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February 25, 2002

BY HAND DELIVERY

Ms. Blanca Bayó, Director
The Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

020163-60

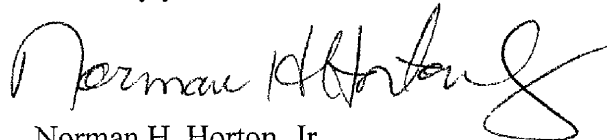
Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Public Utilities Company is an original and fifteen copies the Florida Public Utilities Company's Petition for Modification of Transportation Cost Recovery Factors.

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely yours,



Norman H. Horton, Jr.

NHH/amb
Enclosures
cc: Mr. Wayne Makin

DOCUMENT NUMBER - DATE
02219 FEB 25 2002
FPSC-COMMISSIONER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition by Florida Public Utilities) Docket No. _____
for approval of modification of transportation) Filed: February 25, 2002
cost recovery factors)
_____)

**PETITION FOR MODIFICATION OF
TRANSPORTATION COST RECOVERY FACTORS**

COMES NOW, Florida Public Utilities Company ("FPUC"), through its undersigned and requests a modification of the transportation cost recovery factors for FPUC and as basis states:

1. FPUC is a public utility providing natural gas service to customers. The address for FPUC is:

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

Copies of notices regarding this petition should be served on:

Norman H. Horton, Jr.
Messer, Caparello & Self, P.A.
P.O. Box 1876
Tallahassee, FL 323-201876
(850)222-0720

Ms. Cheryl Martin
Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, FL 33402-3395
(561)838-1725

2. By Order No. PSC-01-0073-TRF-GU, issued January 9, 2001, the Commission approved transportation service tariffs filed by FPUC pursuant to Rule 25.07-0335, Florida Administrative Code. The Commission also permitted FPUC to accrue expenses associated with the offering of transportation service to non-residential customer subject to a petition for recovery of actual expenses at a later date.

3. On June 14, 2001, FPUC filed a petition for approval of initial cost recovery factors. The initial factors were subsequently revised in an amended petition and on October 1, 2001, the Commission issued Order No. PSC-01-1963-TRF-GU approving the Petition and

initial transportation cost recovery factors including the Transportation Cost Recovery (“TCR”) and Non-monitored Transportation Administration Charge (“NTAC”). The specific factors are set forth in Order No. PSC-01-1963 and are reflected in the current tariffs.

4. On December 14, 2001, FPUC completed a transaction whereby FPUC acquired the assets and operations of South Florida Natural Gas (“SFNG”) which provided natural gas service to customers in Volusia County. Since the closing, FPUC has been providing service to the Former SFNG customers and has begun to consolidate the operations of the companies. As a result of the acquisition and expansion of services and customers, FPUC would request that the Commission modify the TCR and NTAC for certain schedules to recognize the changed circumstances. Tariff sheets reflecting the changes are attached as Attachment A.

5. To support this request and the proposed revisions, FPUC has revised the schedules as filed with the Commission for initial approval to reflect the inclusion of customers acquired from SFNG. These schedules are attached as Attachment B.

6. With these updated schedules, FPUC requests that the Commission approve the proposed modification and permit the implementation of the revised charges.

Respectfully submitted,

MESSER, CAPARELLO, & SELF, P. A.
Post Office Box 1876
Tallahassee, FL 32302-1876
(850) 222-0720


NORMAN H. HORTON, JR., ESQ.

Attorneys for Florida Public Utilities Company

BILLING ADJUSTMENTS
(Continued from Sheet No. 35.6)

The Pool Manager Imbalance Level shall be calculated by dividing the absolute value of the Pool Manager Imbalance by the aggregate Billing Period Delivery Quantity for all Customers being served by Pool Manager.

- B. Pool Manager Monthly Delivery Variance
Invoices to Pool Manager for Pool Manager Monthly Delivery Variance will be computed using the following methodology. Invoices will be based on the Company's PGCRF in effect during the month the delivery variance was created.

