

One Elizabethtown Plaza  
PO Box 3175  
Union  
New Jersey 07083 1975  
Tel: (908) 289 5000

November 18, 1997

Mr. Wayne Makin  
Economic Analyst  
Florida Public Service Commission  
Bureau of Gas Regulation  
2540 Shumard Oak Boulevard  
Tallahassee, Fl. 32399-0866

Dear Mr. Makin:

Enclosed please find City Gas Company of Florida's petition for approval of its final true-up amount related to the twelve month period ended March 31, 1997.

Please note that the Florida Public Service Commission granted Specified Confidential Treatment to portions of the attached schedules. As a result, the Company is submitting the confidential schedules in a separate sealed envelope.

The Company requests acknowledgment of this filing and for such purposes it is enclosing a duplicate of this letter with a self addressed envelope. Should you have any further questions with respect to this filing, please contact, Mr. Raymond A. DeMoine at (908) 289-5000, ext. 6521.

ACK \_\_\_\_\_

AFA Vandiver

APM \_\_\_\_\_

CAF \_\_\_\_\_

CMR \_\_\_\_\_

CS \_\_\_\_\_

EC 1

EL 1

EM 3 + org

EN \_\_\_\_\_

EO \_\_\_\_\_

EP 1

EW \_\_\_\_\_

EX \_\_\_\_\_

Sincerely,

*Michael A. Palecki*

Michael A. Palecki,  
Vice President of Regulatory Affairs

MAP:la

*Petition*  
DOCUMENT NUMBER-DATE

11958 NOV 20 5

EPSC REGISTRY REPORTING

*Testimony*  
DOCUMENT NUMBER-DATE

11959 NOV 20 5

EPSC REGISTRY REPORTING

*documents to maintain*

11960 NOV 20 5

54115

1                                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2  
3  
4           In Re: Purchased Gas Adjustment    )       Docket No. 970003-GU  
5           (PGA) True-Up                        )       Filed: November 19, 1997  
6  
7  
8  
9  
10  
11  
12  
13  
14

15                                   **DIRECT TESTIMONY**  
16    **OF**  
17                                   **RAYMOND A. DeMOINE**  
18           **ON BEHALF OF CITY GAS COMPANY OF FLORIDA**  
19                                   **(A DIVISION OF NUI CORPORATION)**  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34

11959-97

1  
2 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

3 DIRECT TESTIMONY OF

4 RAYMOND A. DeMOINE

5 ON BEHALF OF CITY GAS COMPANY OF FLORIDA,

6 (A DIVISION OF NUI CORPORATION)

7 DOCKET NO. 970003-GU  
8

9 **PLEASE STATE YOUR NAME AND BUSINESS ADDRESS:**

10 A. My name is Raymond A. DeMoine. My business address is NUI Corporation,  
11 One Elizabethtown Plaza, Union, New Jersey 07083.

12  
13 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

14  
15 A. I am employed by NUI Corporation ("NUI") as Director, Rates and Regulatory  
16 Affairs. City Gas Company of Florida ("City Gas" or "the Company") is an  
17 operating division of NUI Corporation.

18  
19 **Q. BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND AND**  
20 **EMPLOYMENT EXPERIENCE.**

21  
22 A. I received a Bachelor of Science in Commerce degree, with a major in  
23 Accounting, from Rider College in June 1983. In June of 1990, I received a Master of  
24 Business Administration degree from Rider College. I am a Certified Public Accountant  
25 in the State of New Jersey, and a member of the American Institute of Certified Public  
26 Accountants and the New Jersey Society of Certified Public Accountants.  
27  
28  
29  
30  
31

1           Upon graduation from Rider College in 1983, I was employed by the State of  
2 New Jersey as an Auditor/Investigator with the Division of Criminal Justice. I audited  
3 various types of business entities, primarily for the detection of fraud. In December of  
4 1986, I accepted a professional staff position with the Certified Public Accounting Firm  
5 of Arthur Young (currently Ernst and Young), a worldwide accounting and consulting  
6 firm. My experience with this public accounting firm included auditing and consulting  
7 engagements on a variety of entities and exposure to various accounting systems.

8           In July 1989, I was hired as Administrator of External Reporting by  
9 Elizabethtown Gas Company, NUI's New Jersey Division. In that role, I was responsible  
10 for the coordination of the Accounting Department's efforts in all regulatory filings.

11           In August 1993, I was assigned to NUI's Florida Division, City Gas Company of  
12 Florida to coordinate the analysis, filing and prosecution of its 1994 base rate case.

13           In March 1995, I was promoted to Manager of Regulatory Affairs. In July 1995, I  
14 assumed a supervisory roll for all rate and regulatory matters in Elizabethtown's Rate  
15 Department.

