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Hopping Green & Sams

Attorneys and Counselors

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COMMISSION CLERK

Writer's Direct Dial Number (850) 425-2359

September 24, 2004

BY HAND DELIVERY

Blanca Bayó
Director, Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 040003-GU

Dear Ms. Bayó:

Enclosed for filing on behalf of City Gas Company of Florida are the original and fifteen copies of:

- 1. Petition for Approval of PGA Factor
2. Direct Testimony of Thomas Kaufmann with Exhibit No. ___ TK-2

Also enclosed is a diskette containing the petition and testimony in word format.

By copy of this letter, these documents have been furnished to the parties on the attached certificate of service.

Please stamp and return the enclosed extra copy of this filing. If you have any questions regarding this filing, please give me a call at 425-2359.

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Very truly yours,

[Handwritten signature of Gary V. Perko]

Gary V. Perko

GVP/mee
Enclosures
cc: Certificate of Service

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Certificate of Service

I HEREBY CERTIFY that a true and correct copy of the Petition of City Gas Company of Florida supported by the Direct Testimony and Exhibits of Thomas Kaufmann, has been furnished by U.S. mail to the following parties this 27th day of September, 2004.

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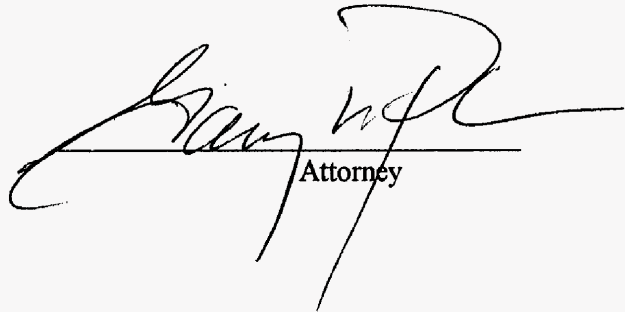
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One Elizabethtown Plaza
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment)
(PGA) True-up)
_____)

Docket No. 040003-GU

Filed: September 24, 2004

**PETITION BY NUI CITY GAS COMPANY OF FLORIDA,
FOR APPROVAL OF PGA FACTOR
TO BE APPLIED FOR SERVICE RENDERED
DURING THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005**

NUI Utilities, Inc. d/b/a 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, 2005 through December 31, 2005. 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 2003 through December 2003 to be an over-recovery of \$1,313,819.
2. Schedule E-4 shows the projected true-up for the current period January 2004 through December 2004 is an over-recovery of \$1,662,728.
3. The total true-up as shown on Schedule E-4 is an over-recovery of \$2,976,547.
4. Estimated therm purchases for resale during the projected period are 42,412,260.
5. Schedule E-4 presents a true-up recovery factor of (\$0.07018) cents per therm to be applied during the projected period.

6. The total cost of gas for the projected period is \$41,459,697 as shown on Schedule E-1 line 11.

7. The weighted average cost of gas (WACOG) for the projected period is 97.839 cents per therm as shown on Schedule E-1 line 40.

8. The (\$0.07018) cents per therm true up factor decreases the WACOG during the projected period to 90.821 cents per therm (before the regulatory assessment fees) or 91.278 cents per therm after the regulatory assessment fees as shown on Schedule E-1 lines 42 and 44 respectively. In order to avoid a 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 94.975 cents per therm before the regulatory assessment fees and 95.067 cents per therm after the regulatory assessment fees. This is the appropriate levelized gas cost factor (cap) for City Gas for the projected period.

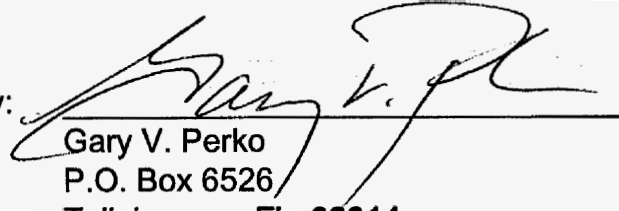
9. City Gas' proposal filed herewith consists of Schedules E-1 (winter), E-1, E-1R, E-2, E-3, E-4, E-5 and the prepared Direct Testimony of Thomas Kaufmann.

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 2005 through December 2005 of 90.821 cents per therm (before the regulatory assessment fees) or 91.278 cents per therm after the regulatory assessment fees.

RESPECTFULLY SUBMITTED this 24th day of September, 2004.

HOPPING GREEN & SAMS

By:

A handwritten signature in black ink, appearing to read "Gary V. Perko", is written over a horizontal line. The signature is fluid and cursive.

Gary V. Perko
P.O. Box 6526
Tallahassee, FL 32314
(850) 222-7500

Attorneys for NUI City Gas Company of Florida