Transportation Cost Recovery Clause

Company shall accrue expenses, including implementation expenses, associated with the offering of transportation services to all non-residential customers. Such expenses shall be recovered by Company through a Transportation Cost Recovery Clause ("TCR") applicable to all non-residential customers excluding Large Volume Interruptible Transportation Service customers and any other customer(s) under special contracts.

The TCR factors applicable for the period ~~October 2001~~ May 2002 through July 2005 are as follows:

<u>Rate Class</u>	<u>Factor</u>
Rate Schedule GS	0.078 <u>0.069</u> cents per therm
Rate Schedule GSTS	0.078 <u>0.069</u> cents per therm
Rate Schedule CI-NSB	<u>0.069</u> cents per therm
Rate Schedule CITS-NSB	<u>0.069</u> cents per therm
Rate Schedule LVS	0.052 cents per therm
Rate Schedule LVTS	0.052 cents per therm
Rate Schedule IS	0.025 cents per therm
Rate Schedule ITS	0.025 cents per therm

Non-monitored Transportation Administration Charge

A Non-monitored Transportation Administration Charge ("NTAC") shall apply to all non-residential customers not subject to a Transportation Administration Charge ("TAC"). Such customers will not be required by the Company to have electronic measurement equipment for the monitoring of their gas usage. The NTAC shall be billed on a per therm basis applied to the customer's natural gas consumption. The NTAC rate shall be filed with staff on an annual basis. The NTAC is instituted to compensate the Company for its incremental expense, beyond those expenses covered through the TCR, associated with making transportation service available to all non-residential customers.

The NTAC factors applicable for the period ~~October 2001~~ May 2002 through December 2002 are as follows:

<u>Rate Class</u>	<u>Factor</u>
Rate Schedule GS	0.203 cents per therm
Rate Schedule GSTS	0.203 cents per therm
Rate Schedule CI-NSB	<u>0.203</u> cents per therm
Rate Schedule CITS-NSB	<u>0.203</u> cents per therm
Rate Schedule LVS	0.135 cents per therm
Rate Schedule LVTS	0.135 cents per therm
Rate Schedule IS	0.061 cents per therm

Issued by: J. T. English, President & CEO

Effective: ~~October 1, 2001~~ May 1, 2002

BILLING ADJUSTMENTS
(Continued from Sheet No. 35.6)

The Pool Manager Imbalance Level shall be calculated by dividing the absolute value of the Pool Manager Imbalance by the aggregate Billing Period Delivery Quantity for all Customers being served by Pool Manager.

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The TCR factors applicable for the period May 2002 through July 2005 are as follows:

<u>Rate Class</u>	<u>Factor</u>
Rate Schedule GS	0.069 cents per therm
Rate Schedule GSTS	0.069 cents per therm
Rate Schedule CI-NSB	0.069 cents per therm
Rate Schedule CITS-NSB	0.069 cents per therm
Rate Schedule LVS	0.052 cents per therm
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Rate Schedule IS	0.025 cents per therm
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The NTAC factors applicable for the period May 2002 through December 2002 are as follows:

<u>Rate Class</u>	<u>Factor</u>
Rate Schedule GS	0.203 cents per therm
Rate Schedule GSTS	0.203 cents per therm
Rate Schedule CI-NSB	0.203 cents per therm
Rate Schedule CITS-NSB	0.203 cents per therm
Rate Schedule LVS	0.135 cents per therm
Rate Schedule LVTS	0.135 cents per therm
Rate Schedule IS	0.061 cents per therm

Issued by: J. T. English, President & CEO

Effective:

SCHEDULE A
PAGE 1 OF 3

FLORIDA PUBLIC UTILITIES COMPANY

Revised 2/8/02

FLORIDA PUBLIC UTILITIES COMPANY
NATURAL GAS DIVISIONS
TRANSPORTATION COST RECOVERY CLAUSE
MAY 2002 THROUGH JULY 2005

(includes customers acquired from SFNG)

