



(850)521-1713
gmunson@gunster.com

May 2, 2016

E-PORTAL/ELECTRONIC FILING

Ms. Carlotta Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 160003-GU – Purchased Gas Adjustment (PGA) True-up

Dear Ms. Stauffer:

Attached for electronic filing, please find the Direct Testimony and Exhibit TK-1 of Mr. Thomas Kaufman, submitted in the referenced Docket on behalf of Florida City Gas, along with the Petition for Approval of the Purchased Gas True-Up Amount.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

A handwritten signature in blue ink, appearing to read 'G. Munson', written over a horizontal line.

Gregory M. Munson

GMM

cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment) Docket No. 160003-GU
(PGA) True-Up)
_____) Filed: May 2, 2016

**PETITION FOR APPROVAL OF THE PURCHASED GAS (PGA)
TRUE-UP AMOUNT FOR FLORIDA CITY GAS**

Florida City Gas (“Florida City Gas” or “the Company”) hereby files its petition for approval of its final purchased gas true-up amount related to the twelve month period ended December 31, 2015. In support of this Petition, Florida City Gas states:

1. The name of the petitioner and mailing address of its principal office is:

Florida City Gas
955 East 25th Street
Hialeah, Florida 33013-3498

2. The name and mailing address of the persons authorized to receive notices are:

Greg Munson
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Blake O’Farrow, Director
Regulatory Affairs/Florida and Tennessee
AGL Resources
10 Peachtree Place
Location 1686
Atlanta, GA 30309

3. Pursuant to the requirements in this docket, Florida City Gas, concurrently with the filing of this petition, files testimony and PGA Schedule A-7 for the period of January 2015 through December 2015, consisting of the purchased gas adjustment true-up reporting form supplied by the Commission Staff.
4. As indicated in the testimony of Thomas Kaufmann, Florida City Gas’s final true-up amount for the period January 2015 through December 2015, including interest, net of the estimated true-up for the same period, is an over-recovery of \$979,356.

WHEREFORE, Florida City Gas respectfully requests that the Commission enter its Order approving the Company's final true-up amount for the period January 1, 2015 through December 31, 2015.

RESPECTFULLY SUBMITTED this 2nd day of May, 2016.

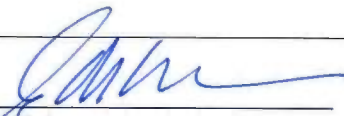


Greg Munson
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1713

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida City Gas's Petition for Approval of the Purchased Gas (PGA) True-Up Amount in Docket No. 160003-GU has been furnished by Email to the following parties of record this 2nd day of May, 2016:

Florida Public Utilities Company Mike Cassel 1750 S 14 th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com	MacFarlane Ferguson Law Firm Ansley Watson, Jr./Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com/AB@macfar.com
Margo Leathers, Esquire Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 mleather@psc.state.fl.us	Office of Public Counsel J.R. Kelly/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400 Kelly.JR@leg.state.fl.us Christensen.Patty@leg.state.fl.us
Peoples Gas System Paula K. Brown/Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com kfloyd@tecoenergy.com	St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549 Andy@stjoegas.com
Florida City Gas Carolyn Bermudez 933 East 25 th Street Hialeah, FL 33013-3498 cbermudez@aglresources.com	AGL Resources Inc. Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309 ewade@aglresources.com
Blake O’Farrow, Director Regulatory Affairs/Florida and Tennessee AGL Resources 10 Peachtree Place Location 1686 Atlanta, GA 30309 bofarrow@aglresources.com	



 Greg Munson
 Gunster, Yoakley & Stewart, P.A.
 215 South Monroe St., Suite 601
 Tallahassee, FL 32301
 (850) 521-1706
Attorneys for Florida City Gas

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

THOMAS KAUFMANN

ON BEHALF OF FLORIDA CITY GAS

(Final True-Up)

DOCKET NO. 160003-GU

1

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Thomas Kaufmann. My business address is
4 Elizabethtown Gas, 520 Green Lane, Union, New Jersey, 07083.

5

6 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

7 A. I am currently employed as a Manager of Rates and Tariffs and
8 have responsibilities for Pivotal Utility Holdings, Inc's., Florida
9 operating division d/b/a Florida City Gas ("City Gas" or "the
10 Company").

11

12 **Q. BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND AND**
13 **EMPLOYMENT EXPERIENCE.**

14 A. In June 1977, I graduated from Rutgers University, Newark with
15 a Bachelor of Arts degree in Business Administration, majoring in
16 accounting and economics. In July 1979, I graduated from
17 Fairleigh Dickinson University, Madison with a Masters of

1 Business Administration, majoring in finance. My professional
2 responsibilities have encompassed financial analysis,
3 accounting, planning, and pricing in manufacturing and energy
4 services companies in both regulated and deregulated
5 industries. In 1977, I was employed by Allied Chemical Corp. as
6 a staff accountant. In 1980, I was employed by Celanese Corp.
7 as a financial analyst. In 1981, I was employed by Suburban
8 Propane as a Strategic Planning Analyst, promoted to Manager
9 of Rates and Pricing in 1986 and to Director of Acquisitions and
10 Business Analysis in 1990. In 1993, I was employed by
11 Concurrent Computer as a Manager, Pricing Administration. In
12 1996 I joined Pivotal Utility Holdings, Inc., (formerly known as
13 NUI Utilities Inc.) as a Rate Analyst, was promoted to Manager
14 of Regulatory Support in August, 1997 and Manager of
15 Regulatory Affairs in February, 1998, and named Manager of
16 Rates and Tariffs in July 1998.

