State of Florida

Public Service Commission

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RECORDS AND REPORTING

-M-E-M-O-R-A-N-D-U-M-

DATE: JANUARY 4, 2001

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (REVELL, BRINKLEY, WHEELER, SPRINGER, D. DRAPER, KUMMER, LESTER, C. ROMIG, L. ROMIG, SLEMKEWICZ, STALLCUP)
DIVISION OF COMPETITIVE SERVICES (MAKIN)
DIVISION OF LEGAL SERVICES (STERN) MKS

ALM

RE: DOCKET NO. 000768-GU - REQUEST FOR RATE INCREASE BY CITY GAS COMPANY OF FLORIDA.

AGENDA: 01/16/01 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: JANUARY 25, 2001 - 5 MONTH STATUTORY DEADLINE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\000768.RCM
R:\768_1-5.123 - ATTACHMENTS 1-5
ATTACHMENT 6-PAGES 1-15 ARE NOT AVAILABLE
R:\768_7A-R.123 - ATTACHMENT 7A-7R

CASE BACKGROUND

This proceeding commenced on August 25, 2000, with the filing of a petition for a permanent rate increase by City Gas Company of Florida, an operating division of NUI Corporation. (City or the Company). City requested an increase of $7,181,988 in additional annual revenues. The company based its request on a 13-month average rate base of $113,986,770 for a projected test year of September 30, 2001. The requested overall rate of return is 7.88% based on an 11.70% return on equity.

The company also requested an interim increase of $1,886,605, Order No. PSC-00-2101-PCO-GU, issued November 6, 2000. It calculated the interim increase using a 13-month average rate base of $94,745,493, at a 6.99% rate of return using a 10.30% return on equity. The interim test year is the period ended September 30, 1999.

The Commission last granted City a rate increase in Docket No. 960502-GU. In Order No. PSC-96-1404-FOF-GU, dated November 20, 1996, the Commission found the Company's jurisdictional rate base to be $91,911,029 for the projected test year ending September 30, 1997. The authorized rate of return was found to be 7.87% for the test year using an 11.30% return on equity.

Pursuant to Section 366.06(4), Florida Statutes, City requested to proceed under the rules governing Proposed Agency Action (PAA). Under this section, if the Commission fails to issue an Order on PAA within five months of the filing, the utility is entitled to place the proposed rates in effect under bond or corporate undertaking. The Commission has jurisdiction under Section 366.04, 366.05 and 366.06, Florida Statutes.

Customer service hearings were held in Miami on 10/23/00, Port St. Lucie on 10/24/00 and in Viera on 10/25/00. Two customers attended the hearing in Miami.

The Company wishes to address the Commission on Issues 11, related to adjustments to non-utility operations, and Issue 33, related to rate case expense. There are several fall-out issues that are affected by the decisions on Issues 11 and 33.

DISCUSSION OF ISSUES

ISSUE 1: Is City's quality of service adequate?

RECOMMENDATION: Yes. City's quality of service is satisfactory. (REVELL)

STAFF ANALYSIS: Quality of service was reviewed by analyzing all complaints taken by the Commission's Division of Consumer Affairs for the period January 1999 through the end of November 2000. There were a total of 86 inquiries regarding City for this period. Of these, three were for complaints for which the Commission did not have jurisdiction. Of the 83 complaints that were jurisdictional, four were considered to be rule violations. One of these violations involved the incorrect calculation of the deposit to be returned at the termination of service, and three involved misreading gas meters registering usage. All four rule violations were resolved to the customer's satisfaction in a timely manner. Since there were only four complaints involving rule violations, and there does not appear to be a continuing pattern to the complaints, City's quality of service is satisfactory.

ISSUE 2: Is City's test year request for permanent rate relief based on a historical test period ending September 30, 1999, and a projected test period ending September 30, 2001, appropriate?

