

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 020163-GU
ORDER NO. PSC-02-0654-TRF-GU
ISSUED: May 13, 2002

The following Commissioners participated in the disposition
of this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

ORDER APPROVING MODIFICATION OF TRANSPORTATION COST RECOVERY
FACTORS

BY THE COMMISSION:

On February 25, 2002, Florida Public Utilities Company (FPUC) filed a petition for approval of modification of its transportation cost recovery factors. FPUC's initial cost recovery factors were filed on June 14, 2001. The initial factors for the Transportation Cost Recovery (TCR) and Non-monitored Transportation Administration Charge (NTAC) were subsequently revised in an amended petition which was approved by the Commission on October 1, 2001, by Order No. PSC-01-1963-TRF-GU in Docket No. 010846-GU. The modification is needed because on December 14, 2001, FPUC completed its acquisition of South Florida Natural Gas (SFNG). Jurisdiction over this matter is vested in the Commission by several provisions of Chapter 366 Florida Statutes, including Sections 366.04, 366.05, and 366.06 Florida Statutes.

Since the completion of the acquisition of SFNG, FPUC has been providing service to the former SFNG customers in New Smyrna Beach (NSB) and has begun to consolidate the operations of these two companies. As a result of the acquisition and expansion of services and customers, FPUC proposes to modify the transportation

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cost recovery factors for certain rate schedules of the former SFNG.

The Company proposes the following modifications to the TCR factors for the period May 2002 through July 2005:

<u>Rate Schedule</u>	<u>From</u>	<u>To</u>
<u>FPUC</u>		
GS	.078 cents per therm	.069 cents per therm
GSTS	.078 cents per therm	.069 cents per therm
<u>Former SFNG (NSB)</u>		
CI	.000 cents per therm	.069 cents per therm
CITS	.000 cents per therm	.069 cents per therm

The Company proposes the following modification to the NTAC factors for the period May 2002 through December 2002:

<u>Rate Schedule</u>	<u>From</u>	<u>To</u>
<u>FPUC</u>		
GS	.203 cents per therm	.203 cents per therm
GSTS	.203 cents per therm	.203 cents per therm
<u>Former SFNG (NSB)</u>		
CI	.000 cents per therm	.203 cents per therm
CITS	.000 cents per therm	.203 cents per therm

As approved in Order No. PSC-01-1963-TRF-GU, the NTAC is not applied to those customers served under special contract or large transportation customers, which by tariff or contract are required to have Company-provided telemetry at their site(s). Since the on-site telemetry allows the measurement of real-time consumption data to the Company, it is subject to the Company's Transportation Administration Charge, not the NTAC.

The TCR and NTAC factors are intended to enable FPUC to recover incremental costs incurred by the Company. See Order No. PSC-01-0073-TRF-GU issued January 9, 2001, in Docket No. 000703-GU. We evaluated the cost analysis provided in the Petition and also compared it with those provided in Docket No. 000703-GU and 010846-

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GU, and find the estimate of costs incurred in this case to be reasonable. By changing the factors as proposed, FPUC will recover its incremental costs.

Based on the Company's petition, we find that FPUC's proposed modification of its TCR and NTAC cost recovery factors are appropriate and should be approved, and shall become effective on May 1, 2002.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Petition for Modification of Transportation Cost Recovery Factors filed by Florida Public Utilities Company is approved. It is further

ORDERED that this modification to the tariff shall become effective on May 1, 2002. It is further

ORDERED that if a protest is filed within 21 days of the issuance of this 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.

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By ORDER of the Florida Public Service Commission this 13th
Day of May, 2002.

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

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

(S E A L)

MKS

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

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Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 3, 2002.

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.