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October 7, 2008

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**VIA Hand Delivery**

Ms. Ann Cole  
Office of the Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Docket No. 080004-GU – Natural Gas Conservation Cost Recovery**

Dear Ms. Cole:

Enclosed for electronic filing in the above referenced Docket, please find the original and 15 copies of Florida City Gas's Prehearing Statement, as well as a copy in Word format on diskette.

Your assistance in this matter is greatly appreciated.

Sincerely,

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*Beth Keating*

**Beth Keating**  
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{TL172147;1}Enclosures

DOCUMENT NUMBER - DATE

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FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Conservation Cost Recovery ) Docket No. 080004-GU  
Clause )  
\_\_\_\_\_ ) Filed: October 7, 2008

**FLORIDA CITY GAS COMPANY'S  
PREHEARING STATEMENT**

Pursuant to the requirements of the Order on Procedure, Florida City Gas hereby submits its Prehearing Statement.

A. Known Witnesses

Florida City Gas intends to offer the direct testimony of Carolyn Bermudez filed on May 1, 2008, and September 10, 2008.

Carolyn Bermudez Issues 1, 2 & 3

B. Known Exhibits

Florida City Gas intends to sponsor the following exhibits:

Bermudez CB-1 Schedules CT-1, CT-2 and CT-3  
Bermudez CB-2 Schedules C-1, C-2, C-3 and C-5

C. Basic Position

The Company's true-up amounts and conservation cost recovery factors as shown in Issues 1 through 5 are appropriate and should be approved.

D. – F. Issues

**ISSUE1.** What are the final conservation cost recovery true-up amounts for the period January 2007 through December 2007?

Florida City Gas: An over-recovery of \$126,342, including interest.

**ISSUE 2.** What are the actual/estimated conservation cost recovery true-up amounts for the period January 2008 through December 2008?

Florida City Gas: An under-recovery of \$786,742.

**ISSUE 3.** What are the total conservation cost recovery amounts to be collected during the period January 2009 through December 2009?

Florida City Gas: \$3,204,167, which represents the projected costs of \$2,417,425 to be incurred during 2009, plus the estimated true-up of \$786,742 for calendar year 2008.

**ISSUE 4.** What are the conservation cost recovery factors for the period January 2009 through December 2009?

Florida City Gas: The appropriate factors are:

<u>Rate Class</u>	<u>Factor</u>
GS-1, GS-100, GS-220 (Sales & Transportation)	\$0.09304
GS-600 (Sales & Transportation)	\$0.04875
GS-1200 (Sales & Transportation)	\$0.03115
GS-6k (Sales & Transportation)	\$0.02499
GS-25000 (Sales & Transportation)	\$0.02452
GS-60000 (Sales & Transportation)	\$0.02394
Gas Lights	\$0.04846
GS-120000 (Sales & Transportation)	\$0.01785
GS-250000 (Sales & Transportation)	\$0.01643

**ISSUE 5.** What should be the effective date of the conservation cost recovery factors for billing purposes?

Florida City Gas: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2009 through December 2009. Billing cycles may start before January 1, 2009 and the last cycle may be read after December 31, 2009, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

G. Stipulated Issues

Florida City Gas is not a party to any stipulations at this time, although it believes that it should be possible to reach a stipulation on each of the above issues as they relate to Florida City Gas.

H. Pending Motions

Florida City Gas has no pending motions or other matters requiring attention at this time.

I. Pending Confidentiality Requests

Florida City Gas has no pending confidentiality requests.

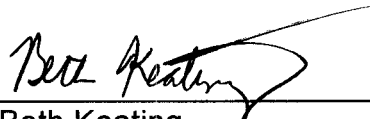
J. Compliance With Order on Procedure

Florida City Gas believes that this Prehearing Statement fully complies with the requirements of the Order on Procedure.

K. Objections to Witness Qualifications

Florida City Gas has no objection to the qualifications of any expert witness.

RESPECTFULLY SUBMITTED this 7<sup>th</sup> day of October, 2008.



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Beth Keating  
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Tallahassee, FL 32301  
(850) 224-9634

*Attorneys for Florida City Gas*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail to the following parties of record this 7<sup>th</sup> day of October, 2008:

Florida Public Utilities Company Marc S. Seagrave P.O. Box 3395 West Palm Beach, FL 33402-3395	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Messer Law Firm Norman H. Horton, Jr. P.O. Box 15579 Tallahassee, FL 32317	Office of Public Counsel J.R. Kelly/Patricia Christensen/S.Burgess c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Peoples Gas System Paula Brown P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Matthew Costa P.O. Box 111 Tampa, FL 33601-0111	AGL Resources Inc. Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Melvin Williams 955 East 25 <sup>th</sup> Street Hialeah, FL 33013-3498	Katherine Fleming <sup>1</sup> Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399
Florida City Gas Jay Sutton 4180 South US Hwy. 1 Rockledge, FL 32955-5309	Charles A. Costin Costin and Costin Law Firm P.O. Box 98 Port Saint Joe, FL 32457-1159
Florida Division of Chesapeake Utilities Corporation Thomas A. Geoffroy P.O. Box 960 Winter Haven, FL 33882-0960	Indiantown Gas Company Brian J. Powers P.O. Box 8 Indiantown, FL 34956-0008

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<sup>1</sup> Hand Delivery

DOCKET NO. 080004-GU  
PREHEARING STATEMENT

Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870	Robert Scheffel Wright 225 South Adams Street, Suit 200 Tallahassee, FL 32301
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