

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida  
Public Utilities Company for  
approval of unbundled  
transportation service.

DOCKET NO. 000795-GU  
ORDER NO. PSC-01-0073-TRF-GU  
ISSUED: January 9, 2001

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
E. LEON JACOBS, JR.  
LILA A. JABER  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI

ORDER APPROVING TRANSPORTATION SERVICE TARIFFS

BY THE COMMISSION:

By Order No. PSC-00-0630-FOF-GU, issued April 4, 2000, this Commission adopted Rule 25-7.0335, Florida Administrative Code, requiring Florida's investor-owned natural gas utilities to offer transportation service to all non-residential customers and to file a transportation service tariff by July 1, 2000. In accordance with this rule, on June 30, 2000, Florida Public Utilities Company ("FPUC" or "Company") filed a petition to approve modifications to its current transportation service tariffs. Jurisdiction over this matter is vested in this Commission by Sections 366.04, 366.05, and 366.06, Florida Statutes.

Currently, FPUC provides transportation service through various rate schedules: Large Volume Transportation Service (LVTS); Interruptible Transportation Service (ITS); Large Volume Interruptible Transportation Service (LVITS); and various transportation imbalance billing adjustments. The Company's proposed transportation service tariffs include four rate schedules under which it would provide unbundled transportation service to all of its non-residential customers on an equal basis, regardless of size, beginning August 1, 2001: Large Volume Transportation Service (LVTS); Interruptible Transportation Service (ITS); Large

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Volume Interruptible Transportation Service (LVITS); and General Service Transportation Service (GSTS). Each of these proposed rate schedules corresponds to an existing sales service rate schedule. For example, the GSTS rate schedule corresponds to the Company's existing General Service (GS) rate schedule. Under this schedule, no electronic measurement equipment would be required.

Under FPUC's proposed transportation service tariffs, customers must select a Pool Manager that would be responsible for the purchasing and scheduling of natural gas for the customers' accounts. Rate Schedule LVITS and special contract customers are excluded from this requirement because they are large enough to purchase their own gas directly.

In making transportation service available to all non-residential customers, FPUC will incur additional expenses. The Company developed several charges that it proposes to apply to various programs as follows:

Pool Administrative Fee: The Pool Administrative Fee proposed by FPUC is a permanent monthly fee assessed to Pool Managers under Rate Schedule PM, Pool Manager Service. The fee offsets ongoing expenses incurred by the Company to support Pool Managers in providing transportation service to aggregated customer groups. Pool Managers aggregate the small use customers and supply natural gas on their behalf. The administration fee is a flat monthly fee of \$100 applicable to each Pool Manager regardless of the number of customers in the pool. We note that we approved a Pool Administrative Fee in the transportation service tariffs filed by Peoples Gas System ("Peoples Gas") and the Florida Division of Chesapeake Utilities Corporation ("Chesapeake") to satisfy Rule 25-7.0335, Florida Administrative Code. We find FPUC's proposed Pool Administrative Fee reasonable.

Transportation Cost Recovery Clause: The Transportation Cost Recovery Clause proposed by FPUC is a temporary fee to recover incremental expenses incurred by the Company to make transportation service available to all non-residential customers. Under FPUC's proposal, the recovery of these expenses would be over four years. At the end of the recovery period, any over or under recovery would be trued-up. The total period for collection of the Transportation Cost Recovery Clause would not exceed five years from the tariffs'

proposed effective date of August 1, 2001. The Company has proposed to petition this Commission for recovery of those actual expenses at a future date. At that time, we would review the actual expenses incurred and determine the appropriate amount of costs to be recovered. We note that we approved a Transportation Cost Recovery Clause in the transportation service tariffs filed by Peoples Gas and Chesapeake to satisfy Rule 25-7.0335, Florida Administrative Code. We find FPUC's proposed Transportation Cost Recovery Clause reasonable.

Non-monitored Transportation Administration Charge: The Non-monitored Transportation Administration Charge proposed by FPUC would apply to all non-residential customers not subject to the present Transportation Administrative Charge. Such customers will not be required by the Company to have electronic measurement equipment for the monitoring of their gas usage. The Non-monitored Transportation Administration Charge would be billed on a cents-per-therm basis. This charge is proposed to recover incremental expenses beyond those expenses covered through the Transportation Cost Recovery Clause on a going forward basis. The Company has proposed to petition this Commission for recovery of those expenses at a future date. At that time, we would review the expenses incurred and determine the appropriate amount of costs to be recovered. We find FPUC's proposed Non-monitored Transportation Administration Charge reasonable.

The proposed charges discussed above are designed to recover incremental cost incurred by the Company and should have no impact on the Company's earnings.

We find that FPUC's proposed transportation service tariffs will provide transportation service on an equal basis to all non-residential customers, regardless of size, either on an aggregated basis or individually. Further, we find that the proposed tariffs will increase flexibility to participating customers and Pool Managers. Therefore, we approve FPUC's proposed transportation service tariffs. These tariffs shall become effective August 1, 2001, as proposed by FPUC.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Public Utilities Company's proposed transportation service tariffs are approved. It is further

ORDERED that Florida Public Utilities Company's proposed transportation service tariffs shall become effective August 1, 2001. It is further

ORDERED that if a protest is filed within 21 days of issuance of this Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 9th day of January, 2001.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review 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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files 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 Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 30, 2001.

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