RECOMMENDATION: Yes. With the adjustments recommended by staff in the following issues, the 1999 and 2001 test years are appropriate. (REVELL)

STAFF ANALYSIS: The Company used actual data for the 1999 test year rate base, net operating income and capital structure. The projected test year was prepared using the components of City's budgeting process for 2000, updated for cost increases and planned staffing levels, then trended. The 1999 and certain plant additions for the first nine months of fiscal year 2000 have been audited by the Commission auditors and analyzed by staff.

The purpose of the test year is to represent the financial operations of a company during the period in which the new rates will be in effect. New rates for City will go into effect 30 days after the January 16, 2000 agenda, or about February 15, 2000. City's 2001 fiscal year begins October 1, 2000 and ends September 30, 2001. Therefore, fiscal 2001 is an appropriate test year.

In the following issues, staff is recommending that certain adjustments be made to City's projected test year. With the inclusion of these adjustments, staff believes that 1999 and the projections of City's financial operations for 2001 are accurate enough to use as a basis for setting rates.

ISSUE 3: Are the customer growth and therm forecasts by rate class appropriate?

RECOMMENDATION: No. The test year customer and therm forecasts by rate class should be adjusted by $1,866,852 to reflect the effect of annualizing customer and therm growth associated with the Clewiston Pipeline Expansion Project. (STALLCUP, REVELL)

STAFF ANALYSIS: The Company is proposing to construct a natural gas pipeline in three phases from western West Palm Beach to Ft. Myers Shores, a distance of approximately 150 miles. The Company will construct Phases I and II concurrently from West Palm Beach to South Bay, a distance of approximately 105 miles. Phase III will be constructed from South Bay to Ft. Myers Shores, a distance of approximately 42 miles.

The pipeline will pass through the communities of Belle Glade, Clewiston, South Bay, and La Belle, and the Company intends to serve hospitals, correctional facilities, and other commercial facilities along the pipeline. However, the main reason the Company is constructing the pipeline is the potential to provide service to several large citrus and sugar cane processors in the area. These processors presently are not being served by natural gas. The Company is confident, based on its initial surveys, that there is enough interest in taking gas service by them, and several other larger commercial accounts, that the project will be successful. At this time, the Company has no plans to serve any residential customers.

The customer and therm test year forecasts by rate class submitted in MFR Schedule G-2, pages 6-11 of 34, reflect additional customer and therm growth associated with the Clewiston Pipeline Expansion Project during the last 4 months of the test year. Staff believes that these additional customers and therm sales should be annualized for rate setting purposes to reflect a full 12 months sales on a going forward basis.

The company's response to staff's request for production of documents number 28 indicates that two rate classes are affected by this adjustment. This response lists projected annualized customer growth and therm sales associated with the pipeline extension by rate class and by customer. The company has requested that this information be treated as proprietary business information. The impact of this adjustment would increase test year revenues by $1,866,852, as addressed in Issue 4.

RATE BASE

ISSUE 4: *Should an adjustment be made for the Clewiston Pipeline Expansion Project?*

RECOMMENDATION: Yes. Plant in Service should be increased by $13,355,569, Construction Work In Progress (CWIP) should be reduced by $5,232,615, Depreciation Expense should be increased by $418,278, and Accumulated Depreciation should be increased by $272,832. In addition, Revenues should be increased by $1,866,852. (REVELL)

STAFF ANALYSIS: In its MFRs, the Company has included the rate base additions, revenues and expenses associated with the Clewiston Pipeline Expansion Project. The Company has assumed that the project will be under construction, and not placed into service until June 2001 of the test year, so revenues for the project are far smaller than would occur if the project was operational for a full year. The Company also provided the rate base additions, revenues and expenses on an annualized basis, which assumes a full year of operation for the project.

Staff believes that for the purpose of setting rates, it is appropriate to reflect the first full year of operations, that is, the project should be reviewed on an annualized basis to properly account for the project. Therefore, Plant in Service should be increased by $13,355,569, CWIP should be reduced by $5,232,615, Depreciation Expense should be increased by $418,278, and Accumulated Depreciation should be increased by $272,832. In addition, revenues should be increased by $1,866,852. Staff is not recommending any adjustment to O&M Expenses or Taxes-Other since the MFR amounts were already stated on an annualized basis.

