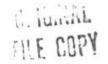
LAW OFFICES



MESSER, CAPARELLO, METZ, MAIDA & SELF A PROFESSIONAL ASSOCIATION

ZIS SOUTH MONRUE STREET SUITE 70-POST OFFICE BOY INTO TALLAHASSEE, FLORIDA 32302-1876 TELEPHONE (904) 222 0720 TELECOPIERS (904) 224 4359 (904) 425 (942

January 15, 1997

BY HAND DELIVERY

Ms. Blanca Bayo, Director Division of Records and Reporting Room 110, Easley Building Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850

> Docket No. 970003-GU- South Florida Natural Gas Company Re:

Dear Ms. Bayo:

Enclosed are an original and fifteen copies on behalf of South Florida Natural Gas Company in connection with the hearings scheduled to begin February 19, 1997 in this docket are the original and 15 copies of the following:

- Petition for Approval of South Florida Natural Gas Company's Purchased Gas Cost Recovery Factor;
 - Direct Testimony of L Defrain; and
 - Schedules E-1, E-1/R, E-2, E-3, E-4 and E-5.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Norman H. Horton, Jr.

FALLIN - 3 NHH:amb Enclosures

Ms. Anne V. Wood Mr. L. Defrain Parties of Record

DOCUMENT NUMBER - DATE

00528 JAN 156

FPSC-RECORDS/REPORTING

00529 JAN 156

FPSC-RECUMUS/REPORTING

HIE COTY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment Cost Recovery Docket No. 970003-GU Filed: January 15, 1997

PETITION FOR APPROVAL OF SOUTH FLORIDA NATURAL GAS CO.'S PURCHASED GAS COST RECOVERY FACTORS

South Florida Natural Gas Co. ("the Company"), by and through its undersigned attorneys and pursuant to the requirements of this docket, hereby petitions the Commission for approval of the Company's purchased gas cost recovery factors for the period April 1, 1997 through March 31, 1998. In support hereof, the Company states:

1) The Company is a natural gas utility company within the jurisdiction of this Commission. Its principal business address is:

> South Florida Natural Gas Co. Post Office Box 69-J Miami, Florida 33269-0078

2) The name and address of the person authorized to receive notices and communications with respect to this Petition are:

Norman H. Horton, Jr.

Messer, Caparello, Metz, Maida & Self, P. A.
Suite 701, First Florida Bank Building
Post Office Box 1876
Tallahassee, Florida 32302-1876

3) Pursuant to the requirements of this Docket, the Company has prefiled the purchased gas cost recovery forms supplied by the Electric & Gas Department in a manner consistent with the Department's instructions.

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- 4) As indicated in the prefiled forms, the Company experienced an underrecovery of \$9,577 for the period April 1, 1995 through March 31, 1996 and estimates an underrecovery of \$75,329 for the period April 1, 1996 through March 31, 1997, for a total underrecovery of \$84,906. Based upon estimated sales of 2,499,000, it will be necessary to add 3.398 cents per therm to collect this underrecovery.
- 5) The Company has also projected its purchased gas costs for the period April 1, 1997 through March 31, 1998. As indicated in the accompanying schedules, the maximum purchased gas cost recovery factor is 43.569 cents per therm. This rate includes projected cost of gas purchased, prior period true-up, and revenue tax factors, and is based upon projected sales.

WHEREFORE, South Florida Natural Gas Co. petitions the Commission to approve the foregoing purchased gas cost recovery factors, to be applied to customer bills for the period April 1, 1997 through March 31, 1998, and to billings threeafter until other purchased gas cost recovery factors are approved by the Commission.

DATED this 15th day of January, 1997.

Respectfully submitted,
MESSER, CAPARELLO, METZ, MAIDA &
SELF, P.A.
Post Office Box 1876
Tallahassee, Florida 32302-1876
(904) 222-0720

Norman H. Horton, Jr.

Attorneys for South Florida Natural Gas Co.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of South Florida Natural Gas Company's Petition for Approval of Purchased Gas Cost Recovery Factors together with accompanying schedules and testimony in Docket No 970003-GU have been served by hand delivery (*) and/or U. S. Mail this 15th day of January, 1997 upon the following:

Sheila L. Erstling*
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd., Room 370
Tallahassee, FL 32399-0850

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Mr. Frank C. Cressman President Florida Public Utilities Company P.O. Box 3395 West Palm Beach, FL 33402-3395

NORMAN H. HORTON, JR.