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ORIGINAL

SONAT MARKETING

April 20, 1999

Ms. Blanca F. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32301

Re: Docket No. 960725-GU

Dear Ms. Bayo:

Enclosed for filing please find an original and fifteen (15) copies of the Comments of Sonat Marketing Company L.P. in the above-referenced docket. Also enclosed is an extra copy of the Comments to be date-stamped and returned to Sonat Marketing in the enclosed self-addressed stamped envelope.

Very truly yours,

Myra W. McAbee

MWM/mls

Enclosures

cc: Parties of Record

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- AFA _____
- APP 1 *Helton*
- CAF _____
- CMU _____
- CTR _____
- EAG 6
- LEG _____
- MAS 5
- OPC _____
- RPR 1
- SEC 1
- WAW _____
- OTH _____

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

05142 APR 21 99

FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

IN RE PROPOSED RULE)
25-7.0355, F.A.C.,) Docket No. 960725-GU
TRANSPORTATION SERVICE)

COMMENTS OF
SONAT MARKETING COMPANY L.P.

Sonat Marketing Company L.P. (“Sonat Marketing”) hereby submits its comments in response to the Florida Public Service Commission’s (“Commission”) Notice of Proposed Rule Development concerning the unbundling of natural gas and the provision of transportation services by investor-owned natural gas utilities.¹

I.

Sonat Marketing supports the proposed rule and applauds the Commission in its mission to bring competition to commercial natural gas consumers in Florida. Competition in Florida will bring to the Florida market similar services and options that marketers, local distribution companies (LDC) and industrial gas users enjoy on the federally regulated interstate pipelines as a result of the unbundling efforts and orders of the Federal Energy Regulatory Commission. Sonat Marketing asserts that competition will encourage and motivate gas suppliers to be innovative and efficient thereby resulting ultimately in lower prices to the commercial consumer. Sonat Marketing welcomes the

¹ Sonat Marketing is a Delaware limited partnership owned by Sonat Marketing Company (65%), a Delaware corporation and a subsidiary of Sonat Energy Services Company which is in turn a subsidiary of Sonat Inc., a Delaware corporation, and AGL Gas Marketing Inc. (35%), a subsidiary of AGL Investments, Inc., which is in turn a subsidiary of AGL Resources, Inc. Sonat Marketing Company is the managing general partner of Sonat Marketing.

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advent of statewide competitive markets in Florida and expects to participate to the fullest extent possible.

Proposed Rule 25-7.0355 provides an excellent framework for the development of workable tariff provisions in the tariffs of Florida's LDCs. Sonat Marketing submits that the proposed rule wisely leaves to each individual LDC the formulation of tariff provisions that will address various issues such as operational concerns, administrative costs, stranded costs, rate design, allocation of assets and general other terms of service. Using the unbundling wisdom and experiences of LDCs around the country, Florida's LDCs, along with the Commission Staff and other interested parties, will be able to fashion a plan which works best for their customers in view of the physical and financial characteristics of their system operations.

II.

Specifically with regard to the rule as currently proposed, Sonat Marketing offers the following general observations. First, in light of the rule development process, the Commission may want to reconsider the filing deadline for unbundled transportation services. The deadline of December 31, 1999 in line 7 of Rule 25-7.072(2) may prove to be unrealistic particularly in light of the Y2K and electronic bulletin board issues that each LDC will be expected to address. While Sonat Marketing does not presume to know what later date may be appropriate, the date should be timed such that any LDC's new tariff will go into effect at the beginning of either the summer or winter season.

A second observation involves the requirement that "the utility must obtain from [each] customer a notarized statement" of certain identifying information. While this condition is a commendable attempt at avoiding the "slamming" of customers that has

taken place in the telecommunications industry, it may not be practical in today's business climate. The requirement that such information be provided in a notarized form may actually hinder the development of competition. Small businesses do not typically have notary publics on staff, and marketing representatives, even if they were notaries themselves, can be expected to transact a great deal of their sales via telephone and the Internet. Consequently, a notarized statement and even a statement containing the customer's original signature may prove impractical and overly burdensome. As a result thereof, this requirement may actually discourage commercial end users from seeking competitive gas suppliers. Sonat Marketing recommends deleting the word "notarized" in line 22 of Rule 25-7.072(1)(b).

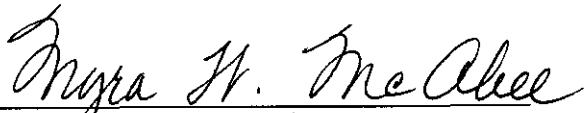
Finally, each LDC should propose standards of conduct to govern its relationship with any current or future marketing affiliate. Such standards are commonplace in the gas industry and serve to establish a "level playing field" for all gas suppliers. Sonat Marketing recommends adding this specific requirement to Rule 25-7.072(3).

III.

In conclusion, Sonat Marketing supports and encourages the development of a proposed rule to unbundle natural gas services to commercial gas users in Florida. Sonat Marketing therefore recommends that the Commission proceed forward toward this goal.

Respectfully submitted,

SONAT MARKETING COMPANY L.P.

By 

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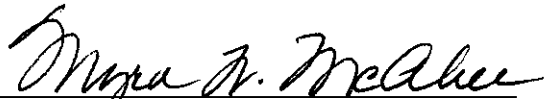
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated in the official service list compiled by the Director of Records and Reporting in this proceeding.

Dated at Birmingham, Alabama, this 20th day of April, 1999.

Respectfully submitted,

SONAT MARKETING COMPANY L.P.

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