16           On October 1, 1995, NUI centralized certain functions, which included the utility  
17 rate and pricing function. Therefore, I now have responsibility for the rate and pricing  
18 function in each of NUI's utility jurisdictions. In November 1996, I was promoted to  
19 Director of Rates and Regulatory Affairs.

20  
21 **Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY**

22 **A.** The purpose of my testimony is to present the comparison of Actual versus  
23 Original estimate of the purchased gas adjustment cost recovery factor and true-up  
24 provision for the period April, 1996 through March, 1997 for City Gas.

25  
26 **Q. HAS THE COMPANY PREPARED THE FORMS PRESCRIBED BY THIS**  
27 **COMMISSION FOR THIS PURPOSE?**

28 **A.** Yes. The forms prescribed by the Commission, Schedules A-1 through A-6 for  
29 the months of April 1996 through March 1997, Schedule A-7 and Schedule E-4, are  
30 attached to my testimony.

1 Q. HAS CITY GAS PREPARED A SCHEDULE WHICH SHOWS THE  
2 ACTUAL GAS COSTS ASSOCIATED WITH THE GAS ADJUSTMENT  
3 COST RECOVERY FACTOR?  
4

5 A. Yes. City Gas prepared Schedule A-7, attached, which describes the total fuel  
6 cost for the period in question, recovery of such cost from ratepayers through the Gas  
7 Adjustment Cost Recovery Factor, and remaining over or under-recovery of gas cost.  
8

9 Q. WHAT WAS THE TOTAL GAS COST INCURRED BY THE COMPANY  
10 DURING THE TWELVE MONTHS ENDED MARCH 31, 1997?  
11

12 A. As shown on Schedule A-7, Line 1, the total cost of gas for the twelve months  
13 ended March 31, 1997 is \$33,831,528.  
14

15 Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST RECOVERED BY  
16 THE COMPANY DURING THE TWELVE MONTHS ENDED  
17 MARCH 31, 1997?  
18

19 A. The Company recovered \$32,336,550.  
20

21 Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE TWELVE  
22 MONTHS ENDED MARCH 31, 1997?  
23

24 A. The actual true-up amount, including interest, is an under-recovery of \$2,924,887  
25 as shown on the March 1997, Schedule A-2, "Actual" column, line 11  
26

27 Q. CAN YOU EXPLAIN HOW YOU ARRIVED AT THAT AMOUNT OF  
28 OVER-RECOVER?  
29

1 A. Yes. As shown on Schedule A-7, the total under-recovery amount for the twelve  
2 month period ending March 31, 1997 is \$1,548,392. The beginning balance on  
3 March 31, 1996 was an under-recovery of \$1,376,495. The sum of these two  
4 balances yields the total under-recorded balance of \$2,924,887.

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

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

**A. Yes.**

CERTIFICATE OF SERVICE

1  
2  
3  
4  
5  
6

I HEREBY CERTIFY that a true and correct copy of the Direct Testimony of Raymond A. DeMoine on Behalf of City Gas Company of Florida (a division of NUI Corporation) has been furnished by hand delivery or by U.S. Mail to the following parties of record this 19<sup>th</sup> day of November, 1997:

West Florida Natural Gas Company  
J.E. McIntyre  
Post Office Box 1460  
Panama City, Fl. 32402-1460

John Roger Howe  
Assistant Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street  
Suite 812  
Tallahassee, Florida 32399

David M Nicholson, Esq.  
MacFarlane, Ferguson  
111 East Madison Street  
Suite 2300  
Tampa, Fl. 33602

Norman Horton, Jr.  
Messer, Vickers, Caparello, Madsen,  
Lewis, Goldman, & Tampa, Metz  
Post Office Box 1876  
Tallahassee, Fl. 32302-1876

Wayne Schiefelbein  
Gatlin, Woods, Carlson, and Cowdery  
1709-D Mahan Drive  
Tallahassee, Fl. 32308

Jerry Melendy  
Sebring Gas System, Inc.  
3515 Highway 27S  
Sebring, Fl. 33870-5452

J. Peter Martin  
South Florida Natural Gas Company  
101 N.W. 202 Terrace  
Post Office Box 69000-J  
Miami, Fl. 33269-0078

Stuart Shoaf  
St. Joe Natural Gas Co., Inc.  
Post Office Box 549  
Port St. Joe, Fl. 32456-0549

Jack E. Uhl  
Peoples Gas System, Inc.  
Post Office Box 2562  
Tampa, Fl. 33601-2562

Chuck Warrington  
Clearwater Gas System  
400 North Myrtle Avenue  
Clearwater, Fl. 34615