17

18 **Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY?**

19 A. The purpose of my testimony is to present the comparison of
20 Actual versus Original estimate of the purchased gas adjustment
21 cost recovery factor and true-up provision for the period January,
22 2015 through December, 2015 for City Gas.

23

1 **Q. HAS THE COMPANY PREPARED THE FORM PRESCRIBED**
2 **BY THIS COMMISSION FOR THIS PURPOSE?**

3 A. Yes. The Company has prepared the form prescribed by the
4 Commission attached as Schedule A-7, and identified as Exhibit
5 ____ (TK-1).

6

7 **Q. HAS CITY GAS PREPARED A SCHEDULE WHICH SHOWS**
8 **THE ACTUAL GAS COSTS ASSOCIATED WITH THE GAS**
9 **ADJUSTMENT COST RECOVERY FACTOR?**

10 A. Yes. City Gas prepared Schedule A-7, attached, which
11 describes the total fuel cost for the period in question, recovery
12 of such cost from ratepayers through the Purchased Gas
13 Adjustment (PGA) Cost Recovery Factor, and remaining over or
14 under-recovery of gas cost.

15

16 **Q. WHAT WAS THE TOTAL GAS COST INCURRED BY THE**
17 **COMPANY DURING THE TWELVE MONTHS ENDED**
18 **DECEMBER 31, 2015?**

19 A. As shown on Schedule A-7, Line 1, the total cost of gas for the
20 twelve months ended December 31, 2015 is \$22,913,103.

21

1 Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST
2 RECOVERED BY THE COMPANY DURING THE TWELVE
3 MONTHS ENDED DECEMBER 31, 2015?

4 A. The Company recovered \$22,192,540 from customer billings
5 plus an additional \$767,438 from margin sharing credits.
6

7 Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE
8 TWELVE MONTHS ENDED DECEMBER 31, 2015?

9 A. The actual true-up amount, including adjustments, margin
10 sharing and interest, is an over-recovery of \$48,961.
11

12 Q. CAN YOU EXPLAIN HOW YOU ARRIVED AT THAT
13 AMOUNT?

14 A. Yes. As shown on Schedule A-7, the total fuel cost for the
15 period is \$22,913,103 and the total fuel revenues are
16 \$22,192,540. The difference between the fuel cost and fuel
17 recoveries is an under-recovery of \$720,563. This under-
18 recovery was offset by an adjustment of \$767,438 for margin
19 sharing, and an interest provision, during the period, of \$2,086.
20 The sum of these is an over-recovery of \$48,961.
21

1 **Q. WHAT IS THE FINAL OVER/UNDER RECOVERY FOR THE**
2 **JANUARY 2015 THROUGH DECEMBER 2015 PERIOD TO BE**
3 **INCLUDED IN THE 2016 PROJECTION?**

4 A. The final true-up amount for the period of January 2015 through
5 December 2015 to be included in the 2016 projection is an over-
6 recovery of \$979,356. This is the difference between the
7 estimated under-recovery of \$930,395 that is included in the
8 current cost recovery factor being collected during 2016 and the
9 actual over-recovery of \$48,961.

10

11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 A. Yes.

COMPANY: FLORIDA CITY GAS		FINAL FUEL OVER/UNDER RECOVERY		SCHEDULE A-7
FOR THE PERIOD:		JANUARY 15	Through	DECEMBER 15
1	TOTAL ACTUAL FUEL COST FOR THE PERIOD		<i>A-2 Line 3</i>	\$22,913,103
2	TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD		<i>A-2 Line 6</i>	\$22,192,540
3	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 2- Line 1)		<i>A-2 Line 7</i>	(\$720,563)
3a	PRIOR PERIOD ADJUSTMENT		<i>A-2 Line 10a</i>	\$0
3b	OSS 50% MARGIN SHARING & PIPELINE CREDITS		<i>A-2 Line 10b</i>	\$767,438
4	INTEREST PROVISION		<i>A-2 Line 8</i>	\$2,086
5	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Lines 3 + 3a + 3b + 4)			\$48,961
6	LESS: ESTIMATED/ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 14 Through DECEMBER 14 (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT PERIOD RECOVERY FACTOR (JAN 15 through DEC 15)			<u>(\$930,395)</u>
7	FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (JAN 16 through DEC 16) (Line 5- Line 6)			<u>\$979,356</u>