

AGL Resources  
Atlanta Gas Light  
Chattanooga Gas  
Elizabethtown Gas  
Elkton Gas  
Florida City Gas  
Virginia Natural Gas  
AGL Networks  
Sequent Energy Management

955 East 25th Street  
Hialeah, FL 33013  
www.floridacitygas.com

August 25, 2008

Ms. Ann Cole, Director  
Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0950

RECEIVED-FPSC  
08 AUG 29 PM 3:55  
COMMISSION  
CLERK

**RE: Docket No. 080003-GU**

Dear Ms. Cole:

By memorandum dated May 19, 2008, the Commission Staff filed an audit report (Audit Control No. 08-037-4-7) for Florida City Gas in the above referenced docket.

Enclosed for filing, please find the Company's response to the Staff's audit report.

If you need additional information, please contact me at (305) 835-3607

Very truly yours,



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Rosie Abreu  
Regulatory Analyst

Encl.

 Florida City Gas

DOCUMENT NUMBER-DATE

07979 AUG 29 08

FPSC-COMMISSION CLERK

**Company Response to:**

**Florida City Gas Company**

**Purchased Gas Adjustment Clause Audit**

**Twelve Months Ended December 31, 2007**

**DOCKET #080003GU**

**AUDIT CONTROL NO. 08-037-4-7**

**DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE**

**AUDITOR'S REPORT - May 13, 2008**

**AUDIT FINDING NO. 1**

**SUBJECT: LATE FEES**

**AUDIT ANALYSIS:** In recording its expenses, the utility has included late fees charged to invoices in the cost of gas. Late fees should be below the line and not included in the cost of gas. The total late fees found were \$1,950. The interest recomputed on this adjustment and the filing costs was \$64.

**EFFECT ON THE GENERAL LEDGER:** The true up in the ledger should be adjusted to remove the late fees and the associated interest of \$2,014.

**EFFECT ON THE FILING:** The under-recovery should be reduced to remove the late fees and associated interest of \$2,014.

**Company Response:** The Company does not agree that the true-up should be adjusted to remove the late fees. The late fees were incurred due to mail delivery issues. We have arranged for the vendor to also send a copy of the invoices via Fax; this will allow the Company to process the invoice promptly in case of any mail delays. The Company is now tracking receipt of invoice, issuing of check, and mailing out payments. The Company is also communicating frequently with vendor to ensure a timely processing and payment of these invoices to prevent any late fees.