



DEPARTMENT OF MANAGEMENT
SERVICES

4050 Esplanade Way • Tallahassee, Florida 32399-0950

ORIGINAL
FILE COPY

LAWTON CHILES, GOVERNOR

WILLIAM H. LINDNER, SECRETARY

April 4, 1996

Suite 315

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-6642

RE: Docket No. 960385-GU; Petition of St. Joe Natural Gas Company, Inc.
for approval of Service Agreement for Firm Transportation Service with
the Florida Department of Management Service and the Florida
Department of Corrections

Dear Ms. Bayo:

ACK _____
 AFA _____
 APP _____
 CAF _____
 CDM _____
 CTF _____
 ETS / _____
 LBY / _____
 MFC 5 _____
 QAF _____
 RFB _____
 SSB / _____
 WFB _____
 GTH _____

The Department of Management Services has been working with St. Joe Natural Gas Company for several months to develop an Agreement by which natural gas can be delivered to Gulf Correctional Institution near Wewahitchka, Florida. Commencement with construction of the needed line extension and delivery of gas is conditioned on the approval of our Agreement with St. Joe Natural Gas by the Florida Public Service Commission. The Department of Corrections has requested that the Department of Management Services make natural gas service arrangements for Gulf Correctional Institution for cost savings and reliability purposes. The estimated annual savings for this site is \$21,000 based on projected consumption levels.

We understand St. Joe Natural Gas has filed a petition with the Florida Public Service Commission requesting approval of the Agreement, a determination regarding prudence of the contemplated investment and authority to include such investment in their rate base. The Department of Management Services has signed the agreement and fully supports the Company's request at the Florida Public Service Commission. If hearings are planned, we would like to be informed. To maximize savings, we would appreciate early resolution so the line extension can be completed and gas delivery started prior to the next heating season.

WHL

DOCUMENT NUMBER-DATE

04050 APR-8 8

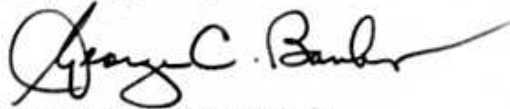
FPSC-RECORDS/REPORTING



Ms. Blanca S. Bayo, Director
April 4, 1996
Page Two

If we can assist with additional information or in any other way, please contact Kaye Robertson at 488-3158.

Very truly yours,

A handwritten signature in cursive script that reads "George C. Banks". The signature is written in black ink and is positioned above the printed name and title.

George C. Banks, CPPO
Director, Division of Purchasing

GCB/skr

H:\USERS\PROC\ROBERTK\NGAS\LDC\SJNG\LETTER.PSC