

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment)	Docket No. <u>970003-GU</u>
)	
(PGA) True-Up)	Filed: <u>December 19, 1997</u>
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**PETITION FOR APPROVAL OF THE PURCHASED GAS (PGA)
TRUE-UP AMOUNT FOR CITY GAS COMPANY OF FLORIDA
(A DIVISION OF NUI CORPORATION)**

City Gas Company of Florida ("City Gas" or "the Company") hereby files its petition for approval of its final true-up amount related to the twelve-month period ended March 31, 1997 and requests continued Specified Confidential Treatment of those portions of this filing. In support of this Petition, City Gas states:

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

City Gas Company of Florida, A Division of NUI Corporation
955 East 25th Street
Hialeah, Florida 33013-3498

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

<p>Michael Palecki Vice President-Regulatory Affairs NUI Corporation Southern Division 955 East 25th Street Hialeah, Florida 33013-3498</p>	<p>Raymond A. DeMoine Director-Rates and Regulatory Affairs NUI Corporation One Elizabethtown Plaza Post Office Box 3175 Union, New Jersey 07083-1975</p>
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3. Pursuant to the requirements in this docket, City Gas, concurrently with the filing of this Petition, filed testimony and PGA Schedule A-7 for the period of April 1996 through March 1997.

4. As indicated in the testimony of Raymond A. DeMoine, City Gas' final true-up amount for the period April 1996 through March 1997, including interest and adjustment, net of the estimated true-up for the same period, is an over-recovery of \$1,589,426.

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5. Wherefore, City Gas respectfully requests that the Commission enter its Order approving the Company's true-up amount for the period April 1, 1996 through March 31, 1997.

Michael A. Palecki/s

Michael A. Palecki
Vice President of Regulatory Affairs

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In Re: Purchased Gas Adjustment) Docket No. 970003-GU
(PGA) True-Up) Filed: December 19, 1997

DIRECT TESTIMONY
OF
RAYMOND A. DeMOINE
ON BEHALF OF CITY GAS COMPANY OF FLORIDA
(A DIVISION OF NUI CORPORATION)

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
24 Master of Business Administration degree from Rider College. I am a Certified
25 Public Accountant in the State of New Jersey, and a member of the American
26 Institute of Certified Public Accountants and the New Jersey Society of Certified
27 Public Accountants.

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

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

14 In August 1993, I was assigned to NUI's Florida Division, City Gas Company of
15 Florida to coordinate the analysis, filing and prosecution of its 1994 base rate
16 case. In March 1995, I was promoted to Manager of Regulatory Affairs. In July
17 1995, I assumed a supervisory roll for all rate and regulatory matters in
18 Elizabethtown's Rate Department.

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

23
24 **Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY**

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

28
29 **Q. HAS THE COMPANY PREPARED THE FORMS PRESCRIBED BY THIS**
30 **COMMISSION FOR THIS PURPOSE?**

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

4

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

8

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

13

14 **Q. WHAT WAS THE TOTAL GAS COST INCURRED BY THE COMPANY**
15 **DURING THE TWELVE MONTHS ENDED MARCH 31, 1997?**

16

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

19

20 **Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST RECOVERED BY**
21 **THE COMPANY DURING THE TWELVE MONTHS ENDED**
22 **MARCH 31, 1997?**

23

24 A. The Company recovered \$32,183,473.

25

26 **Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE TWELVE**
27 **MONTHS ENDED MARCH 31, 1997?**

28

29 A. The actual true-up amount, including interest, is an under-recovery of \$1,701,469

30

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

3

4 A. Yes. As shown on Schedule A-7, the total fuel revenues for the period are
5 \$32,183,473 and the total fuel cost is \$33,831,528. The difference between the
6 fuel cost and fuel recoveries is an under-recovery of \$1,648,055. The interest
7 provision for the period an under-recovery of \$53,414. The sum of these two
8 under-recoveries is \$1,701,469.

9

10 Q. WHAT IS THE FINAL OVER/UNDER RECOVERY FOR THE APRIL
11 1996 THROUGH MARCH 1997 PERIOD TO BE INCLUDED IN THE 1998
12 -1999 PROJECTION?

13

14 A. The final over recovery for the period of April 1996 through March 1997 to be
15 included in the 1998 - 1999 projection is \$1,589,426.

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17 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

18

19 A. Yes.

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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>\$32,183,473</u>
3 ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (2-1)	(\$1,648,055)
4 INTEREST PROVISION	(\$53,414)
5 ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (3+4)	(\$1,701,469)
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>\$1,589,426</u>