

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

February 14, 2005

In Reply Refer To:  
Florida Gas Transmission Company  
Docket Nos. RP04-574-000 and  
RP04-574-001

Florida Gas Transmission Company  
P.O. Box 4657  
Houston, TX 77210-4657

Attention: Blair V. Lichtenwalter  
Manager, Rates & Tariffs

Reference: Compliance Filing Dated October 22, 2004

Dear Mr. Lichtenwalter:

1. On October 22, 2004, Florida Gas Transmission Company (FGT) submitted a filing in compliance with the Commission's October 1, 2004 order in the above referenced proceeding.<sup>1</sup> The October 1, 2004 Order accepted and suspended tariff sheets adjusting FGT's fuel reimbursement percentage, and permitted them to become effective October 1, 2004, subject to refund and to the condition that FGT submit additional support for certain prior period adjustments, totaling \$3,081,889.85, recorded in its Deferred Fuel Account and included in its calculation of a revised Unit Fuel Surcharge. As discussed below, the additional support provided by FGT in its filing satisfactorily explains the prior period adjustments and meets the condition imposed in the October 1, 2004 Order. Therefore, in this order the Commission will remove the refund condition placed on the tariff sheets and allow them to go into effect without condition. This order benefits customers by ensuring that FGT's recovery of system fuel and lost and unaccounted for gas is adequately supported.

---

<sup>1</sup> 109 FERC ¶ 61,003 (2004).

2. Public notice of FGT's filing was issued on October 26, 2004.<sup>2</sup> Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2004)). Pursuant to Rule 214 (18 C.F.R. § 154.214 (2004)), all timely filed motions to intervene are granted. No protests or adverse comments were filed.
3. Section 27 of the General Terms and Conditions of FGT's tariff permits FGT to adjust its Fuel Reimbursement Charge Percentage for each Summer and Winter Period based upon actual fuel used during the previous year's corresponding period, and to adjust its Unit Fuel Surcharge for each Summer and Winter Period to recover the balance in the Deferred Fuel Account. The Summer Period begins each April 1 and the Winter Period begins each October 1.
4. FGT states in its filing that the first prior period adjustment for \$190,043.59 occurred because imbalance quantities used in calculating lost and unaccounted for gas in an earlier fuel reimbursement adjustment filing were erroneously attributed to a single production month, February 2003, rather than as they actually occurred throughout the Winter Period production months from October 2002 through February 2003. FGT recalculated the lost and unaccounted for gas using the correct monthly index prices rather than just the February 2003 index price, and proposed recovery of the difference through a prior period adjustment posted for October 2003, the beginning month of the next Winter Period adjustment filing in the underlying docket.
5. Further, FGT indicates in its filing that a second prior period adjustment occurred because a June 2003 cash-out used in calculating lost and unaccounted for gas that should have been attributed to the Winter Period production months of October 2002 through March 2003 was instead attributed to the Summer Period production month of April 2003. FGT's recalculation using correct index prices resulted in a prior period adjustment of \$1,437,886.35 posted for October 2003.
6. In addition, FGT states that measurement corrections to cash-in/cash-out and overage alert day quantities for the production months of October 2002 through March 2003, resulted in a prior period adjustment of \$1,453,203.21, posted for October 2003.
7. Finally, FGT states that an accounting correction to a cash-out imbalance quantity for the January 2003 production month resulted in an October 2003 prior period adjustment of \$756.70.

---

<sup>2</sup> 69 Fed. Reg. 63,516 (2004).

8. The Commission finds that FGT's October 22, 2004 compliance filing satisfactorily supports the underlying filing in this proceeding and meets the condition imposed in the October 1, 2004 Order. Accordingly, the Commission will remove the refund condition placed on the tariff sheets and allow them to go into effect without condition.

By direction of the Commission.

Linda Mitry,  
Deputy Secretary.