1. INITIAL ANNUAL COST (SCHEDULE B, PAGE 1)	\$ 22,864
2 TRUE-UP	0
3. TOTAL (LINE 1 AND LINE 2)	\$ 22,864

RATE SCHEDULE		ANNUAL BILLS	ANNUAL THERMS	ANNUAL CUSTOMER CHARGE	ANNUAL NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	TCRC REVENUES	TCRC AS % OF TOTAL REVENUES	DOLLARS THERMS	TAX FACTOR	FACTOR
GEN SERV (GS), COMM/IND SERV (CI-NSB) & GS TRANS (GSTS);COMM./IND TRANS (CITS-NSB)	*11 *90	40,980	13,202,755	614,700	2,840,309	3,455,009	9,121	0.28290%	0.00069	1 00503	0 00069
LARGE VOL SERVICE & LG. VOL TRANSPORTATION(<50,000 Th/Yr) & LG VOL. TRANSPORTATION(>=50,000 Th/Yr)	*51 *91 *94	10,792	25,453,750	493,560	3,938,713	4,432,273	13,165	0.28290%	0.00052	1 00503	0.00052
INTERRUPTIBLE SERVICE & INTERUPT. TRANSPORTATION	*61 *92	168	2,333,510	40,320	154,292	194,612	578	0.28290%	0.00025	1 00503	0 00025
TOTAL		51,940	40,990,015	1,148,580	6,933,314	8,081,894	22,864				

ATTACHMENT "B"

SCHEDULE A
PAGE 2 OF 3

FLORIDA PUBLIC UTILITIES COMPANY

Revised 2/8/02

FLORIDA PUBLIC UTILITIES COMPANY
NATURAL GAS DIVISIONS
TRANSPORTATION COST RECOVERY CLAUSE
MAY 2002 THROUGH JULY 2005

(added customers acquired from SFNG)

1. INITIAL ANNUAL COST (SCHEDULE B, PAGE 1)	\$	0
2. TRUE-UP		0
3 TOTAL (LINE 1 AND LINE 2)	\$	0

RATE SCHEDULE	ANNUAL BILLS	ANNUAL THERMS	ANNUAL CUSTOMER CHARGE	ANNUAL NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	TCRC REVENUES	TCRC AS % OF TOTAL REVENUES	DOLLARS THERMS	TAX FACTOR	FACTOR
COMMERCIAL/INDUSTRIAL SERVICE (CI-NSB) & *11 COMM /IND. TRANS. SERV. (CITS-NSB) *90	4,224	1,491,405	63,360	320,846	384,206	0	0.00000%	N/A	N/A	N/A
TOTAL	4,224	1,491,405	63,360	320,846	384,206	0				

SCHEDULE A (as approved in Order No. PSC-01-0073-TRF-GU)
 PAGE 3 OF 3

FLORIDA PUBLIC UTILITIES COMPANY
Originally filed

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS DIVISIONS
 TRANSPORTATION COST RECOVERY CLAUSE
 AUGUST 2001 THROUGH JULY 2005

