



Public Service Commission

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RECORDS AND REPORTING
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DATE: JANUARY 25, 2001

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMPETITIVE SERVICES (MAKIN, BULECZA-BANKS)
DIVISION OF LEGAL SERVICES (C. KEATING, K. WALKER)

RE: DOCKET NO. 000842-GU - PETITION BY ST. JOE NATURAL GAS COMPANY, INC. FOR APPROVAL OF UNBUNDLED TRANSPORTATION SERVICE.

AGENDA: FEBRUARY 6, 2001 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: SEPTEMBER 9, 2000
COMPANY WAIVES THE 60-DAY SUSPENSION DATE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\000842.RCM

CASE BACKGROUND

On April 4, 2000, the Commission issued Order No. PSC-00-0630-FOF-GU, adopting Rule 25-7.0335, Florida Administrative Code, Transportation Service. The rule requires Florida's investor-owned natural gas utilities to offer transportation service to all non-residential customers and file a transportation service tariff with the Commission by July 1, 2000. In accordance with the rule, St. Joe Natural Gas Company, Inc. (St. Joe or Company) filed a petition to approve its transportation tariff. This recommendation addresses St. Joe's petition.

Jurisdiction over this matter is vested in the Commission by Sections 366.04, 366.05, and 366.06, Florida Statutes.

DOCUMENT NUMBER-DATE

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant St. Joe Natural Gas Company, Inc.'s petition for approval of Unbundled Transportation Service?

RECOMMENDATION: Yes. The Commission should grant St. Joe Natural Gas Company, Inc.'s petition for approval of Unbundled Transportation Service, effective February 6, 2001. (MAKIN, BULECZA-BANKS)

STAFF ANALYSIS: On July 11, 2000, St. Joe filed its petition for approval of Unbundled Transportation Service to implement Rule 25-7.0335, Florida Administrative Code. The rule, which became effective on April 23, 2000, requires all natural gas utilities to offer the transportation of natural gas to all non-residential customers and file a transportation service tariff by July 1, 2000.

St. Joe's proposed transportation tariff, filed in compliance with Rule 25-7.0335, Florida Administrative Code, would make transportation service available to all non-residential customers beginning February 6, 2001. Currently, St. Joe provides transportation service through its Interruptible Transportation Service (ITS) and Contract Transportation Service (CTS) rate schedules.

The Company's proposed transportation tariff includes three rate schedules under which it would provide unbundled transportation service to its non-residential customers on an equal basis, regardless of size. The three rate schedules are as follows:

- (1) Transportation Service 2 (TS2)- This service corresponds to the Company's Commercial Service (CS) rate schedule and does not require the use of electronic measurement equipment.
- (2) Transportation Service 3 (TS3)- This service corresponds to the Company's Large Commercial Service (LCS) rate schedule and does not require the use of electronic measurement equipment.
- (3) Transportation Service 4 (TS4)- This service corresponds to the Company's Interruptible Service (IS) rate schedule, and requires the use of electronic measurement equipment.

The proposed tariff would not change any customer's rates. For the present time, the Company will use its existing sales service rates for transportation service. The Commission has accepted this method for setting transportation service rates for

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Joe determine that the transportation rates are inappropriate, it may file a petition seeking changes.

Staff believes that St. Joe's proposed transportation service tariff is reasonable and should be approved. The tariff should become effective February 6, 2001.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order. (C. KEATING, K. WALKER)

STAFF ANALYSIS: If a protest is filed by a person whose substantial interests are affected within 21 days of the Commission Order approving this tariff, the tariff should remain in effect pending resolution of the protest, with any charges held subject to refund pending resolution of the protest. If no protest is filed, this docket should be closed upon the issuance of a Consummating Order.