

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: October 2, 2008

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Draper)
Office of the General Counsel (Brown)

RE: Docket No. 080561-GP – Petition for approval of natural gas transmission pipeline tariff by SeaCoast Gas Transmission, LLC.

AGENDA: 10/14/08 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 10/18/08 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\080561.RCM.DOC

Case Background

On August 19, 2008, SeaCoast Gas Transmission, LLC, (SeaCoast) filed a petition for an initial intrastate gas pipeline tariff, which sets forth the terms and conditions under which it will offer service.

SeaCoast's proposed tariff would allow SeaCoast to construct pipelines and engage in the business of transporting gas in Florida. At present, SeaCoast has made no investment in pipeline facilities and serves no customers. Commission approval of the proposed natural gas transmission pipeline tariff would enable SeaCoast to actively pursue transportation agreements with gas customers, and construct and operate intrastate pipeline facilities. The proposed tariff includes the general terms, conditions, and rules under which SeaCoast proposes to operate. The

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tariff does not include rates and charges, as those would be negotiated individually with each customer pursuant to Section 368.105(3), Florida Statutes (F.S.).

This recommendation addresses the suspension of SeaCoast's proposed tariff. The Commission has jurisdiction over this subject matter pursuant to Chapter 368, F.S.

Discussion of Issues

Issue 1: Should the Commission suspend Seacoast's proposed natural gas transmission pipeline tariff, Original Volume No. 1?

Recommendation: Yes. (Draper)

Staff Analysis: There are only two earlier instances of Commission approval of an intrastate pipeline.¹ Staff, therefore, requires additional time to ensure that the tariff is reasonable and in compliance with all applicable rules and statutes. Staff engaged in preliminary discussions with the company when the tariff was initially filed, but believes that more investigation is necessary, since this is a new type of utility, before bringing a final recommendation addressing the tariff filing to the Commission.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such increase a reason or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. (Draper, Brown)

Staff Analysis: This docket should remain open pending the Commission vote on the proposed tariff.

¹ See Order No. PSC-97-0609-FOF-GP, issued on May 28, 1997, in Docket No. 970361-GP, In re: Five Flags Pipeline Company – Petition for approval of existing firm and interruptible system transportation rates and Order No. PSC-07-1012-TRF-GP, issued on December 21, 2007, in Docket No. 070570-GP, In re: Petition for approval of natural gas transmission pipeline tariff by Peninsula Pipeline Company, Inc.