1. INITIAL ANNUAL COST (SCHEDULE B, PAGE 1)	\$ 22,864
2 TRUE-UP	0
3 TOTAL (LINE 1 AND LINE 2)	\$ 22,864

RATE SCHEDULE		ANNUAL BILLS	ANNUAL THERMS	ANNUAL CUSTOMER CHARGE	ANNUAL NON-GAS ENERGY CHARGE	TOTAL CUST & ENGY CHG REVENUE	TCRC REVENUES	TCRC AS % OF TOTAL REVENUES	DOLLARS THERMS	TAX FACTOR	FACTOR
GENERAL SERVICE & GENERAL TRANSPORTATION	*11 *90	36,756	11,711,350	551,340	2,519,463	3,070,803	9,121	0.29702%	0 00078	1.00503	0.00078
LARGE VOL. SERVICE & LG. VOL. TRANSPORTATION(<=50,000 Th/Yr) & LG. VOL. TRANSPORTATION(>=50,000 Th/Yr)	*51 *91 *94	10,792	25,453,750	493,560	3,938,713	4,432,273	13,165	0.29702%	0.00052	1.00503	0.00052
INTERRUPTIBLE SERVICE & INTERUPT. TRANSPORTATION	*61 *92	168	2,333,510	40,320	154,292	194,612	578	0.29702%	0 00025	1 00503	0.00025
TOTAL		47,716	39,498,610	1,085,220	6,612,468	7,697,688	22,864				

**Florida Public Utilities Company, Natural Gas Divisions
Transportation Cost Recovery Clause
Applicable to Commercial Rate Schedule Customers**

<u>Category/Item</u>	<u>Amount</u>	<u>Total</u>
<u>PURCHASES & LEASES</u>		
Notebook Computers Lease	\$ 1,600.00	
Facsimile/Copier/Scanner	1,055.00	
Office Furniture	1,000.00	
Phone Equipment and Line Installation	<u>1,500.00</u>	\$ 5,155.00
<u>FPU LABOR & TRAINING EXPENSE</u>		
Program Development	\$ 31,000.00	
Implementation	<u>30,000.00</u>	61,000.00
<u>EXTERNAL LABOR</u>		
Brochure Printing & Mailing	\$ 5,300.00	
Website Development	1,500.00	
Legal Expense	17,000.00	
Shipping	<u>1,500.00</u>	25,300.00
ESTIMATED INITIAL COST		\$ <u><u>91,455.00</u></u>
Less:		
Estimated recovered costs Aug. 2001 - Apr. 2002		(17,148.00)
Cost to be recovered May 2002 - July 2005		<u>74,307.00</u>
Monthly Costs (divide by months remaining)		1,905.31
Annualized costs (multiply by 12)		<u><u>22,863.69</u></u>

SCHEDULE C
 PAGE 1 OF 3

FLORIDA PUBLIC UTILITIES COMPANY

Revised 2/8/02

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS DIVISIONS
 NON-MONITORED TRANSPORTATION ADMIN. CHARGE
 ORIGINAL AUGUST 2001 THROUGH DECEMBER 2002
 REVISED PERIOD MAY 2002 - DECEMBER 2002

(includes customers acquired from SFNG)

1. TOTAL 2002 ANNUAL COST (SCHEDULE D, PAGE 1)	\$ 60,500
2. TRUE-UP	0
3. TOTAL (LINE 1 AND LINE 2)	\$ 60,500

RATE SCHEDULE		ANNUAL BILLS	ANNUAL THERMS	ANNUAL CUSTOMER CHARGE	ANNUAL NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ANNUAL NTAC REVENUES	NTAC AS % OF TOTAL REVENUES	DOLLARS THERMS	TAX FACTOR	FACTOR
GEN SERV (GS); COMM/IND SERV (CI-NSB) & GS TRANS (GSTS); COMM./IND TRANS (CITS-NSB)	*11 *90	39,572	12,705,620	593,580	2,733,360	3,326,940	25,596	0.76881%	0.00201	1.00503	0.00203
LARGE VOL. SERVICE & LG. VOL. TRANSPORTATION(<50,000 Th/Yr)	*51 *91	10,792	25,453,750	493,560	3,938,713	4,432,273	34,058	0.76881%	0.00134	1.00503	0.00135
INTERRUPTIBLE SERVICE	*61	72	1,403,020	17,280	92,768	110,048	846	0.76881%	0.00060	1.00503	0.00061
TOTAL		50,436	39,562,390	1,104,420	6,764,841	7,869,261	60,500				

Note: Lg. Vol. Transportation Customers >=50,000 Th/Yr and Interruptible Transportation Service Customers are not subject to the (NTAC) since they are already charged a Transportation Administrative Charge (TAC).

