

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for authority
to incur long-term debt in the
maximum principal amount of
\$.400,000 by St. Joe Natural Gas
Company, Inc.

DOCKET NO. 001734-GU
ORDER NO. PSC-01-0023-FOF-GU
ISSUED: January 3, 2001

The following Commissioners participated in the disposition of
this matter:

J. TERRY DEASON, Chairman
E. LEON JACOBS, JR.
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI

ORDER GRANTING APPLICATION TO INCUR LONG-TERM DEBT

BY THE COMMISSION:

On November 21, 2000, St. Joe Natural Gas Company, Inc. (SJNG) Submitted an application for authority, pursuant to Chapter 25-8, Florida Administrative Code, and Section 366.04, Florida Statutes, to incur long-term debt in the amount of \$400,000. The debt would be incurred for a 12 month period ending December 31, 2001. The debt would be in the form of an unsecured promissory note or notes payable in equal monthly installments of principal and interest, over a ten-year term.

The purpose of the long-term debt is to fund an unusually high tax liability incurred when one of SJNG's largest customers, Florida Coast Paper Company, LLC, declared bankruptcy. SJNG built a pipeline to serve the paper company, and the paper company paid for the pipeline. Due to the bankruptcy, SJNG received the pipeline, and must treat it as a contribution in aid of construction, which is taxable.

Having reviewed the application, we find that the incurring of the long-term debt will not impair SJNG's ability to perform the services of a public utility. We also find that the debt will be incurred for a lawful purpose, consistent with SJNG's corporate powers. The application is therefore granted. For monitoring

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purposes, this docket must remain open until April 15, 2002, to allow the company time to file the required Consummation Report.

Our approval of SJNG's application to incur long-term debt does not indicate specific approval of any rates, terms, or conditions associated with the debt. Such matters are properly reserved for review by the Commission within the context of a rate proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application of St. Joe Natural Gas Company, Inc., to incur long-term debt of \$400,000, for the 12 months ending on December 31, 2001, is granted. It is further

ORDERED that St. Joe Natural Gas Company, Inc. shall file a consummation report in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days of December 31, 2001. It is further

ORDERED by that this docket remain open pending the submission of the consummation report by St. Joe Natural Gas Company, Inc..

By ORDER of the Florida Public Service Commission this 3rd Day of January, 2001.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/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 after the issuance 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.