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February 27, 2001

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VIA HAND DELIVERY

Deborah Hart
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Request for rate increase by St. Joe Natural Gas Company, Inc.,
Docket No. 001447-GU

Dear Ms. Hart:

Enclosed for your review and approval in accordance with Order No. PSC-01-0465-PCO-GU is St. Joe Natural Gas Company, Inc.'s ("SJNG"'s) proposed notice of the interim rate increase approved by the Florida Public Service Commission on February 6, 2001. Please let us know if this proposed notice meets with your approval. The approved notice will be included in the first bill to SJNG's customers reflecting the interim rate increase.

Very truly yours,

HOLLAND & KNIGHT LLP



Karen D. Walker

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FPSC-RECORDS/REPORTING

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Enclosure
KDW/

cc: Blanca Bayo (via hand delivery with enclosure for docket file)
David Wheeler (via hand delivery with enclosure)
Sam Merta (via hand delivery with enclosure)
Stuart L. Shoaf (via facsimile with enclosure)

**ST. JOE NATURAL GAS COMPANY, INC.
NOTICE OF INTERIM RATE INCREASE**

On February 6, 2001, the Florida Public Service Commission ("FPSC") approved interim natural gas rates for St. Joe Natural Gas Company. The interim rates will be collected subject to refund pending the FPSC's decision regarding final rates. If a refund is ordered, it will include interest based on FPSC determined factors.

The approved interim rates, which are set forth below, are effective for meter readings on or after March 8, 2001. The interim rates are reflected on the bill which accompanies this notice.

Any customer comments regarding the utility's service or the interim rate increase should be addressed to Blanca S. Bayo, Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Such comments should reference Docket No. 001447-GU. Customers who wish to provide oral comments regarding the Company and its service may do so by calling the Commission's Division of Consumer Affairs at 1-800-342-3552.

FPSC APPROVED INTERIM RATES

(RS) Residential Service	
Customer Charge	\$ 6.00
Non-Fuel Charge	\$0.41253
(CS) Commercial Service	
Customer Charge	\$12.00
Non-Fuel Charge	\$0.54686
(LCS) Large Commercial Service	
Customer Charge	\$35.00
Non-Fuel Charge	\$0.16420
(CTS) Contract Transportation Service	
Customer Charge	\$1,000.00
Non-Fuel Charge	\$0.05692