

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchase Gas Adjustment
(PGA) True-up.

) DOCKET NO. 960003-GU
) Filed: January 16, 1996
)

**CITY GAS COMPANY OF FLORIDA'S
PETITION FOR APPROVAL OF PGA FACTOR
TO BE APPLIED FOR SERVICE RENDERED
DURING THE PERIOD APRIL 1996 THROUGH MARCH 1997 AND REQUEST FOR
SPECIFIED CONFIDENTIAL TREATMENT**

City Gas Company of Florida ("City Gas" or "the Company") submits this petition to the Commission for Approval of a Purchased Gas Adjustment ("PGA") factor to be applied for service to be rendered during the period of April 1, 1996 through March 31, 1997. Pursuant to Section 366.093, Florida Statutes, submits the following request for specified confidential treatment for portions of its estimated Cost of Gas. In support thereof, says:

1. City Gas has calculated its total net true-up amount (including interest and applicable regulatory assessment fees) for the period April 1994 through March 1995 to be an over-recovery of \$46,056.

2. Schedule E-4 shows the projected true-up for the current period April 1995 through March 1996 is an under-recovery of \$199,133. The total true-up as shown on Schedule E-4 is an under-recovery of \$153,077.

3. Estimated therm purchases for resale are 85,262,077 for the period of April 1996 through March 1997 producing a true-up recovery factor of 0.180 cents per therm.

4. After adding the true-up recovery factor, the levelized purchased gas cost factor for April 1996 through March 1997 based on the average of the winter and summer seasons is 39.661 cents per therm (before the regulatory assessment fees) or 39.810

DOCUMENT NUMBER-DATE

00475 JAN 16 96

FPSC-RECORDS/REPORTING

cents per therm after the regulatory assessment fees. In order to eliminate large under-recovery in the winter season, City Gas has chosen to establish a maximum levelized purchased gas factor based on the company's expected winter cost of gas. The levelized purchased gas factor based on the Company's expected winter cost of gas is 42.026 cents per therm before the regulatory adjustment fee and 42.184 cents per therm after the regulatory assessment fee. This is the appropriate levelized gas cost factor (cap) for City Gas for the period April, 1996 through March, 1997.

5. City Gas' proposal filed herewith consists of Schedules E1, E-2, E-3, E-4, E-5 and A-7. The confidential version of City Gas' filing is submitted in a sealed envelope concurrently with this request.

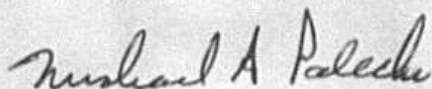
6. Attached hereto as Exhibit "A" is a detailed justification for the requested confidential treatment of the highlighted portions of City Gas' filing referenced above.

7. The material for which confidential classification is sought is intended to be and is treated by City Gas as proprietary and has not been publicly disclosed.

8. City Gas requests that the information for which it seeks confidential classification not be declassified for a period of eighteen months as provided in section 366.093 (4), Florida Statutes. The time period requested is necessary to allow City Gas to negotiate future gas purchase contracts with suppliers/competitors (and other customers having access to information which would adversely affect the ability of the Company to negotiate such future contracts) on favorable terms.

WHEREFORE, City Gas Company of Florida respectfully requests that the Commission enter its order approving the Company's proposed winter cost based levelized PGA true-up factor for the period April 1996 through March 1997 of 42.026 cents per therm (before the regulatory assessment fees) or 42.184 cents per therm after the

regulatory assessment fees and that it grant its petition for Specified Confidential Treatment of the information identified in Exhibit "A".



Michael A. Palecki
NUI CORPORATION - SOUTHERN DIVISION
Vice President of Regulatory Affairs
955 East 25 Street
Hialeah, FL 33013-3498
(305) 691-8710

EXHIBIT "A"
CITY GAS COMPANY OF FLORIDA
Data Elements for the Annual Gas Cost Estimates for which Confidential Treatment is Requested

Schedule Number, or Other Identifier	Lines	Columns	Justification (See "Notes" Below)
E-1	1 - 8	A through M	(2, 3)
	15 - 22	A through M	(2, 3)
	28	A through M	(1)
	31	A through M	(1)
E-1R	1-8	A through M	(2,3)
	15 - 22	A through M	(3)
	28	A through M	(1)
	31	A through M	(1)
E - 2	1-3, 7	C through M	(5)
E - 3	All	E through L	(4)
TESTIMONY PAGE 4	4	Highlited Numbers	(2, 3)