SCHEDULE C
 PAGE 2 OF 3

FLORIDA PUBLIC UTILITIES COMPANY
 Revised 2/8/02

FLORIDA PUBLIC UTILITIES COMPANY
 NATURAL GAS DIVISIONS
 NON-MONITORED TRANSPORTATION ADMIN. CHARGE
 MAY 2002 THROUGH DECEMBER 2002

(added customers acquired from SFNG)

1. TOTAL ANNUAL COST (SCHEDULE D, PAGE 1)	\$ 2,000
2. TRUE-UP	0
3. TOTAL (LINE 1 AND LINE 2)	\$ 2,000

RATE SCHEDULE	ANNUAL BILLS	ANNUAL THERMS	ANNUAL CUSTOMER CHARGE	ANNUAL NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ANNUAL NTAC REVENUES	NTAC AS % OF TOTAL REVENUES	DOLLARS THERMS	TAX FACTOR	FACTOR
COMMERCIAL/INDUSTRIAL SERVICE (CI-NSB) &11 COMM./IND. TRANS. SERV. (CITS-NSB) *90	2,816	994,270	42,240	213,897	256,137	2,000	0.78083%	N/A	N/A	N/A
TOTAL	2,816	994,270	42,240	213,897	256,137	2,000				

SCHEDULE C (as approved in Order No. PSC-01-0073-TRF-GU)
PAGE 3 OF 3

FLORIDA PUBLIC UTILITIES COMPANY

Originally filed

FLORIDA PUBLIC UTILITIES COMPANY
NATURAL GAS DIVISIONS
NON-MONITORED TRANSPORTATION ADMIN CHARGE
AUGUST 2001 THROUGH DECEMBER 2002

1	TOTAL ANNUAL COST (SCHEDULE D, PAGE 1)											\$	58,500
2	TRUE-UP												0
3.	TOTAL (LINE 1 AND LINE 2)											\$	58,500

RATE SCHEDULE		ANNUAL BILLS	ANNUAL THERMS	ANNUAL CUSTOMER CHARGE	ANNUAL NON-GAS ENERGY CHARGE	TOTAL CUST & ENGY CHG REVENUE	ANNUAL NTAC REVENUES	NTAC AS % OF TOTAL REVENUES	DOLLARS THERMS	TAX FACTOR	FACTOR
GENERAL SERVICE & GS TRANSPORTATION	*11 *90	36,756	11,711,350	551,340	2,519,463	3,070,803	23,596	0.76841%	0.00201	1.00503	0.00203
LARGE VOL SERVICE & LG. VOL. TRANSPORTATION(<50,000 Th/Yr)	*51 *91	10,792	25,453,750	493,560	3,938,713	4,432,273	34,058	0.76841%	0.00134	1.00503	0.00135
INTERRUPTIBLE SERVICE	*61	72	1,403,020	17,280	92,768	110,048	846	0.76841%	0.00060	1.00503	0.00061
TOTAL		47,620	38,568,120	1,062,180	6,550,944	7,613,124	58,500				

Note: Lg Vol. Transportation Customers >=50,000 Th/Yr and Interruptible Transportation Service Customers are not subject to the (NTAC) since they are already charged a Transportation Administrative Charge (TAC).

**Florida Public Utilities Company, Natural Gas Divisions
Non-Monitored Transportation Administration Charge
Applicable to Non-Monitored Commercial Rate Schedule Customers**

<u>Annual Expenditure</u>		<u>Amount</u>
<u>LEASES</u>		
Notebook Computers Lease	\$ 6,000.00	
Voicemail Ports ACD Box	<u>3,000.00</u>	\$ 9,000.00
<u>FPU LABOR & TRAINING EXPENSE</u>		
Labor		45,000.00
<u>EXTERNAL LABOR</u>		
Legal Expense	\$ 5,000.00	
Advertising & Postage	<u>1,500.00</u>	6,500.00
Estimated Total		\$ <u>60,500.00</u>