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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 920295-GU
Submitted for Filing:
June 30, 1992

IN RE:

Petition of Peoples Gas Systems, Inc.)
for approval of rate Schedule CG,)
City Gate Gas Sales Agreement and)
Modifications to its purchased gas)
adjustment (PGA) clause)

ORIGINAL
FILE COPY

PETITION TO INTERVENE

Florida Gas Transmission Company ("FGT"), by its undersigned attorneys and pursuant to Commission Rule 25-22.039, F.A.C., files its Petition to Intervene in Docket No. 920295-GU, and as grounds therefore states:

1. FGT is an interstate natural gas pipeline transmission company operating in Florida with its principal mailing address in Florida at Post Office Box 945100, Maitland, Florida 32794-5100.

ACK _____
AFA _____
APP _____
CAF _____
CMU _____
2. The individuals to be notified and served with copies of all CASRs, notices, orders, pleadings and other papers in this docket are the following:

CTR C. Everett Boyd, Jr. Martin J. Marz, Esquire
Ervin, Varn, Jacobs, Senior Counsel
EAG W/Odom & Ervin Florida Gas Transmission Company
LEG Post Office Drawer 1170 Post Office Box 1188
LIN Tallahassee, Florida 32302 Houston, Texas 77251-1199

OPC 1
RCH _____
SEC 1
WAS _____
OTH _____

ERVIN, VARN, JACOBS, ODOM & ERVIN TALLAHASSEE, FLORIDA

DOCUMENT NUMBER-DATE

07023 JUN 30 1992

FPSC-RECORDS/REPORTING

3. FGT is an affected or substantially interested party as that term is defined within the provisions of Chapter 120, Florida statutes. FGT owns and operates an interstate natural gas pipeline transmission facility in Florida, and provides transportation and gas sales service to various commercial, industrial and distribution customers, including Peoples Gas System, Inc. ("Peoples"). FGT transports and sells gas to Peoples which is distributed by Peoples for consumption by Peoples' customers.

4. On April 1, 1992 Peoples filed for approval of Rate Schedule CG, a form of a City Gate Agreement and modification to its purchased gas adjustment clause (PGA). These proposed modifications would permit Peoples to enter into arrangements which would permit it to buy from certain end-users' gas suppliers quantities of gas, have the gas transported on the FGT system, and at the delivery point from FGT to Peoples, resell the gas to the end-users for transportation through the Peoples gas system to the end-users' facilities. This type of transaction is generally referred to as a Buy-Sell arrangement. Buy-Sell arrangements have been the subject of much litigation and analysis by the Federal Energy Regulatory Commission. In Order No. 636 and a companion order El Pasco Natural Gas Company, et al., Docket No. CP88-433-002, issued April 8, 1992, the FERC addressed these very type of arrangements.

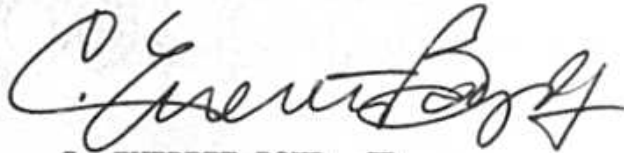
5. In order to prevent discriminatory allocation of interstate pipeline capacity the FERC has authorized and required interstate pipelines to implement capacity relinquishment programs

or release programs. Following the implementation of FGT's Order No. 636 compliance filing, which is to be made by November 2, 1992, the capacity relinquishment program will be the only method by which FGT's interstate pipeline capacity held by firm shippers may be reallocated. After implementation of the capacity relinquishment program on FGT, no new Buy-Sell arrangements may be negotiated. Further, Peoples will be required to notify FGT of all such transactions, and FGT, for informational purposes, to post notice of all grand-fathered Buy-Sell arrangements on its electronic bulletin board.

6. Because the use of FGT's interstate capacity is subject to regulation by the FERC, FGT cannot guarantee Peoples or this Commission that it will be permitted to allow continued operation of tariff language such as is proposed by Peoples. To the extent that the FERC implements regulations that prohibit the continued operation of the assignment or brokering of FGT's capacity by its transportation customers in a manner like or similar to that proposed by Peoples in its filing in the proceeding, FGT must act in accordance with the dictates of the FERC. Therefore, although FGT does not oppose the tariff changes proposed by Peoples in the instant proceeding, continued operation of the proposal is subject to FGT's ability to continue to provide the service under FERC authorization.

WHEREFORE, Florida Gas Transmission Company respectfully moves for leave to intervene in the above-captioned proceeding, for the reasons set forth above.

Respectfully submitted,

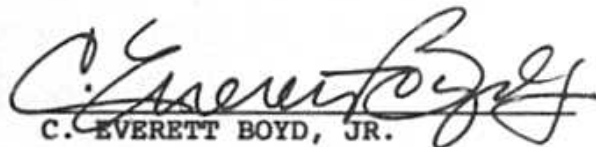


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(904) 224-9135

ATTORNEYS FOR
FLORIDA GAS TRANSMISSION

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition to Intervene has been furnished by United States Mail to Ansley Watson, Jr., Esquire, Mcfarlane & Ferguson, Post Office Box 1531, Tampa, Florida 33601-1531, and by Hand Delivery to Mary Anne Birchfield, Esquire, Florida Public Service Commission, 101 E. Gaines Street, Room 226-V, Tallahassee, Florida 32399, this 30TH day of June, 1992.


C. EVERETT BOYD, JR.

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