

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for disposition of final true-up Non-Monitored Transportation Administration Charge [NTAC] and Transportation Cost Recovery [TCR] factors, by Florida Public Utilities Company.	DOCKET NO. 050109-GU ORDER NO. PSC-05-0490-PAA-GU ISSUED: May 5, 2005
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The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON
LISA POLAK EDGAR

NOTICE OF PROPOSED AGENCY ACTION
ORDER DISPOSING OF FINAL TRUE UP FOR NON-MONITORED TRANSPORTATION
ADMINISTRATION CHARGE AND TRANSPORTATION COST RECOVERY FACTORS

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 substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

By Order No. PSC-01-0073-TRF-GU, issued January 9, 2001, in Docket No. 000795-GU, In Re: Petition by Florida Public Utilities Company for approval of unbundled transportation service, this Commission approved two cost recovery mechanisms, the Transportation Cost Recovery (TCR) and the Non-monitored Transportation Administrative Charge (NTAC). The TCR factors were designed to recover certain transportation-related start-up expenses for non-residential customers. The NTAC applies to all non-residential transportation customers that are not required to have telemetry equipment installed. Both cost recovery factors are billed on a cents-per-therm charge and are applied to the customer's actual consumption. By Order No. PSC-01-1963-TRF-GU, issued October 1, 2001, in Docket No. 010846-GU, In Re: Petition for Approval of initial transportation cost recovery factors by Florida Public Utilities Company, we approved Florida Public Utilities Company's (FPUC or Company) initial NTAC factors for the period October 2001 through December 2002, with any over or under-recovery trued up at the end of the period. Since then, we have approved several modifications to the NTAC factors.

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FPSC-COMMISSION CLERK

By Order No. PSC-04-1110-PAA-GU, issued November 8, 2004, in Docket No. 040216-GU, In Re: Application for rate increase by Florida Public Utilities Company, we approved FPUC's request to discontinue billing its customers the TCR and the NTAC cost recovery factors at the time the revised rates became effective. In addition, we directed FPUC to file a petition calculating the final true-up of both the TCR and the NTAC factors for the period January through November 2004, to include a proposed treatment of the final disposition of any over or under-recovery.

On February 7, 2005, FPUC filed its petition for disposition of final true-up for the TCR and the NTAC. We have jurisdiction over this matter pursuant to several provisions of Chapter 366, including Sections 366.04, 366.05, and 366.06, Florida Statutes.

In compliance with Order No. PSC-04-1110-PAA-GU, FPUC calculated the final true-up for the TCR and the NTAC for the period January through November 2004. Based on FPUC's calculation, the final true-up for the TCR and the NTAC is a net under-recovery of \$25,190. Our staff has reviewed the calculation and agrees that FPUC has a net under-recovery of \$25,190.

As part of its petition, FPUC has proposed that the under-recovery be netted against its 2002 overearnings that will be addressed in Docket No. 050224-GU, In Re: Investigation into 2002 earnings of the Gas Division of Florida Public Utilities Company. FPUC agreed to cap its 2002 earned return on equity at 12.40% by letter dated March 7, 2003. Based on our staff's analysis of the final true-up and preliminary review of FPUC's 2002 earnings, we find that there are sufficient excess earnings to fully absorb the \$25,190 under-recovery. Therefore, FPUC's petition shall be approved.


Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Petition of Florida Public Utilities Company to have the final true-up under-recovery of \$25,190 for its Non-monitored Transportation Administration Charge and Transportation Cost Recovery factors netted against its 2002 overearnings shall be approved effective April 19, 2005, the date of our vote on this matter. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is 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 the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Order, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 5th day of May, 2005.



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

(S E A L)

RRJ

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 that is available under Section 120.57, 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 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 action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file 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 May 26, 2005.

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/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.