

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of) DOCKET NO. 961203-GU
Rate Schedule FIS, Firm) ORDER NO. PSC-96-1452-FOF-GU
Industrial Service, by) ISSUED: December 2, 1996
Indiantown Gas Company.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING TARIFF

BY THE COMMISSION:

On October 4, 1996, Indiantown Gas Company ("Indiantown" or "Company") filed a petition for approval of a new tariff Rate Schedule Firm Industrial Service (FIS). Indiantown serves small commercial and residential customers and one major industrial customer, Caulkins Indiantown Citrus Company (Caulkins). For the past twenty years Indiantown has served Caulkins under Rate Schedule LIS (Large Interruptible Service).

Beginning in 1995, Caulkins became the thermal host for Indiantown Cogen, a 330 MW gas-fired qualifying cogeneration facility owned and operated by U.S. Generating Company. During January 1995, Indiantown Cogen became the Company's largest customer (6,970,612 therms per year). Consequently, Caulkins' gas usage declined significantly, (6,629,786 therms per year to 1,733,906 therms per year) because Indiantown Cogen's steam displaced a significant part of Caulkins' need for gas as a boiler fuel. Indiantown Cogen also has been served under Rate Schedule LIS, Large Interruptible Service. Recently, Caulkins has expressed an interest in receiving firm service.

Indiantown requested a new rate class for firm industrial service. Service under Rate Schedule FIS is available to any non-residential customer whose usage is greater than 500,000 therms per year, but less than 4,000,000 therms per year. Rates include a non-fuel energy charge of 4.52 cents per therm and a customer charge of \$1,200 per month. The Company submitted a cost

DOCUMENT NUMBER-DATE
12761 DEC-2 96
FPSC-RECORDS/REPORTING

ORDER NO. PSC-96-1452-FOF-GU
DOCKET NO. 961203-GU
PAGE 2

allocation study along with its petition. The study indicated that the proposed rates fairly reflect the related costs for serving a large industrial customer.

FIS allows Indiantown to better serve the needs of its customers; allows eligible industrial customers to obtain firm service; is similar to firm rate schedules in use by many of Florida's other natural gas local distribution companies; and, will not negatively impact other ratepayers. Accordingly, we approve Indiantown's proposed Rate Schedule FIS.

Based on the foregoing, it is

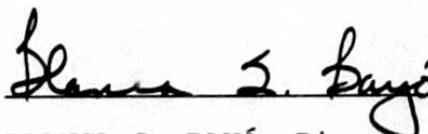
ORDERED by the Florida Public Service Commission that Indiantown Gas Company's proposed Rate Schedule Firm Industrial Service is approved. It is further

ORDERED that the effective date of the tariff is November 12, 1996. It is further

ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 2nd day of December, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 23, 1996.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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 on the date described above, any party adversely 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 date this Order becomes final, 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.