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January 21, 1993

REPLY TO: Tallahassee

Steve C. Tribble  
Division of Records & Reporting  
Room 111  
Florida Public Service Commission  
101 E. Gaines Street  
Fletcher Building  
Tallahassee, FL 32399-0850

RE: Application for Determination of Need for Interstate  
Natural Gas Pipeline by SunShine Pipeline Company -  
Docket No. 920807-GP

Dear Tribble:

Enclosed you will find the original and seven (7) copies of  
the Petition for Leave to Intervene by Florida Gas Transmission  
Company in the above-referenced proceeding. Please file  
accordingly.

Very truly yours,

PEEPLES, EARL & BLANK, P.A.

William L. Hyde  
For the Firm

:nl  
Enclosures

cc: Martha Carter Brown, Esquire  
Peter M. Dunbar, Esquire  
Bram Canter, Esquire  
Jack Shreve, Esquire

ACK  \_\_\_\_\_  
AFB  \_\_\_\_\_  
CAF \_\_\_\_\_  
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FLORIDA PUBLIC SERVICE COMMISSION

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DOCKET NO. 920807-GP

IN RE: Application for Determination of Need for Interstate  
Natural Gas Pipeline by SunShine Pipeline Company

PETITION OF FLORIDA GAS TRANSMISSION COMPANY  
FOR LEAVE TO INTERVENE

Florida Gas Transmission Company ("Florida Gas"), by the undersigned attorneys and pursuant to Florida Administrative Code rule 25-22.039, hereby files this Petition for Leave to Intervene in the above-referenced matter and in support thereof states:

1. The name and address of the Intervenor are as follows:

Florida Gas Transmission Company  
1400 Smith Street  
Suite 3963  
P. O. Box 1188  
Houston, Texas 77251-1188

2. All pleadings, notices and other papers should be served on:

William L. Hyde  
Peeples, Earl & Blank, P.A.  
250 South Monroe Street  
Suite 350  
Tallahassee, Florida 32301  
(904) 681-1900

SUBSTANTIAL INTERESTS AFFECTED

3. During the mid-1950s, the demand for natural gas in Florida, primarily by electric power generating utilities, prompted a group of investors to plan a pipeline and form the company that ultimately became known as Florida Gas Transmission Company. They raised the capital, arranged for long-term gas supplies, negotiated

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ATTORNEYS AT LAW

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contracts with customers in Florida, designed the entire pipeline system from the Texas-Mexico border to south of Miami, secured the Certificate of Public Convenience and Necessity from the Federal Power Commission, the forerunner of the Federal Energy Regulatory Commission ("FERC"), obtained more than 16,000 easements, ordered more than 2,000 miles of large diameter pipe, obtained all the needed permits, and began construction in August, 1958.

4. Since beginning operation in June, 1959, the Florida Gas pipeline has operated reliably and dependably, satisfying the bulk of the state's natural gas needs from the Panhandle to South Florida. Because the pipeline is almost entirely underground, where it operates safely, quietly and at a high load factor year round, most Floridians are not even aware of its existence. At present, it delivers about eleven percent (11%) of the energy consumed in the State of Florida every year.

5. Although the original pipeline was constructed more than thirty-three years ago, it remains a safe, modern pipeline. The technology and materials employed in the construction of the pipeline and the rigorous system of inspections and tests insure that the pipeline is as strong and secure today as it was when new in 1959.

6. The original mainline, which ran 1,482 miles from the Mexican border to South Florida, was primarily twenty-four inches (24") in diameter. In addition, there were 765 miles of lateral lines of various diameters from producing fields to the mainline and from the mainline to customers in Florida.

7. Since its startup, the Florida Gas pipeline has grown along with the State of Florida. Pipeline capacity has been increased by a succession of expansion projects over the years. The mainline now consists of two interconnected parallel lines from Louisiana to South Florida. In addition, enough new laterals have been added to increase the total system mileage to 4,496. Over the same period, total mainline compression horsepower has been increased from 40,500 in 1959 to 174,965. The result of these expansion projects has been to increase pipeline capacity from the original 278 million cubic feet per day ("mmcf") to 925 mmcf today.

8. Florida Gas has a wide range of customers throughout Florida. They include large electric utilities, such as Florida Power & Light Company, Orlando Utilities Commission, Jacksonville Electric Authority, Florida Power Corporation and many others; gas distribution utilities such as Peoples Gas System, Inc., City Gas Company, and other municipal and investor-owned utilities that serve a variety of industrial, residential and commercial customers; schools, hospitals and other public buildings; and large phosphate, forest products and citrus processing plants. The Florida Gas pipeline that delivers the natural gas is safe, secure and highly resistant to interruption by even such natural phenomena as hurricanes.