Stephen C. Thompson  
Florida Division of Chesapeake Utilities  
Corporation  
Post Office Box 960  
Winter Haven, Fl. 33882-0960

Vicki Kaufman  
Florida Industrial Power Users Group  
c/o McWhirter Law Firm  
117 South Gadsden Street  
Tallahassee, Fl. 32301

Frank C. Cressman  
Florida Public Utilities Company  
Post Office Box 3395  
West Palm Beach, Fl. 33402-3395

Bruce May  
Holland Law Firm  
Post Office Box 810  
Tallahassee, Florida 32302

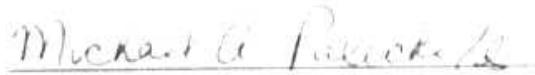
William Willingham  
Rutledge Law Firm  
Post Office Box 551  
Tallahassee, Fl. 32302

John McWhirter  
McWhirter Law Firm  
Post Office Box 3350  
Tampa, Florida 33601-3350

Colette M. Powers  
Indiantown Gas Company  
Post Office Box 8  
Indiantown, Fl. 34956-0008

Gail Kamaras  
Legal Environmental Assistance  
Foundation, Inc.  
1115 North Gadsden Street  
Tallahassee, Fl. 32303-6327

1  
2  
3  
4  
5  
6  
7  
8  
9

  
Michael A. Palecki  
NUI Corporation - Southern Division  
Vice President of Regulatory Affairs  
955 East 25<sup>th</sup> Street  
Hialeah, Fl. 33013-3498  
(305) 691-8710



ACCUMULATION OF TRUE-UP AMOUNT  
PROJECTED PERIOD

ESTIMATED FOR THE PROJECTED PERIOD:

APRIL 96

Through

MARCH 97

		PRIOR PERIOD:		APRIL - MARCH		CURRENT PERIOD:		
		(1) APR'96-MAR'97 EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) Col(2)-Col(1) DIFFERENCE	(4) APR'96 - MAR'97 EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) Col(3)+Col(4) TOTAL TRUE-UP		
1 TOTAL THERM SALES \$	E-2 Line 6	\$32,662,284	A-2 Line 6 \$32,336,550	(\$325,734)	E-2 Line 6 \$33,712,964	\$33,387,230		
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	E-2 Line 7	(\$1,472,542)	A-2 Line 7 (\$1,494,978)	(\$22,436)	E-2 Line 7 (\$1,442,478)	(\$1,464,914)		
2a FGT SETTLEMENT REFUND	E-2 Line 10	\$153,060	A-2 Line 10 \$0	(\$153,060)	E-2 Line 10 \$153,060	\$0		
2b Refund of Interim Rate Increase		\$0	\$0	\$0	\$0	\$0		
3 INTEREST PROVISION FOR THIS PERIOD	E-2 Line 8	(\$57,013)	A-2 Line 8 (\$53,414)	\$3,599	E-2 Line 8 (\$52,766)	(\$49,167)		
4 END OF PERIOD TOTAL NET TRUE-UP	L2+L2a+L2b+L3	(\$1,376,495)	(\$1,548,392)	(\$2,924,887)	(\$1,342,184)	(\$4,267,071)		

NOTE: EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2)

COLUMN (1)	DATA OBTAINED FROM SCHEDULE (E-2)	TOTAL TRUE-UP DOLLARS	(\$4,267,071)	equals	0.05438	\$ Therm
COLUMN (2)	DATA OBTAINED FROM SCHEDULE (A-2)	PROJECTED THERM SALES	78,469,076		5.438	Cents Per Therm True Up
LINE 4 COLUMN (3)	SAME AS LINE 7 SCHEDULE (A-7)					
LINE 4 COLUMN (1)	SAME AS LINE 8 SCHEDULE (A-7)					
LINE 2 COLUMN (4)	SAME AS LINE 7 SCHEDULE (E-2)					
LINE 3 COLUMN (4)	SAME AS LINE 8 SCHEDULE (E-2)					

FINAL FUEL OVER/UNDER RECOVERY

FOR THE PERIOD: APRIL 1996 Through MARCH 1997

1	TOTAL ACTUAL FUEL COST FOR THE PERIOD	\$33,831,528
2	TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD	\$32,336,550
3	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (2-1)	(\$1,494,978)
4	INTEREST PROVISION	(\$53,414)
5	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (3+4)	(\$1,548,392)
6	LESS ESTIMATED/ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD APRIL Through MARCH (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT PERIOD RECOVERY FACTOR (APR 95 through MAR 96)	\$1,376,495
7	FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (APRIL 96 Through MARCH 97) (5-6)	(\$2,924,887)