ISSUE 5: Should an adjustment be made to Plant, Accumulated Depreciation, and Depreciation Expense for canceled and delayed projects?

RECOMMENDATION: Yes. CWIP should be reduced $35,000; Plant in Service should be reduced $465,675; Accumulated Depreciation should be reduced $12,254; and Depreciation Expense should be reduced $14,228. (REVELL, P. LEE)

STAFF ANALYSIS: The engineering staff reviewed the Company's projected plant additions for 2000 and the 2001 projected test year. Based on their audit, it was determined that a number of projects were either canceled or delayed. This impacts the Company's 2001 projected test year and results in staff's recommended adjustments to reduce CWIP by $35,000, Plant in Service by $465,675, Accumulated Depreciation by $12,254, and Depreciation Expense by $14,228.

ISSUE 6: Should the GDU acquisition adjustment be approved?

RECOMMENDATION: Yes. The GDU acquisition adjustment should be approved. (REVELL)

STAFF ANALYSIS: In March 1998, the Company purchased the GDU propane system in Martin County for $1,132,220. The purchase price exceeded the net book value of the system, resulting in the excess being booked as an acquisition adjustment. After the sale of a propane delivery truck, the resulting acquisition adjustment amounted to $745,001.

The existing propane system served approximately 1,200 customers, all of which switched over to natural gas when it became available. The Company already had an existing line that passed through the GDU property, and the Company indicates that there are other opportunities for expansion into areas which are contiguous to the GDU purchase area. The system consisted of all underground mains and service pipes to individual homes in the four separate parcels that make up the GDU property.

City also provided staff with revenue projections for both the projected test year and for 2002. Revenues for GDU for 2001 are projected to be $302,000, with an increase to $327,000 in 2002.

The Company also stated that had it built a new system to serve these customers, it would have cost two to three times as much per mile as it paid for the existing propane system. As a result, the cost per mile was less than the average embedded cost of City's system. This purchase enabled the Company to continue its growth in the Port St. Lucie area at a far lower cost that it would have incurred had it built a new system. The conversion also resulted in lower rates for the existing customers, because propane costs are far higher than natural gas, and the fixed costs of the system were spread over a larger base of customers. The customers did not incur any significant additional costs, as most, if not all, of the existing appliances were convertible to natural gas for a few dollars per unit.

A system that is converted to natural gas has a higher level of reliability and safety, which benefits the ratepayers of the system as well. Natural gas customers have a steady supply of gas and are usually not effected by weather conditions. Natural gas systems are regulated to a greater degree and the nature of the gas itself tends to be safer for end users.

Considering the additional safety, reliability, and lower cost of purchasing an existing system rather than constructing a new system, we believe that the Company should be allowed to recover this acquisition adjustment.

ISSUE 7: Should the Vero Beach lateral acquisition adjustment be approved?

RECOMMENDATION: Yes. The Vero Beach lateral acquisition adjustment should be approved. (REVELL)

STAFF ANALYSIS: The Vero Beach lateral was originally built by Florida Gas Transmission Company (FGT) to serve a power plant in Vero Beach. Over time, this lateral was no longer needed by FGT, and it placed it on the market for sale. City purchased this line in April 1996 for $182,010. Since the system had a zero book value, the resulting acquisition adjustment amounted to $182,010. For the projected test year, City expects this lateral to generate $235,000 in revenues, and for 2002 the revenue is expected to more than double to $550,000.

This line currently serves a number of commercial customers along State Road 60, a major road in the Vero Beach area. This area has experienced rapid growth and the Company expects that this growth will continue, as indicated by the revenue projections above. The Company also stated that the lateral was situated exactly where it would have built an extension to serve customers if it had constructed the lateral.