9. Florida Gas has planned and submitted an appropriate application to FERC pursuant to section 7(c) of the Natural Gas Act, as amended ("NGA"), 15 U.S.C. § 717f(c), and part 157 of

FERC's regulations thereunder, 18 C.F.R. §§ 157.6, 157.14 and 157.18 for, and had received preliminary approval of a Certificate of Public Convenience and Necessity authorizing Florida Gas to construct and operate certain pipeline, compression, metering and related facilities that will enable Florida Gas to provide an average additional 530,000 mmbtu per day to its Florida customers ("Phase III Expansion"). The estimated cost of the Phase III Expansion project will be approximately \$900 million dollars. The Phase III Expansion will also generate an additional \$1 billion in related construction projects as Florida Gas' customers (e.g., cogenerators) utilize this additional capacity for their own capital improvements. Upon completion of this expansion, Florida Gas will be providing approximately 15% of the energy consumed in the State every year and will be able to provide customers in Florida with access to gas supplies throughout the Gulf of Mexico basin, as well as other major supply basins, including Mobile Bay, South Texas, offshore and onshore Louisiana, and the Black Warrior Basin.

10. Action by the Public Service Commission ("Commission") in this proceeding will determine whether SunShine Pipeline Company ("SunShine") is entitled to a determination of need for its proposed natural gas transmission pipeline pursuant to section 403.9422, Florida Statutes, of the Natural Gas Transmission Pipeline Siting Act ("Siting Act"), §§ 403.9401-.9425, Fla. Stat. A Commission decision to grant this determination of need to SunShine could substantially affect Florida Gas' projected capital

investments. Florida Gas is therefore entitled to intervenor party status pursuant to Florida Administrative Code rule 25-22.039.

DISPUTED ISSUES OF MATERIAL FACT

11. Whether Florida Gas' existing pipeline, Phase III Expansion and projected Phase IV Expansion, are capable of meeting the need for natural gas delivery, reliability, safety and integrity for Florida's natural gas consumers for the reasonably foreseeable future.

12. Whether there are other less costly, more efficient, or more appropriate alternatives to SunShine's proposed pipeline.

13. Whether SunShine has the ability, financial and otherwise, to insure natural gas delivery, reliability, safety and integrity for customers of its proposed pipeline.

14. Whether SunShine has the resources, including but not limited to funds for capital and operating expenditures, for project accomplishment and operation.

15. Whether SunShine's pipeline will be financially feasible in the short term and long term.

16. Whether SunShine's pipeline will foster competition and service to promote quality assurance and cost-effectiveness in the delivery of natural gas in Florida.

17. Whether the SunShine pipeline will result in any cost savings, direct or indirect, for Florida's natural gas consumers, especially as compared to existing pipelines.

18. Whether SunShine currently has, or may reasonably be expected to obtain in the foreseeable future, sufficient customer

contractual commitments to render its pipeline feasible in the short term and in the long term.

19. Whether SunShine's pipeline will enhance the accessibility of Florida's natural gas consumers to new or additional supply basins or sources of reliable natural gas.

20. Whether SunShine's pipeline is needed to meet natural gas energy needs in an orderly and timely fashion.

21. Whether SunShire's pipeline will produce minimal adverse effects on the environment and public health, safety and welfare.

22. Whether there is otherwise a need for SunShine's pipeline within the contemplation of the Siting Act, in particular section 403.9422(1)(b), Florida Statutes, and/or any rules and regulations that may be promulgated thereunder.

#### ULTIMATE FACTS

23. Florida Gas asserts as ultimate facts the affirmative of the issues set forth in paragraphs 11-12 and the negative of the issues set forth in paragraphs 13-22, supra.

#### ENTITLEMENT TO RELIEF

24. The following rules and statutes entitle Florida Gas to relief: Sections 120.57(1), 120.59, 403.9401-.9425, and 403.9422, Florida Statutes; Florida Administrative Code rule 25-22, part IV; and any rules and regulations that may yet be promulgated pursuant to the provisions of the Siting Act.

REQUEST FOR RELIEF

In light of the foregoing facts and authorities, Florida Gas Transmission Company respectfully requests that the application for determination of need for interstate natural gas pipeline by SunShine Pipeline Company be denied in its entirety or, if approved, that the approval be subjected to such conditions as are just and appropriate and otherwise advance the purposes and objectives of the Siting Act.

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Suite 350  
Tallahassee, Florida 32301  
(904) 681-1900

William L. Hyde  
William L. Hyde  
Fla. Bar No. 265500



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one copy of the foregoing have been served by U. S. Mail on Steve Tribble, Director, Division of Records and Reporting, Florida Public Service Commission, Fletcher Building, 111 East Gaines Street, Tallahassee, Florida 32399-0850 and that copies have been furnished by U. S.

Mail to the following persons:

Martha Carter Brown, Esquire  
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