

ORIGINAL

One Elizabethtown Plaza
P.O. Box 3175
Union
New Jersey 07083 1975
Tel: (908) 289-5000

December 2, 1997

Ms. Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Fl. 32399-0866

970003-GU

Dear Ms. Bayo:

Enclosed please find an original and ten copies of the revised petition of City Gas Company of Florida, a division of NUI Corporation for approval of its final true-up amount related to the twelve month period ended March 31, 1997.

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.

Sincerely,

ACK *[Signature]*
AFA *[Signature]* Michael A. Palecki

APP _____ Michael A. Palecki,
CAF _____ Vice President of Regulatory Affairs

CNH _____
CTR _____
EIS *[Signature]* MAP:la

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ORIGINAL

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

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

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

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

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

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

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

In August 1993, I was assigned to NUI's Florida Division, City Gas Company of Florida to coordinate the analysis, filing and prosecution of its 1994 base rate case. In March 1995, I was promoted to Manager of Regulatory Affairs. In July 1995, I assumed a supervisory roll for all rate and regulatory matters in Elizabethtown's Rate Department.

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

Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY

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

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

3
4 A. Yes. The forms prescribed by the Commission, Schedules A-1 through A-6 for
5 the months of April 1996 through March 1997, Schedule A-7 is attached to my
6 testimony.

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

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

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

19
20 A. As shown on Schedule A-7, Line 1, the total cost of gas for the twelve months
21 ended March 31, 1997 is \$33,831,528.

22
23 Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST RECOVERED BY
24 THE COMPANY DURING THE TWELVE MONTHS ENDED
25 MARCH 31, 1997?

26
27 A. The Company recovered \$32,336,550.

28
29 Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE TWELVE
30 MONTHS ENDED MARCH 31, 1997?

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A. The actual true-up amount, including interest, is an under-recovery of \$1,548,392

Q. CAN YOU EXPLAIN HOW YOU ARRIVED AT THAT AMOUNT OF UNDER-RECOVERY?

A. Yes. As shown on Schedule A-7, the total fuel revenues for the period are \$32,336,550 and the total fuel cost is \$33,831,528. The difference between the fuel cost and fuel recoveries is an under-recovery of \$1,494,978. The interest provision for the period an under-recovery of \$53,414. The sum of these two under-recoveries is \$1,548,392.

Q. WHAT IS THE FINAL OVER/UNDER RECOVERY FOR THE APRIL 1996 THROUGH MARCH 1997 PERIOD TO BE INCLUDED IN THE 1998 -1999 PROJECTION?

A. The final over recovery for the period of April 1996 through March 1997 to be included in the 1998 - 1999 projection is \$1,742,503.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

COMPANY CITY GAS COMPANY OF FLORIDA
A Division of NUI Corporation

FINAL FUEL OVER/UNDER RECOVERY

SCHEDULE A-7
(REVISED 12/02/97)

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	<u>\$32,336,550</u>
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)	<u>(\$3,290,895)</u>
7 FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (APRIL 96 Through MARCH 97) (5-6)	<u>\$1,742,503</u>