

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2 DIRECT TESTIMONY OF
3 THOMAS KAUFMANN
4 ON BEHALF OF NUI CITY GAS COMPANY OF FLORIDA
5 DOCKET NO. 020003-GU
6

7 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

8 A. My name is Thomas Kaufmann. My business address is NUI
9 Corporation, 550 Route 202-206, Bedminster, New Jersey
10 07921.
11

12 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

13 A. I am currently employed as a Manager of Rates for NUI
14 Corporation, ("NUI"), the parent company of NUI Utilities Inc.
15 NUI City Gas Company of Florida ("City Gas" or "the Company")
16 is an operating division of NUI Utilities.
17

18 **Q. BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND AND
19 EMPLOYMENT EXPERIENCE.**

20 A. In June 1977, I graduated from Rutgers University, Newark with
21 a Bachelor of Arts degree in Business Administration, majoring
22 in accounting and economics. In July 1979, I graduated from
23 Fairleigh Dickinson University, Madison with a Masters of

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1 Business Administration, majoring in finance. My professional
2 responsibilities have encompassed financial analysis,
3 accounting, planning, and pricing in manufacturing and energy
4 services companies in both regulated and deregulated
5 industries. In 1977, I was employed by Allied Chemical Corp. as
6 a staff accountant. In 1980, I was employed by Celanese Corp.
7 as a financial analyst. In 1981, I was employed by Suburban
8 Propane as a Strategic Planning Analyst, promoted to Manager
9 of Rates and Pricing in 1986 and to Director of Acquisitions and
10 Business Analysis in 1990. In 1993, I was employed by
11 Concurrent Computer as a Manager, Pricing Administration. In
12 1996 I joined NUI as a Rate Analyst, was promoted to Manager
13 of Regulatory Support in August, 1997 and Manager of
14 Regulatory Affairs in February, 1998, and named Manager of
15 Rates in July 1998.

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17 **Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY?**

18 A. The purpose of my testimony is to present the comparison of
19 Actual versus Original estimate of the purchased gas adjustment
20 cost recovery factor and true-up provision for the period January,
21 2001 through December, 2001 for City Gas.

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1 **Q. HAS THE COMPANY PREPARED THE FORM PRESCRIBED**
2 **BY THIS COMMISSION FOR THIS PURPOSE?**

3 A. Yes. The Company has prepared the form prescribed by the
4 Commission attached as Schedule A-7.

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6 **Q. HAS CITY GAS PREPARED A SCHEDULE WHICH SHOWS**
7 **THE ACTUAL GAS COSTS ASSOCIATED WITH THE GAS**
8 **ADJUSTMENT COST RECOVERY FACTOR?**

9 A. Yes. City Gas prepared Schedule A-7, attached, which
10 describes the total fuel cost for the period in question, recovery
11 of such cost from ratepayers through the Purchased Gas
12 Adjustment (PGA) Cost Recovery Factor, and remaining over or
13 under-recovery of gas cost.

14

15 **Q. WHAT WAS THE TOTAL GAS COST INCURRED BY THE**
16 **COMPANY DURING THE TWELVE MONTHS ENDED**
17 **DECEMBER 31, 2001?**

18 A. As shown on Schedule A-7, Line 1, the total cost of gas for the
19 twelve months ended December 31, 2001 is \$30,184,218.

20

21 **Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST**
22 **RECOVERED BY THE COMPANY DURING THE TWELVE**
23 **MONTHS ENDED DECEMBER 31, 2001?**

1 A. The Company recovered \$30,085,722.

2

3 **Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE**
4 **TWELVE MONTHS ENDED DECEMBER 31, 2001?**

5 A. The actual true-up amount, including interest, is an under-
6 recovery of (\$244,835).

7

8 **Q. CAN YOU EXPLAIN HOW YOU ARRIVED AT THAT AMOUNT**
9 **OF UNDER-RECOVERY?**

10 A. Yes. As shown on Schedule A-7, the total fuel revenues for the
11 period are \$30,085,722 and the total fuel cost is \$30,184,218.
12 The difference between the fuel cost and fuel recoveries is an
13 under-recovery of (\$98,496). The interest provision for the
14 period is an under-recovery of (\$146,339). The sum of these
15 two recoveries is an under-recovery of (\$244,835).

16

17 **Q. WHAT IS THE FINAL OVER/UNDER RECOVERY FOR THE**
18 **JANUARY 2001 THROUGH DECEMBER 2001 PERIOD TO BE**
19 **INCLUDED IN THE 2003 PROJECTION?**

20 A. The final true-up amount for the period of January 2001 through
21 December 2001 to be included in the 2003 projection is an over-
22 recovery \$351,876. This is the difference between the
23 estimated under-recovery of (\$596,710) that is included in the

1 current cost recovery factor being collected during 2002 and the
2 actual under-recovery of (\$244,835).

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4 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

5 **A. Yes.**

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COMPANY: CITY GAS COMPANY OF FLORIDA A Division of NUI Corporation		FINAL FUEL OVER/UNDER RECOVERY	SCHEDULE A-7 (REVISED 4/30/01)
FOR THE PERIOD:		JANUARY 01 Through	DECEMBER 01
1	TOTAL ACTUAL FUEL COST FOR THE PERIOD	A-2 Line 3	\$30,184,218
2	TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD	A-2 Line 6	<u>\$30,085,722</u>
3	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 2- Line 1)	A-2 Line 7	(\$98,496)
4	INTEREST PROVISION	A-2 Line 8	<u>(\$146,339)</u>
5	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 3 + Line 4)		(\$244,835)
6	LESS: ESTIMATED/ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 01 Through DECEMBER 01 (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT PERIOD RECOVERY FACTOR (JAN 02 through DEC 02)		<u>(\$596,710)</u>
7	FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (JAN 03 Through DEC 03) (Line 5- Line 6)		<u>\$351,876</u>