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RECORDS AND
REPORTING

October 12, 1998

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

HAND DELIVERY

Re: South Florida Natural Gas Company; Docket No. 980003-GU

Dear Ms. Bayo:

Enclosed for filing on behalf of South Florida Natural Gas Company in connection with the hearings scheduled to begin November 23, 1998 in this docket are the original and 10 copies of the following:

1. Petition for Approval of South Florida Natural Gas Company's Purchased Gas Cost Adjustment Factor;
2. Direct Testimony of Al Kara; and
3. Schedules E-1 through E-5 consisting of 6 pages.

Please acknowledge receipt of these documents by stamping the enclosed extra copy of this letter. Thank you for your assistance.

Yours very truly,

Attasumbel for
Norman H. Horton, Jr.

ACK _____
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 RCH _____
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NHH/amb
Enclosures

cc: Mr. Al Kara
Ms. Anne V. Wood
Mr. John Davis
Parties of Record

DOCUMENT NUMBER DATE

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RECORDS AND REPORTING

ORIGINAL

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas True-Up)
_____)

DOCKET NO. 980003-GU

PETITION FOR APPROVAL OF
SOUTH FLORIDA NATURAL GAS CO.'S
PURCHASED GAS ADJUSTMENT FACTOR

South Florida Natural Gas Co. ("the Company"), pursuant to the requirements of this docket, petitions the Commission for approval of the Company's levelized purchased gas adjustment factor ("PGA") to be charged for gas consumption during the period January 1, 1999 to December 31, 1999. In support hereof, the Company states:

1. The exact name of the Company and the address of its principal business office is:

South Florida Natural Gas Co.
Post Office Box 248
New Smyrna Beach, Florida 32170

2. The names and addresses of the persons authorized to receive notices and communications in respect to this docket is:

Norman H. Horton, Jr.
Messer, Caparello & Self, P.A.
215 S. Monroe St.
Suite 701, First Florida Bank Building
Post Office Box 1876
Tallahassee, Florida 32302-1876

3. Pursuant to the requirements of this docket, the Company has prefiled the PGA true-up forms supplied by the Electric and Gas Department for the April 1997 - March 1998 period in a manner consistent with the Department's instructions.

DOCUMENT NUMBER-DATE

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4. As indicated in the prefiled true-up forms, the Company experienced an overrecovery of \$3,675 for the April 1997 - March 1998 period. In the February 1998 hearings in this docket, an estimated overrecovery of \$23,343 for the April 1997 - March 1998 period was approved for calculation of the true-up factor for April 1998 - March 1999. Therefore, a final true-up amount of \$19,668 (underrecovery) will be included in the current calculation of the January 1999 - December 1999 true-up factor.

5. For the period of April 1998 to December 1998, the Company projects an overrecovery of \$101,779 resulting in a total overrecovery of \$82,111 to refund in the January 1999 - December 1999 period. The Company projects therm sales of 2,705,109 for the January 1999 - December 1999 period. Therefore, the cumulative true-up factor to be applied to gas bills for this period is 3.035 cents per therm refund.

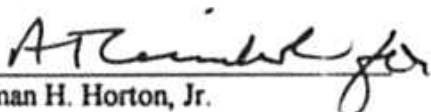
6. As indicated on the attached schedules E-1 through E-5, the Company projects total gas costs for the January 1999-December 1999 period to be \$907,938. As stated previously, the Company projects therm sales of 2,705,109 resulting in a weighted average cost of gas (WACOG) of 30.644 cents per therm for the twelve-month period.

WHEREFORE, South Florida Natural Gas Co. petitions the Commission to approve the foregoing purchased gas cost recovery factors to be applied to customer bills for the period January 1999 - December 1999, and to billings thereafter until other purchased gas cost recovery factors are approved by the Commission.

DATED this 12th day of October, 1998.

Respectfully submitted,

MESSER, CAPARELLO & SELF, P.A.
Post Office Box 1876
Tallahassee, Florida 32302-1876
(904) 222-0720

By 
Norman H. Horton, Jr.

Attorneys for South Florida Natural Gas Co.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of South Florida Natural Gas Company's Petition for Approval of Purchased Gas Adjustment Factor with accompanying schedules and testimony in Docket No. 980003-GU have been served by hand delivery (*) and/or U. S. Mail this 12th day of October, 1998 upon the following:

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NORMAN H. HORTON, JR.