

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to Resolve) DOCKET NO. 940329-GU
Territorial Dispute with SOUTH) ORDER NO. PSC-94-1310-S-GU
FLORIDA NATURAL GAS COMPANY and) ISSUED: October 24, 1994
ATLANTIC GAS CORPORATION by WEST)
FLORIDA NATURAL GAS COMPANY)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION

ORDER APPROVING STIPULATION TO RESOLVE TERRITORIAL DISPUTE

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Atlantic Gas Company (Atlantic Gas) is a propane affiliate of South Florida Natural Gas Company (South Florida). Atlantic Gas operates a liquified propane distribution system serving approximately 500 customers in a portion of Silver Springs Shores in Marion County. Traditional local natural gas distribution service is not available in the Silver Springs Shores subdivision, but West Florida Natural Gas Company (West Florida) has been operating a natural gas distribution system adjacent to and surrounding Silver Springs Shores for many years.

As part of its normal expansion and development activities, West Florida built a six inch underground natural gas distribution pipeline through Silver Springs Shores. South Florida requested natural gas transportation service from West Florida so that South Florida could convert Atlantic Gas's distribution system and provide natural gas distribution service to Silver Springs Shores. That created a territorial conflict between the utilities that is within our jurisdiction to resolve.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

On March 31, 1994, West Florida filed a Petition to Resolve a Territorial Dispute with South Florida and Atlantic Gas. On May 26, 1994, West Florida, South Florida, and Atlantic Gas jointly requested a 90-day continuance in the case to focus on a possible settlement of this dispute. The continuance was granted until August 24, 1994. On August 26, 1994, West Florida, South Florida, and Atlantic Gas filed a Joint Petition for Approval of Stipulation, which proposed to resolve the territorial dispute by West Florida's purchase of the Atlantic Gas facilities.

West Florida will purchase all of the underground assets of Atlantic Gas, as well as the right to provide natural gas service to customers in Silver Springs Shores for a purchase price of \$350,000. The right to provide service includes, but is not limited to, the right to provide natural gas service to the approximately 584 existing propane customers of Atlantic Gas. West Florida will thereafter convert the existing propane service to natural gas service by August 30, 1995, making all necessary modifications to the existing system to provide natural gas service to Atlantic Gas's existing propane customers.

Atlantic Gas waives any right it may have had in the past to provide any type of gas service within the Silver Springs Shores subdivision, and it agrees that it is appropriate for West Florida to provide natural gas service throughout the subdivision.

The overall cost of providing natural gas service to customers within the portion of the subdivision presently served by Atlantic Gas is reasonable. The appraisal of Atlantic Gas' properties reflects an appraised value of \$550,000, which is \$200,000 more than the \$350,000 purchase price that West Florida agreed to pay for the system.

The total cost of acquiring and converting the existing Atlantic Gas system (\$350,000 for the purchase, plus approximately \$300,000 in conversion costs) will approximate the cost West Florida would have had to incur in order to install new natural gas service to the customers currently served by Atlantic Gas. The transfer would occur at fair market value to reflect the actual cost of the assets when first committed to utility service. If South Florida retained ownership and converted Atlantic Gas to natural gas, the total cost of the system would be valued at \$850,000. The \$850,000 would consist of the \$550,000 appraised value of the propane system plus the approximate \$300,000 for conversion costs.

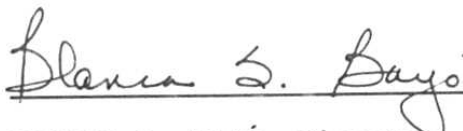
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We believe that approval of the joint stipulation is in the public interest because its adoption will avoid unnecessary and uneconomic duplication of facilities. We also believe that approval is in the public interest because it facilitates the provision of natural gas service to an area not previously served. Accordingly, it is

ORDERED that the Joint Petition for Approval of Stipulation by West Florida Natural Gas Company, South Florida Natural Gas Company and Atlantic Gas Corporation is granted. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for formal proceedings is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission, this 24th day of October, 1994.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on November 14, 1994.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.