The Company acquired the lateral for approximately 20% of what it would have cost had it built a new line to serve this area. The cost per mile of this lateral has the effect of lowering the embedded cost per mile of City's system, which benefits all of its ratepayers as its fixed costs are spread over a larger customer base.

The Company is expanding its system in its existing areas as new developments or potential commercial areas are developed. This lateral is located in a high growth area and will serve a large number of commercial customers in the future. The Company expects to connect several hundred additional homes in two housing developments west of Vero Beach.

As stated in Issue 6, the purchase of this lateral enables the Company to expand its system at a fraction of the cost of new construction, and provides a high level of reliability and safety to its customers, and the Company expects the growth generated by this lateral to continue. For these reasons, staff recommends that this acquisition be allowed in rate base.

ISSUE 8: Should the Homestead lateral acquisition adjustment be approved?

RECOMMENDATION: Yes. The Homestead lateral acquisition adjustment should be approved. (REVELL)

STAFF ANALYSIS: The Homestead lateral was originally constructed by FGT to provide service to a local power plant. Over time, this lateral was no longer needed to provide this service. It was sold to City in January 2000 for $450,000. City incurred additional costs of $103,572 in purchasing the lateral. Since the lateral had no book value, the total acquisition adjustment was $553,572. The Company projects that revenues generated by this lateral will be $96,000 in the projected test year, and more than doubling to $225,000 in 2002.

This lateral is approximately 16 miles in length and parallels US Highway 1 for much of its length. This addition to its system expands the territory the Company can serve by about 100 square miles. This territory covers an area of Dade County which the Company says it would have been unable to serve if they had to construct a new lateral. As is the case for the Vero Beach acquisition mentioned in Issue 7, the Company was able to purchase the line for approximately one quarter to one fifth of the cost of new construction.

It allows the Company to pursue growth in areas that it would otherwise be unable to enter if it had to construct new facilities. City's existing facilities are too far north of this area to presently justify expansion into the Homestead area. However, the purchase price of this system, and its location in the US1 corridor, made it financially viable to purchase and pursue future growth opportunities in this area.

The Company anticipates that this area will experience a great deal of growth in the future, as the revenue projections above indicate. Even now, the Company is providing service to two large accounts, Kendall Foods and the Miami Water & Sewer Authority. Additionally, the Company is providing service to other smaller commercial accounts such as fast food restaurants, motels, and grocery stores. The company expects to begin residential service in 2002. As mentioned in Issue 6 and 7, this purchase allows the Company to spread fixed costs over a larger customer base, and provide the higher reliability and degree of safety that a regulated natural gas company can provide as mentioned in Issue 6. For these reasons, we recommend that the Homestead acquisition be allowed in rate base.

ISSUE 9: Should an adjustment be made to plant retirements for the projected test year?

RECOMMENDATION: No adjustment is necessary for the plant retirements in the projected test year. (P. LEE)

STAFF ANALYSIS: The Company's projected plant retirements are based on its construction budget. Staff finds this projection acceptable.

ISSUE 10: Should rate base be reduced to remove inactive service lines that have been inactive for more than five years?

RECOMMENDATION: No rate base adjustment is necessary to remove service lines that have been inactive for more than five years. (P. LEE)

STAFF ANALYSIS: Rule 25-12.045(1)(c), Florida Administrative Code, requires the physical retirement of service lines that have been inactive for more than five years. City has no service lines that have been inactive for more than five years. Therefore, no rate base adjustment is necessary.

ISSUE 11: Should an adjustment be made to Plant, Accumulated Depreciation, Depreciation Expense, and CWIP to reflect non-utility operations?

RECOMMENDATION: Yes. Plant should be increased $112,469, Accumulated Depreciation should be increased $98,561, Depreciation Expense should be increased $32,651, and CWIP should be decreased $24,635 to reflect non-utility operations. (BRINKLEY)

STAFF ANALYSIS: The majority of common plant is allocated based on square footage and use. Staff changed the square footage allocations of certain plant accounts which increased utility plant by $332,984, Depreciation Reserve by $230,822, and Depreciation Expense by $40,787. CWIP should be reduced $18,278.

