
3	TRUE-UP INITIAL		1,229
4	TOTAL (LINE 1 THROUGH LINE 3)	\$	(7,878)

RATE SCHEDULE	BILLS	2004 PERIOD THERMS	2004 PERIOD CUSTOMER CHARGE	2004 PERIOD NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	2004 PERIOD NTAC REVENUES	NTAC AS % OF TOTAL REVENUES	DOLLARS THERMS	TAX FACTOR	FACTOR
GENERAL SERVICE & GS TRANSPORTATION	*11 *90	33,985	9,598,850	509,780	2,065,001	2,574,781	(2,915)	-0.11320%	(0 00030)	1 00503 (0.00031)
LARGE VOL SERVICE & LG. VOL. TRANSPORTATION(<50,000 Th/Yr)	*51 *91	11,232	24,606,250	505,440	3,807,571	4,313,011	(4,882)	-0 11320%	(0 00020)	1 00503 (0.00020)
INTERRUPTIBLE SERVICE	*61	40	934,290	9,600	61,775	71,375	(81)	-0.11320%	(0 00009)	1 00503 (0.00009)
TOTAL		45,257	35,139,390	1,024,820	5,934,347	6,959,167	(7,878)			

NON-MONITORED TRANSPORTATION ADMIN CHARGE
JANUARY 2003 THROUGH DECEMBER 2003

	ACTUAL								PROJECTION				TOTAL
	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	
UNBUNDLING 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
UNBUND. ADJ REV. (NET OF REV. TAXES)	2,631	2,660	3,803	2,192	1,556	3,070	(903)	(887)	5,041	5,042	5,041	5,042	34,288
TOTAL REVENUES	2,631	2,660	3,803	2,192	1,556	3,070	(903)	(887)	5,041	5,042	5,041	5,042	34,288
PRIOR PERIOD TRUE-UP NOT APPLIC TO PERIOD	3,450	3,445	3,445	3,445	3,445	3,445	3,445	3,445	3,445	3,445	3,445	3,445	41,345
UNBUNDLING REVS. APPLIC. TO PERIOD	6,081	6,105	7,248	5,637	5,001	6,515	2,542	2,558	8,486	8,487	8,486	8,487	75,633
UNBUNDLING EXPS. (FORM C-3, PAGE 3)	1,428	1,204	1,202	1,728	1,109	1,305	3,582	1,497	5,250	5,250	5,250	5,250	34,055
TRUE-UP THIS PERIOD	4,653	4,901	6,046	3,909	3,892	5,210	(1,040)	1,061	3,236	3,237	3,236	3,237	41,578
INTEREST THIS PERIOD (C-3,PAGE 5)	45	45	46	46	47	45	40	39	38	38	37	37	504
TRUE-UP & INT BEG OF MONTH	41,345	42,593	44,094	46,741	47,252	47,746	49,556	45,111	42,766	42,595	42,425	42,253	41,345
PRIOR TRUE-UP COLLECT./(REFUND)	(3,450)	(3,445)	(3,445)	(3,445)	(3,445)	(3,445)	(3,445)	(3,445)	(3,445)	(3,445)	(3,445)	(3,445)	(41,345)
END OF PERIOD TOTAL NET TRUE-UP ONGOING	42,593	44,094	46,741	47,252	47,746	49,556	45,111	42,766	42,595	42,425	42,253	42,082	42,082
NET TRUE-UP INITIAL	0	0	0	0	0	0	0	0	0	1,229 *	1,229	1,229	1,229

* True up for initial was \$1,229 for 10/03, estimated as \$0 for 11-12/03

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2003 THROUGH DECEMBER 2003

	ACTUAL								PROJECTION				TOTAL
	JAN 2003	FEB 2003	MAR 2003	APR 2003	MAY 2003	JUN 2003	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	
INTEREST PROVISION													
BEGINNING TRUE-UP	41,345	42,593	44,094	46,741	47,252	47,746	49,556	45,111	42,766	42,595	42,425	42,253	
END. T-UP BEFORE INT.	42,548	44,049	46,695	47,205	47,699	49,511	45,071	42,727	42,557	42,387	42,216	42,045	
TOT BEG. & END. T-UP	83,893	86,641	90,789	93,946	94,950	97,257	94,627	87,838	85,323	84,982	84,641	84,298	
AVERAGE TRUE-UP	41,947	43,321	45,395	46,973	47,475	48,629	47,313	43,919	42,661	42,491	42,320	42,149	
INT RATE-FIRST DAY OF REPORTING BUS. MTH	1.29%	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	
INT RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	1.06%	
TOTAL	2.56%	2.52%	2.43%	2.37%	2.40%	2.21%	2.05%	2.11%	2.12%	2.12%	2.12%	2.12%	
AVG INTEREST RATE	1.28%	1.26%	1.22%	1.19%	1.20%	1.11%	1.03%	1.06%	1.06%	1.06%	1.06%	1.06%	
MONTHLY AVG RATE	0.11%	0.11%	0.10%	0.10%	0.10%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	
INTEREST PROVISION	\$45	\$45	\$46	\$46	\$47	\$45	\$40	\$39	\$38	\$38	\$37	\$37	\$504

**Florida Public Utilities Company, Natural Gas Divisions
Non-Monitored Transportation Administration Charge
Applicable to Non-Monitored Commercial Rate Schedule Customers
January 2004 - December 2004**

<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>EXTERNAL LABOR</u>		
Legal Expense	\$ 5,000.00	
Advertising & Postage	<u>1,500.00</u>	6,500.00
		<u>15,500.00</u>
<u>AMORTIZED INITIAL COSTS</u>		
January 2005 to September 2005 (Total cost \$93,201.69 divided by 48 months multiplied by 9 months)		17,475.00
Estimated Total		\$ <u>32,975.00</u>