

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Purchased gas adjustment (PGA) true-up. | DOCKET NO. 040003-GU  
ORDER NO. PSC-04-1182-FOF-GU  
ISSUED: December 1, 2004

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The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman  
J. TERRY DEASON  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON

APPEARANCES:

GARY V. PERKO, ESQUIRE, Hopping Green & Sams, P.A., P.O. Box 6526,  
Tallahassee, Florida 32314  
On behalf of City Gas Company of Florida.

NORMAN H. HORTON, JR., ESQUIRE, Messer, Caparello & Self, P.A., Suite  
701, Sun Trust Bank Building, P. O. Box 1876, Tallahassee, Florida, 32302-1876  
On behalf of Florida Public Utilities Company.

ANSLEY WATSON, JR., ESQUIRE, Macfarlane, Ferguson & McMullen, P.O.  
Box 1531, Tampa, Florida, 33601-1531, and MATTHEW R. COSTA, ESQUIRE,  
Corporate Counsel, TECO Energy, Inc., P.O. Box 111, Tampa, Florida 33601-  
0111  
On behalf of Peoples Gas System.

STUART L. SHOAF, St. Joe Natural Gas Company, Inc., P.O. Box 549, Port St.  
Joe, Florida 32457-0549  
On behalf of St. Joe Natural Gas Company.

PATRICIA A. CHRISTENSEN, ESQUIRE, Associate Public Counsel, Office of  
Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room  
812, Tallahassee, Florida 32399-1400  
On behalf of the Citizens of the State of Florida (OPC).

KATHERINE E. FLEMING, ESQUIRE, Florida Public Service Commission,  
2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850  
On behalf of the Florida Public Service Commission.

DOCUMENT NUMBER-DATE

12737 DEC-13

FPSC-COMMISSION CLERK

ORDER APPROVING PURCHASED GAS ADJUSTMENT TRUE-UP AMOUNTS  
AND ESTABLISHING PURCHASED GAS COST RECOVERY FACTORS TO BE  
APPLIED DURING THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005

As part of the Commission's continuing purchased gas adjustment true-up proceedings, an administrative hearing was held November 8, 2004, in this docket. City Gas Company of Florida; Florida Public Utilities Company; Peoples Gas System; and St. Joe Natural Gas Company submitted testimony and exhibits in support of their proposed final and estimated true-up amounts and their proposed purchased gas recovery factors. The Office of Public Counsel ("OPC") also participated in this proceeding. Prior to hearing, the parties reached agreement concerning all issues identified for resolution at hearing. These issues were presented to us as a stipulation. We have jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes, including Chapter 366.04, 366.05, and 366.06, Florida Statutes.

The parties stipulated to the final and estimated true-up amounts and purchased gas cost recovery factors appropriate for each utility. We accept and approve the stipulations as reasonable and supported by competent, substantial evidence of record.

We find that the appropriate final purchased gas adjustment true-up amounts for the period January 2003 through December 2003 are as follows:

|                                  |             |               |
|----------------------------------|-------------|---------------|
| City Gas Company of Florida      | \$1,313,819 | Overrecovery  |
| Florida Public Utilities Company | \$338,902   | Overrecovery  |
| Peoples Gas System               | \$7,268,762 | Underrecovery |
| St. Joe Natural Gas Company      | \$40,749    | Overrecovery  |

We find that the estimated purchased gas adjustment true-up amounts for the period January 2004 through December 2004 are as follows:

|                                  |              |               |
|----------------------------------|--------------|---------------|
| City Gas Company of Florida      | \$1,873,845  | Overrecovery  |
| Florida Public Utilities Company | \$3,165      | Underrecovery |
| Peoples Gas System               | \$10,448,229 | Overrecovery  |
| St. Joe Natural Gas Company      | \$45,220     | Overrecovery  |

We find that the total purchased gas adjustment true-up amounts to be collected during the period January 2005 through December 2005 are as follows:

|                                  |             |              |
|----------------------------------|-------------|--------------|
| City Gas Company of Florida      | \$3,187,664 | Overrecovery |
| Florida Public Utilities Company | \$335,737   | Overrecovery |
| Peoples Gas System               | \$3,179,465 | Overrecovery |
| St. Joe Natural Gas Company      | \$85,969    | Overrecovery |

We find that the appropriate levelized purchased gas cost recovery (cap) factors for the period January 2005 through December 2005 are as follows:

|                                  |                        |
|----------------------------------|------------------------|
| City Gas Company of Florida      | 94.952 cents per therm |
| Florida Public Utilities Company | 89.181 cents per therm |
| Peoples Gas System               | 99.037 cents per therm |
| St. Joe Natural Gas Company      | 76.500 cents per therm |

We find that these factors shall be effective for all meter readings on or after January 1, 2005, beginning with the first or applicable billing cycle, for the period January 2005 through December 2005.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations, findings, and rulings set forth in the body of this Order are hereby approved. It is further

ORDERED that each utility that was a party to this docket shall abide by the stipulations, finding, and ruling herein which are applicable to it. It is further

ORDERED that the utilities named herein are authorized to collect the purchased gas adjustment amounts and utilize the factors approved herein effective with all meter readings on or after January 1, 2005, beginning with the first or applicable billing cycle for the period January 2005 through December 2005.

By ORDER of the Florida Public Service Commission this 1st day of December, 2004.

BLANCA S. BAYÓ, Director  
Division of the Commission Clerk  
and Administrative Services

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.