Notes To Exhibit "A" Regarding Justification:

(1) Line 28 and 31 of Schedule E -1 and E -1R contain City Gas' estimated Weighted Average Cost of Gas (WACOG). Dissemination of this information could adversely influence the Company's ability to effectively negotiate for low-cost gas supplies. If gas suppliers know the Company's WACOG, they may tend to quote future gas prices at or above the weighted level. Likewise, vendors who previously supplied gas to the Company at prices below the average cost could tend to resist making future price concessions. As a consequence, ratepayers may pay higher gas costs. Public knowledge of City Gas' WACOG "would impair the efforts of the Company to contract for goods or services on favorable terms," Section 366.093(3)(d), Florida Statutes.

(2) Disclosure of lines 4 and 18, Schedules E-1 and E -1R, will allow suppliers to derive the price that the Company estimates it will pay third-party suppliers. Dividing line 4, Cost of Gas Purchased, by line 18, Therms Purchased, yields the WACOG that appears on line 31. As explained above, publication of the information on line 31 could diminish the Company's ability to constructively negotiate for gas supplies. Therefore, any information that could provide competitors with the contents of line 31 should be also granted confidentiality. Public knowledge of this information "would impair the efforts of City Gas to contract for goods or services on favorable terms," Section 366.093(3)(d), Florida Statutes.

(3) Lines 1-8, 15-22, Schedules E -1 and E -1R, contain components of arithmetical calculations used to derive the per therm price of gas. Disclosure of these numbers is "reasonably likely" to impair the Company's efforts to contract for goods and services on favorable terms. Similarly, the Company further requests confidentiality for Schedule E -1, Supporting Details, with respect to the columns named Therms, Invoice Amount and Cost per Therm. This schedule shows the derivation and arithmetic manipulation of information on Schedule E -1 and E -1R. Publication of the supporting details for these Schedules "would also impair the efforts of City Gas to contract for goods or services on favorable terms," Section 366.093(3)(d), Florida Statutes.

(4) The information contained within Schedule E-3, Transportation Purchases, System Supply and End Use, represents negotiated gas supply packages that the Company plans to purchase throughout the year from different vendors. These prices vary according to the operational flexibility of each contract. Release of any information therein would be detrimental to the interests of the Company and its customers since it would provide competitors with a list of City Gas's suppliers,

volumes purchased and respective costs. As described above, publication of this information "would impair the efforts of City Gas to contract for goods or services on favorable terms," Section 366.093(3)(d), Florida Statutes.

(5) The Company requests confidential treatment for lines 1-3, and 7 of Schedule E-2, Columns "C" through "M". Lines 1-3 Columns "C" through "H" has received confidential treatment through the Company's monthly PGA filings. Therefore, the information should not be disclosed to the public. Columns "I" through "M" for the same lines above should not be made public either. These lines contain components that may be easily manipulated to determine the price that the Company pays for gas. Disclosure of this information may hinder on City Gas' effort to effectively contract for low cost natural gas within the terms of Section 366.093(3)(d), Florida Statutes.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the City Gas Company of Florida Petition for Approval of PGA Factor for Application for Bills to be Rendered During the Period April 1995 through March 1996 has been furnished by U.S. Mail to the following parties of record, this 16th day of January, 1996:

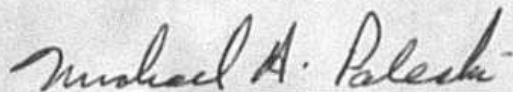
Sheila Erstling
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

John Roger Howe
Office of the Public Counsel
The Claude Pepper Building
111 West Madison Street
Suite #812
Tallahassee, FL 32399

Ansley Watson, Jr.
MacFarlane, Ferguson
111 East Madison Street
Tampa, FL 33602

Floyd R. Self
Messer, Vickers, Caparello,
Madsen, Lewis, Goldman & Metz
215 South Monroe Street
Suite #701
Tallahassee, FL 32301

Kenneth Gatlin
Gatlin, Woods, Carlson and
Cowdery
1709-D Mahan Drive
Tallahassee, FL 32308



Michael A. Palecki
NUI CORPORATION - SOUTHERN DIVISION
Vice President of Regulatory Affairs
955 East 25 Street
Hialeah, FL 33013-3498
(305) 691-8710