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September 27, 2001

Ms. Blanca Bayó
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0868

Re: **Docket No. 010003-GU**

Dear Ms. Bayó:

Enclosed herewith for filing in the above referenced docket on behalf of NUI City Gas Company of Florida (City Gas) are the original and fifteen copies of City Gas' Petition for Approval of PGA Factor to be Applied for Service Rendered During the Period January 2002 through December 2002 and attached testimony of Thomas Kaufmann.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning it to me. If you have any questions concerning this filing, please contact Thomas Kaufmann at (908) 289-5000, ext. 6102.

Thank you for your assistance in connection with this matter.

Very truly yours,

Richard D. Melson

Richard D. Melson

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COMMISSION
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- APP _____
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14
FPSC-BUREAU OF RECORDS

Petition
DOCUMENT NUMBER-DATE

12245 SEP 27 0

FPSC-COMMISSION CLERK

Testimony
DOCUMENT NUMBER-DATE
12246 SEP 27 0
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchase Gas Adjustment
(PGA) True-up

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Docket No. 010003-GU

Filed: September 27, 2001

**PETITION BY NUI CITY GAS COMPANY OF FLORIDA,
FOR APPROVAL OF PGA FACTOR
TO BE APPLIED FOR SERVICE RENDERED
DURING THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002**

NUI City Gas Company of Florida ("City Gas or "the Company") submits this petition to the Commission for Approval of a Purchased Gas Adjustment ("PGA") factor to be applied for service to be rendered during the projected period of January 1, 2002 through December 31, 2002. In support thereof, City Gas says:

1. City Gas has calculated its total net true-up amount (including interest and applicable regulatory assessment fees) for the period January 2000 through December 2000 to be an under-recovery of \$1,241,776. This figure includes a reduction for an audit adjustment totaling \$409,017 made by the Commission staff.

2. Schedule E-4 shows the projected true-up for the current period January 2001 through December 2001 is an under-recovery of \$596,710.

3. The total true-up as shown on Schedule E-4 is an under-recovery of \$1,838,486.

4. Estimated therm purchases for resale are 37,606,260.

5. Schedule E-4 presents a true-up recovery factor of 4.889 cents per therm to be applied during the projected period.

6. The total cost of gas for the projected for the period is \$20,766,343 as shown on Schedule E-1 line 11.

7. The weighted average cost of gas (WACOG) for the projected period is 55.220 cents per therm as shown on Schedule E-1 line 40.

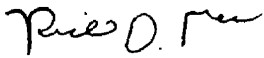
8. The 4.889 cents per therm true up factor increases the WACOG during the projected period to 60.109 cents per therm (before the regulatory assessment fees) or 60.412 per therm after the regulatory assessment fees as shown on Schedule E-1 lines 42 and 44 respectively. In order to avoid large under-recovery in the winter season, City Gas has chosen to establish a maximum levelized purchased gas factor based on the Company's expected winter cost of gas. The levelized purchased gas factor based on the Company's expected winter cost of gas is 64.252 cents per therm before the regulatory assessment fees and 64.576 cents per therm after the regulatory assessment fees. This is the appropriate levelized gas cost factor (cap) for City Gas for the projected period.

9. City Gas' proposal filed herewith consists of Schedules E-1, E-1R, E-2, E-3, E-4, E-5 and the prepared Direct Testimony of Thomas Kaufmann.

WHEREFORE, City Gas Company of Florida respectfully requests that the Commission enter its order approving the Company's proposed winter cost based levelized PGA true-up factor for the period January 2002 through December 2002 of 64.252 cents per therm (before the regulatory assessment fees) or 64.576 cents per therm after the regulatory assessment fees.

RESPECTFULLY SUBMITTED this 27th day of September, 2001.

HOPPING GREEN SAMS & SMITH, P.A.

By: 

Richard D. Melson
P.O. Box 6526
Tallahassee, FL 32314
(850) 222-7500

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition for Approval of PGA Factor and Application for Bills to be Rendered During the Period January 2002 through December 2002 for NUI City Gas Company of Florida has been furnished by U.S. Mail to the following parties of record this 27th day of September, 2001:

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