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January 23, 1996

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

HAND DELIVERY

Re: West Florida Natural Gas Company; Docket No. 960003-GU

Dear Ms. Bayo:

Enclosed for filing on behalf of West Florida Natural Gas Company in connection with the hearings scheduled to begin February 21, 1996 in this docket are the original and 15 copies of the following:

1. Revised Petition for Approval of West Florida Natural Gas Company's Purchased Gas Cost Recovery Factors;
2. Revised Direct Testimony of Tom Goodwin; and
3. Revised Schedules E-1, E-3, E-4 and E-5.

Please acknowledge receipt of these documents by stamping the enclosed extra copy of this letter.

Thank you for your assistance.

Yours very truly,

*Norman H. Horton, Jr.*  
Norman H. Horton, Jr.

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Enclosures  
cc: Parties of Record  
Mr. J. E. McIntyre  
Mr. Tom Goodwin

RECEIVED & FILED  
*mw*  
EPSC-BUREAU OF RECORDS

Revised Petition  
DOCUMENT NUMBER-DATE

00800 JAN 23 96

FPSC-RECORDS/REPORTING

Revised Testimony  
DOCUMENT NUMBER-DATE

00801 JAN 23 96

FPSC-RECORDS/REPORTING

Revised Schedules  
DOCUMENT NUMBER-DATE

00802 JAN 23 96

FPSC-RECORDS/REPORTING

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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 960003-GU  
REVISED DIRECT TESTIMONY OF  
TOM GOODWIN  
ON BEHALF OF WEST FLORIDA NATURAL GAS COMPANY

7 Q. Please state your name and address.

8 A. My name is Tom Goodwin. My business address is 301 Maple  
9 Avenue, Panama City, Florida. I am employed as  
10 Coordinator of Gas Management by West Florida Natural Gas  
11 Company. My responsibilities include the development of  
12 therm sales projections, calculation of PGA true-up  
13 factors, and calculation of the monthly weighted average  
14 cost of gas (WACOG).

15 Q. What is the purpose of your testimony?

16 A. The purpose of my testimony is to describe how the sales  
17 estimate of 30,336,093 therms for the period April 1996  
18 through March 1997 was determined and to explain the  
19 factors considered in the development of our maximum PGA  
20 factor for this period.

21 Q. Please explain how the sales estimate was developed.

22 A. The estimate of 30,336,093 therms consists of projected  
23 firm gas sales totaling 26,352,872 therms and  
24 interruptible over-run sales from system supply to our  
25 transportation customers totaling 3,983,221 therms. In

1 arriving at the firm sales estimate, a projected growth  
2 factor of 3% for residential consumption and 2% for  
3 commercial consumption was applied to the estimated sales  
4 for the projected period as determined by our forecasting  
5 model. Firm industrial sales reflect the projected  
6 addition of a small co-generation load. Sales of overrun  
7 gas to our transportation customers, in excess of their  
8 firm transportation entitlements, is expected to decrease  
9 slightly due to the availability of additional  
10 transportation capacity for these customers through the  
11 capacity release system now in effect.

12 Q. Please explain the development of the maximum PGA factor.

13 A. Development of a maximum PGA factor for this annual  
14 projection required consideration of all known and  
15 anticipated factors affecting the actual total cost of  
16 gas supply. Factors such as balancing charges or credits  
17 and possible penalty charges or credits from FGT were not  
18 considered in this estimate. Total cost of gas has been  
19 determined by multiplying estimated purchases from all  
20 sources by the appropriate estimated commodity charge  
21 rate. Reservation charges have been calculated for  
22 pipeline transportation based on revised contract levels  
23 and entitlements. Usage and reservation rates are as  
24 reflected in Florida Gas Transmission's latest filed  
25 tariff sheets. I have also included expected costs or

1 credits associated with no-notice transportation  
2 entitlements. My estimates are based on known and/or  
3 anticipated rates and past seasonal trends, with the  
4 expectation that mid-course adjustments may be required.  
5 The calculated total estimated cost of gas supply  
6 considers the effect of transportation fuel usage at  
7 3.48% to arrive at the average cost per therm, which was  
8 then adjusted for true-up and taxes to develop the  
9 purchased gas cost recovery factor.

10 Q. What are the true-up totals for the period April 1, 1994  
11 through March 31, 1995 and April 1, 1995 through March  
12 31, 1996?

13 A. As shown on Schedule E-4 our true-up was an underrecovery  
14 of \$1,345,359 for the period April 1, 1994 through March  
15 31, 1995. The estimated true-up for the period April 1,  
16 1995 through March 31, 1996 is an overrecovery of  
17 \$304,917 based upon eight months actual and four months  
18 estimated data.

19 Q. What is the total true-up for the projected period  
20 April 1, 1996 through March 31, 1997?

21 A. The final true-up for the projected period April 1, 1996  
22 through March 31, 1997 is an underrecovery of \$1,040,442  
23 as detailed in Schedule E-4. A true-up collection factor  
24 of 3.430 cents per therm has been calculated for the  
25 period, as is also shown on Schedule E-4.

- 1 Q. What is the total purchased gas cost recovery factor to  
2 be applied to customer bills during the period April 1996  
3 through March 1997?
- 4 A. We project the maximum purchased gas cost recovery  
5 factor, including WACOG, true-up factor, and related  
6 taxes to be 37.543 cents per therm for the April 1996  
7 through March 1997 period.
- 8 Q. Are you sponsoring any schedules in this Docket?
- 9 A. Yes, I am sponsoring schedules E-1/R, E-2, E-3, and E-5  
10 for the current period, and Revised Schedules E-1, E-3,  
11 E-4 and E-5 for the projected period.
- 12 Q. Does this conclude your testimony?
- 13 A. Yes.