A portion of common plant is allocated based on a three-factor method incorporating payroll, plant, and number of customers which was approved in the Company's last rate case. Staff modified this method with regard to the allocation of customers. Under the modified approach, a customer is counted as either a regulated-only customer, an appliance-only customer, or a dual customer. Dual customers are considered to contribute 50% of their share of overhead each to regulated and non-regulated operations. Each class of customer is considered to have an equal impact on overhead. Presently there are no appliance-only customers.

Based on the Company's most recent actual numbers for each of the three factors, the overall non-utility percentage increased to 16.626% from 16.14% which was used in the last rate case. The Company, however, used 13.0% to allocate this portion of common plant to non-utility operations. To allocate using 16.626%, an adjustment should be made to decrease plant by $165,352, Depreciation Reserve by $77,109, Depreciation Expense by $6,903, and CWIP by $6,357.

The Staff engineer reviewed Account 387, Other Equipment, and determined $5,842 of minicorders, dollies, tools, and other equipment were not used and useful for utility purposes and recommended it be removed from Plant. Additionally, Depreciation Reserve would be reduced by $5,831. The effect to Depreciation Expense is immaterial.

Structures and Improvements (Account 390) associated with the 1995 renovation of the company's 1001 Office were retired when the company let its lease expire. The Code of Federal Regulations (CFR), 18 CFR 201, dictates that plant retirements are accounted for by debiting Depreciation Reserve and crediting Plant by the book cost of the plant, $197,284. However, $49,321 is the utility portion which should be removed from Plant. Similarly, the $49,321 is the utility portion of Depreciation Reserve which should be removed from Plant. The undepreciated amount of the non-utility portion of book cost, $130,503 should be recorded as a loss in non-utility. The net reduction to utility Depreciation Expense is $1,233 ($4,931 is the total.)

According to the aforementioned adjustments, the total adjustments to Plant, Depreciation Reserve, and Depreciation Expense are increases of $112,469, $98,561, and $32,651, respectively. The total adjustment to CWIP is a reduction of $24,635.

ISSUE 12: Should an adjustment be made to Plant, Accumulated Depreciation and Depreciation Expense for Corporate allocations by NUI Corporation to City?

RECOMMENDATION: Yes. Plant, Depreciation Reserve, and Depreciation Expense should be reduced $243,427, $97,107, and $35,549, respectively for non-utility operations. (BRINKLEY)

STAFF ANALYSIS: The proportion of NUI Plant, Depreciation Reserve, and Depreciation Expense allocated down to the Company's non-utility operations represents 11.1% of the total amount allocated to the Company's utility and non-utility operations. Based upon the three-factor method discussed in Issue 11, the proportion allocated to non-utility should be 16.626%. The adjustment necessary to do this is a reduction to Plant, Depreciation Reserve, and Depreciation Expense of $243,427, $97,107, and $35,549, respectively.

ISSUE 13: What is the appropriate amount of CWIP for the projected test year?

RECOMMENDATION: The appropriate amount of CWIP for the projected test year based on staff adjustments is $1,417,684. (REVELL)

STAFF ANALYSIS: The total amount of CWIP for the projected test year is a fallout issue, based on staff adjustments in Issues 4, 5, and 11. Staff recommends that CWIP be reduced by $5,232,615 in Issue 4; reduced by $35,000 in Issue 5; and reduced by $24,635 in Issue 11. The total of these adjustments is $5,292,250. The appropriate amount of CWIP for the projected test year is $1,417,684 ($6,709,934-$5,292,250).

ISSUE 14: What is the appropriate projected test year Total Plant?

RECOMMENDATION: The appropriate amount of Total Plant for the projected test year is $185,784,407. (BRINKLEY)

STAFF ANALYSIS: This is a calculation based upon the decisions made in the preceding issues.

ISSUE 15: What is the appropriate projected test year Depreciation Reserve?

