

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Joint Petition of) DOCKET NO. 930800-GU
Peoples Gas System, Inc., Plant) ORDER NO. PSC-93-1329-FOF-GU
City Natural Gas Company, and) ISSUED: September 9, 1993
Central Florida Gas Company for)
Approval of Modification of)
Territorial Boundary Agreement.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION

ORDER APPROVING MODIFICATION TO TERRITORIAL BOUNDARY AGREEMENT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On August 10, 1993, Peoples Gas System (Peoples), and Plant City Natural Gas Company (Plant City) and Central Florida Gas Company, which together form the Florida division of Chesapeake Utilities Corporation (Chesapeake), filed a joint petition for approval of a modification to the territorial boundary agreement that the Commission approved initially in 1989 (Order No. 22175). The joint petition states that the modification is necessary to effectuate the arrangements Chesapeake and Peoples have made so that Auburndale Power Partners (Auburndale) may receive gas transmission service in 1994. See Docket No. 930714-GU, In Re: Petition by the Florida Division of Chesapeake Utilities Corporation for Approval of a Gas Transportation Agreement with Auburndale Power Partners, L.P.

Auburndale will be operating a gas-fired electric generation facility supplying power to Florida Power Corporation beginning early 1994, and Auburndale will require gas service at that time. Auburndale is located in Chesapeake's service territory, but

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FPSC-RECORDS/REPORTING

Chesapeake does not hold sufficient capacity on Florida Gas Transmission Company's (FGT) pipeline to provide transportation service to Auburndale. Peoples, on the other hand, does hold sufficient capacity on FGT to receive the volume of gas required by Auburndale, and Auburndale will receive gas supply transported on FGT utilizing the capacity owned by Peoples.

In order to serve Auburndale at the time gas supply is needed, Peoples will construct, own, and operate the Lake Blue Gate Station, which will connect with FGT's system near the city of Auburndale, Florida, in Chesapeake's service territory. Chesapeake will construct, own and operate approximately 2.3 miles of 10" steel main between Peoples's Lake Blue Gate Station and Auburndale's Power Generation Facility. The modification to the Territorial Boundary Agreement would allow Peoples to tie into Chesapeake's distribution facilities for the sole purpose of providing natural gas service to Auburndale.

The areas in which Peoples and Chesapeake provide natural gas service are in close proximity in certain areas between Lakeland and Auburndale. The parties desire to cooperate in the public interest to supply service in a manner that will avoid the uneconomic effects and potential safety hazards that would result from duplication of natural gas distribution facilities. Thus they have agreed that Peoples shall not be permitted to construct its own pipeline facilities or other distribution facilities to serve the Auburndale Power Generation Facility.

The modification to the Territorial Boundary Agreement does not require transfer of existing facilities. Peoples will construct and retain ownership of the city gate station, and Chesapeake will construct and retain ownership of the steel main. The modification is prospective, and provides solely for service to Auburndale Power Generation Facility. No existing customers will be transferred or in any way affected by the modification. The modification will not increase the cost or decrease the reliability of providing natural gas to the petitioners' general body of ratepayers.

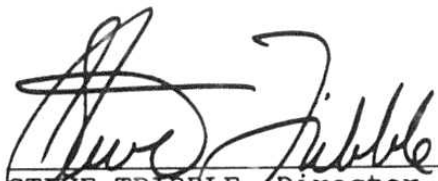
Accordingly, we approve the proposed modification to the Territorial Boundary Agreement. We find that the modification permits the parties to reasonably resolve the capacity constraints that Chesapeake presently faces, and thus Chesapeake will be able to serve Auburndale in a timely fashion. It is therefore

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ORDERED that the joint petition of Peoples Gas System, Inc., Plant City Natural Gas Company and Central Florida Gas Company for approval of a modification of their territorial boundary agreement is hereby approved. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission this 9th day of September, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
MCB:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of

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Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on September 30, 1993.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.