

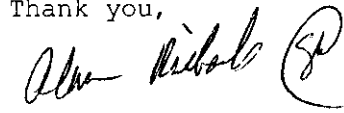
End Users Inc.
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Florida Public Service
Commission

) Case No.: Docket No. 960725-GU
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) Proposed Rule 25-7.0355,
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End Users Inc., as a participant in the above proceeding hereby respectfully requests the Commission, that End Users Inc., be a part of record and be copied on all comments, rules, orders and motions.

Thank you,



Alan Richards

- AFA
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
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Done 4/23/99

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RECORDS AND REPORTING

RECEIVED-FPSC

DOCUMENT NUMBER-DATE

04944 APR 19 99

FPSC-RECORDS/REPORTING

Background

End Users Inc., as stated in their comments during the first FERC NOI on Interstate Pipeline Common Carriage in 1986, that Open Access non discriminatory Common Carriage would result in gas on gas competition at the city gate and provide for an integrated network with capacity utilization determined by market forces. To date, Common Carriage has proceeded past the city gate all the way to the residential burnertip in several states.

Drivers for the Above Rule Making

Commenter believes that the only true monopoly function that the Regulated Gas Utilities provide for the convenience and necessity of the public, is distribution. With FERC 234b to the present 636 the Pipelines oligopoly to producers became obsolete concurrent with the LDC's Merchant supply monopoly. With the advent of suppliers to sell to the market at large and the market to freely purchase at large, a competitive marketplace has evolved with the insuing benefits and productive efficiency that free markets create. For free market suppliers to survive in this marketplace, value added goods and services must be produced, or the more efficient participants will take their place. Consequently, the Natural Gas Marketplace, fostered by non-discriminatory open access common carriage administered without market power by the native monopolist will provide for competitive innovation. For example a supplier can economically drill out proven reserves consistent with customers load. Customer load can be enhanced versus seasonal supply production with customer natural gas fired HVAC. Customer is now free to

choose a supplier which best suits their needs, i.e., fixed, variable pricing, and many other innovative strategies.

Proposed Rule 25-7.0355

End Users Inc., supports the proposed rule as initially drafted, with the exception as noted below. The rule as drafted, provides for significant latitude on all Stakeholders to facilitate unbundling without undue harm. End Users Inc., strongly supports the date certain provision of December 31, 1999, as this time limitation is just and reasonable, especially in light of when the docket was first opened. End Users Inc., strongly supports the fairness of the rule on the Florida consumer. Specifically, Equal access non-discriminatory transportation is to be available to all non-residential users. This is significant in that one transporting entity can not gain a competitive advantage over another that is denied access, whereby both entities compete in the same marketplace. Furthermore the rule does not allow any IOU to remain closed while another IOU has to open. This protects the Florida consumer, i.e., if a dry cleaner served by an LDC has access to the Natural Gas Marketplace and is saving net 20%, while another dry cleaner in another LDC or the same LDC is captive, the open access consumer has a competitive advantage over his competitors. This is an unfair discriminatory result and in order to protect the public, equal access should be afforded to all under the same terms and conditions.

End Users Inc., would like to see provision (2) (b) modified as to not require customer notarization. This requirement places and undo burden on the customer.

Regulated Utilities Function and Compensation

LDC's which have historically provided their customers with a bundled service, whereby the Utility had the implicit obligation to serve, should be protected against assets for the merchant supply function which become stranded as distributor moves toward common carriage. Being that the LDC's shareholders are not compensated for the merchant function, the distributor's assets and income should not be materially impacted. In addition, LDC's should be able to reduce their risk and supply burden relative to imprudent capacity and supply acquisition, as customers due not rely on the LDC surrogate to fulfill their supply needs.

Response to Specific LDC comments.

Testimony by NUI in support of unbundling should be noted as paramount to all stakeholders. NUI's position is based on successful experience of offering customer choice at their Elizabethtown Gas operation. ***If Elizabethtown's experience in offering customer choice since 1985 harmed their stockholders would they support customer choice in Florida?***

The most pressing concern forwarded by Chesapeake and Florida Public Utilities seems to be the administrative migration burden. The concern is

both capital cost and variable manpower cost. Although, commentor believes these to be legitimate concerns, the overwhelming need for customer choice is clearly demonstrated by 20 of the 22 customers, on FPU's system opting for customer choice. It is commentator's view that Y2K compliant enterprise resource software to improve the LDC's back end to front-end operation is available. The cost of these programs has declined exponentially in the last two years. These functions can also be outsourced, to third parties, which will bid for supply, transportation, billing, etc. It is hoped that all investor owned utilities in Florida would provide for state of the art, enterprise software, which meet the Gas Industry Standards Board. The long term efficiency and benefit of e commerce on the secure web is fairly well advanced.

Peoples expressed a need relative to Capacity procurement on FGT and the impact migration will have on stranding this asset. Commenter strongly favors that capacity purchased for migrating customer be taken by customer and applied to customer's pool manager. Customer, reverting back to LDC or LDC's affiliate, or another supplier would realize customer's capacity allotment. With consideration, of People's and other LDCs needs the duration of this capacity re-alignment relative to migration should be considered relative to each LDC's needs.

Conclusion

It is hoped that after many long years, and with the diligent efforts by Staff, the Commission, the LDC's and other stakeholders, that open access to

all non-residential customers, on an equal access basis can be achieved, while protecting the margins of the IOU stockholders during the transition. The Commission should look favorably upon it's regulated utilities in protecting territorial rights and duplicate distribution lines as the public is being served via open access common carriage.

Dated this 15th day of April, 1999



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Proposed Rule 25-7.0355,

**Comments by End Uses Inc. for Rule Development Workshop
3/24/99**

End Users Inc., would like to thank the Commission, Commission's Staff and all Stakeholders for their constructive participation in the above proceeding. End Users Inc., hopes that the conclusion of these workshops will result in substantial benefit to Florida's Natural Gas Consumers while minimizing the long term regulatory burden on Staff, and provide the regulated Utilities with current revenue and margin streams while affording future opportunities to all stakeholders.

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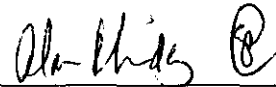
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