

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of
initial transportation cost
recovery factors by Florida
Public Utilities Company.

DOCKET NO. 010846-GU
ORDER NO. PSC-01-1963-TRF-GU
ISSUED: October 1, 2001

The following Commissioners participated in the disposition of
this matter:

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

ORDER APPROVING TARIFF MODIFICATION

BY THE COMMISSION:

By Order No. PSC-01-0073-TRF-GU, issued January 9, 2001, the Commission approved Florida Public Utilities Company's (FPUC or Company) proposed transportation service tariff, effective August 1, 2001. The Commission granted the Company permission to accrue expenses, including implementation expenses associated with the offering of transportation service to all non-residential customers. FPUC was granted authority to recover those expenses from all non-residential customers excluding Large Volume Interruptible Transportation Service (LVITS) customers and special contract customers through a Transportation Cost Recovery Clause.

As indicated in Commission Order No. PSC-01-0073-TRF-GU, start-up expenses would be recovered over a four-year period, with any over or underrecovery to be trued-up and the end of the recovery period. The collection period was established as a five-year period beginning August 1, 2001. The Commission approved the Company's proposal to petition the Commission for recovery of its actual expenses at a future date.

On June 14, 2001, FPUC filed a petition for approval of initial transportation cost recovery factors. On August 13, 2001,

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the Company filed an amended petition to change the recovery factors.

The Company projected that as of August 1, 2001, the effective date of its unbundled transportation service, it incurred \$91,455 in expenses associated with the offering of transportation services to all its non-residential customers. These expenses were posted to a deferred debit account pending collection of revenue from the Transportation Cost Recovery Clause surcharge. The Company proposed to recover those expenses over a four-year period, with any over or underrecovery trued-up at the end of the four-year period in accordance with the approved tariff for its Transportation Cost Recovery Clause.

The Company proposed the following initial cost recovery factors under the Transportation Cost Recovery Clause:

General Service and General Transportation	0.078 cents per therm
Large Volume Service and Large Volume Transportation	0.052 cents per therm
Interruptible Service and Interruptible Transportation	0.025 cents per therm

By Order No. PSC-01-0073-TRF-GU, the Commission also approved the Company's proposed Non-monitored Transportation Administration Charge (NTAC). As approved, the NTAC applies to all non-residential customers not subject to the Company's Transportation Administrative Charge. Customers subject to the NTAC are not required to have electronic measurement equipment for the monitoring of their gas usage. The function of the NTAC is to allow the recovery of the Company's incremental expenses, beyond the expenses recovered through the Transportation Cost Recovery Clause on a going-forward basis. In its Order, the Commission approved the Company's proposal to petition the Commission for these expense at a future date.

The Company now projects that from August 1, 2001 through December 31, 2002, (thereafter the period will be January through December) it will incur \$58,500 in going-forward expenses associated with making transportation service available to all non-residential customers. In accordance with its approved tariff, FPUC proposed to recover those expenses for the period on a cents-per-therm basis applied to the customer's actual consumption, with any over or underrecovery trued up at the end of the period. The Company proposed the following initial cost recovery factors as the NTAC for the initial October 2001 through December 2002 period:

General Service and General Transportation	0.203 cents per therm
Large Volume Service and Large Volume Transportation	0.135 cents per therm
Interruptible Service	0.061 cents per therm

The Company used its 2001 annualized budget data regarding the number of bills and therms and then spread the annualized costs to the different rate schedules using the same methodology as the natural gas conservation cost recovery clause.

The proposed initial NTAC would not be applied to non-residential customers served under special contract, or larger transportation customers, which by tariff or contract are required to have Company-provided telemetry at their site(s) to allow the measurement of real-time consumption data to the Company, and are therefore subject to the Company's Transportation Administration Charge.

Based on the Company's amended petition, we find that FPUC's proposed transportation cost recovery factors and proposed NTAC cost recovery factors are appropriate and are hereby approved.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Public Utilities Company's Petition for Approval of Initial Transportation Cost Recovery Factors is approved. It is further

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ORDERED that the effective date of Florida Public Utilities Company's Initial Transportation Cost Recovery Factors and NTAC Cost Recovery Factors is September 18, 2001. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 1st day of October, 2001.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records and Hearing
Services

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NOTICE OF FURTHER PROCEEDINGS

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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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 proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 22, 2001.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

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.