

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Filing of Initial) DOCKET NO. 930721-GP
Regulated Rates by FIVE FLAGS) ORDER NO. PSC-93-1677-FOF-GP
PIPELINE COMPANY) ISSUED: November 18, 1993
_____)

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING INITIAL REGULATED RATES

BY THE COMMISSION:

Five Flags Pipeline Company (Five Flags) is a wholly owned subsidiary of Five Flags Holding Company, which in turn is wholly owned by SunShine Interstate Pipeline Partners. Five Flags was originally constructed in 1972 and expanded in 1974. The pipeline operates solely within the State of Florida. It provides natural gas transportation service to customers in Santa Rosa and Escambia Counties under eleven existing transportation contracts.

Prior to the newly created "Natural Gas Transmission Pipeline Intrastate Regulatory Act", Chapter 368, Florida Statutes, Five Flags was subject to the regulation of the Federal Energy Regulatory Commission (FERC) as an intrastate natural gas transmission pipeline, and as such, all rates and charges were approved by the FERC. With the implementation of the Natural Gas Transmission Pipeline Intrastate Regulatory Act, Five Flags now comes under the jurisdiction of this Commission. Five Flags is the first intrastate transmission pipeline to file its initial rates.

The current rates for seven of Five Flags' ten contracts were derived by settlement agreement and were approved by the FERC in Docket No. PR91-3-000. The rates for service on the remaining contracts were individually negotiated. Section 368.105(3), Florida Statutes, provides that:

Rates charged or offered to be charged by any natural gas transmission company for transactions with other natural gas transmission companies, transportation customers, and industrial, power plant, and other similar large-volume contract customers, but excluding direct sales-for resale to gas distribution utilities at city gates, unless suspended and modified pursuant to this

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subsection, are deemed to be just and reasonable and approved by the commission, if both the natural gas transmission company and the customer file an affidavit with the commission affirming that:

(a) Neither the natural gas transmission company nor the customer had an unfair advantage during the negotiations;

(b) The rates are substantially the same as rates between the natural gas transmission company and two or more of those customers under the same or similar conditions of service; or

(c) Competition does exist or did exist either with another natural gas transmission company, another supplier of natural gas, or with a supplier of an alternative form of energy. . .

In conformance with this provision, Five Flags and its customers provided joint affidavits affirming that neither the company nor the customers had an unfair advantage during the negotiations, and that competition did exist in the markets in which Five Flags operates.

Because FERC has approved the rates embodied in seven of Five Flags' contracts, and because joint affidavits have been filed regarding all of the contracts, we approve Five Flags Pipeline's initial regulated rates as just and reasonable. It is therefore

ORDERED that the initial regulated rates of Five Flags Pipeline Company are approved. It is further

ORDERED that this docket should be automatically closed if no one whose substantial interests are affected by the action proposed files a timely petition for a formal proceeding.

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By ORDER of the Florida Public Service Commission this 18th
day of November, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
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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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on December 9, 1993.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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 on the date described above, any party adversely affected may request judicial review by the Florida

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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 date this Order becomes final, 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.