

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 080003-GU  
DETERMINATION OF PURCHASED  
GAS/COST RECOVERY FACTOR

Direct Testimony of  
Christopher M. Snyder  
on Behalf of  
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. Christopher M. Snyder, 401 South Dixie Highway, West  
3 Palm Beach, FL 33402.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company  
6 (FPU) as the Energy Logistics Manager.
- 7 Q. How long have you been employed by FPU?
- 8 A. Since July 1991.
- 9 Q. Have you previously testified before this Commission?
- 10 A. Yes, I testified in the Company's Purchased Gas Cost  
11 Recovery Factor Docket Number 070003-GU.
- 12 Q. What are the subject matters of your testimony in this  
13 proceeding?
- 14 A. My testimony will relate to two (2) specific matters:  
15 the forecast of the pipeline charges and the forecast  
16 of commodity costs of natural gas to be purchased by  
17 the Company.
- 18 Q. What is the projection period for this filing?
- 19 A. The projection period is January 2009 through December  
20 2009.

1 Q. Please describe how the forecasts of pipeline charges  
2 and commodity costs of gas were developed for the  
3 projection period.

4 A. The purchases for the gas cost projection model were  
5 based on projected sales to bundled and unbundled  
6 customers. Florida Gas Transmission Company's (FGT)  
7 FTS-1, FTS-2, NNTS-1 and ITS-1 effective charges  
8 (including surcharges) and fuel rates, at the time the  
9 projections were made, were used for the entire  
10 projection period. The expected cost of natural gas  
11 purchased by FPU and delivered to FGT, for  
12 transportation to the Company and for FGT's fuel use  
13 factor, during the projection period was developed  
14 using the maximum New York Mercantile Exchange (NYMEX)  
15 natural gas futures settlement prices for the  
16 historical period of June 1992 through present. The  
17 forecasts of the commodity cost of gas also takes into  
18 account the average basis differential between the  
19 NYMEX projections and historic cash markets as well as  
20 premiums and discounts, by zone, for term gas  
21 supplies.

22 Q. Please describe how the forecasts of the weighted  
23 average costs of gas were developed for the projection  
24 period.

1 A. FPU's sales to traditional non-transportation firm and  
2 interruptible customers were allocated all of the  
3 monthly pipeline demand costs, less the cost of  
4 capacity temporarily relinquished to pool managers for  
5 the accounts of unbundled customers, and were  
6 allocated all of the relevant projected pipeline and  
7 supplier commodity costs. The sum of these costs were  
8 divided by the projected sales level to said customers  
9 resulting in the projected weighted average cost of  
10 gas for traditional non-transportation firm customers  
11 and interruptible customers and ultimately the  
12 Purchased Gas Cost Recovery Factor (PGCRF) shown on  
13 Schedule E-1. Capacity shortfalls, if any, would be  
14 satisfied with the most economic dispatch combination  
15 of acquired capacity relinquished by another FGT  
16 shipper and/or gas and capacity repackaged and  
17 delivered by another FGT capacity holder. Obviously,  
18 if other services become available and it is more  
19 economic to dispatch supplies under those services,  
20 the Company will utilize those services as part of its  
21 portfolio.

22 Q. Does this conclude your prepared direct testimony?

23 A. Yes.