RECOMMENDATION: The appropriate projected test year Depreciation Reserve is $68,397,507. (P. LEE, REVELL)

STAFF ANALYSIS: This is a calculation based upon decisions in Issues 4, 5, 11, and 12. Staff recommends that the projected test year Depreciation Reserve be increased $272,832 in Issue 4; decreased $12,254 in Issue 5; increased $98,561 in Issue 11; and, decreased $97,107 in Issue 12. The total of these adjustments is an increase of $262,032. Therefore, the appropriate amount of the Depreciation Reserve for the projected test year is $68,397,507.

ISSUE 16: Should an adjustment be made to allocate Working Capital to reflect non-utility operations and corporate allocations?

RECOMMENDATION: Yes. Working Capital should be decreased $285,455 to reflect non-utility operations. (BRINKLEY)

STAFF ANALYSIS: $1,223,629 of Working Capital was allocated at 12.5%, or $152,594 to non-utility operations. An additional $50,487 should be removed from utility to adjust the non-utility portion of Working Capital to 16.626% based on the three-factor allocation method discussed in Issue 11.

Accounts Receivable - Other and Materials and Supplies were not allocated to non-utility at all. These accounts should be reduced $56,435 and $178,532, respectively to adjust the portion of non-utility to 16.626%.

ISSUE 17: Should an adjustment be made to "Project Development Costs"?

RECOMMENDATION: Yes, working capital should be increased by $40,584 and expenses should be reduced by $81,167. In addition, the Company should be directed to establish specific guidelines for determining which expenses should be capitalized and for determining when a project should be considered abandoned and when the associated accumulated capitalized expenses should be charged to operating expenses. (SLEMKEWICZ)

STAFF ANALYSIS: The Company has included $270,557 in Account 870, Supervision and Engineering, for project development costs for the projected test year. Based on documentation provided to the staff auditors, these costs consist of labor, car allowances, training, administrative, communications, travel, outside consultants and materials and supplies. Prior to 2000, the Company expensed all of these costs. In 2000, however, the Company began to capitalize some of these costs as preliminary survey and investigation charges in compliance with the Uniform System of Accounts.

The Uniform System of Accounts under Balance Sheet Account 183.2, Other Preliminary Survey and Investigation Charges, states:

> This account shall be charged with all expenditures for preliminary survey plans, investigations, etc. made for the purpose of determining the feasibility of utility projects under contemplation, ..."

If construction results, this account shall be credited and the appropriate utility plant account charged. If the work is abandoned, the charge shall be made to Account 426.5 - Other Deductions, or the appropriate operating expense account.

The $270,557 in Account 870 represents the total amount of the charges allocated to the Company by NUI without any amounts being capitalized. On an actual basis for 2000, approximately 30% of the actual expenses for project development have been capitalized. It is difficult to determine whether this percentage is reasonable given the fact that there is no prior history to which it can be compared. Based on the facts as known, however, Staff recommends that an adjustment be made to capitalize 30% of the charges included in the projected test year. Therefore, expenses should be reduced by $81,167 and working capital should be increased by $40,584. In addition, the Company should be directed to establish specific guidelines for determining which expenses should be capitalized and for determining when a project should be considered abandoned and when the associated capitalized expenses should be charged to operating expenses.

ISSUE 18: What is the appropriate projected test year Working Capital Allowance?

RECOMMENDATION: The appropriate projected test year Working Capital is $3,543,416. (BRINKLEY)

STAFF ANALYSIS: This is a calculation based upon the decisions made in Issues 16, 17, and 29.

ISSUE 19: What is the appropriate projected test year Rate Base?

RECOMMENDATION: The appropriate projected test year Rate Base is $120,930,316. (REVELL)

STAFF ANALYSIS: This is a calculation based upon decisions in preceding issues. Company and staff positions are reflected in the following table and are discussed in the appropriate issues.

COMPARATIVE RATE BASE Projected Test Year Ending 9/30/01		
	COMPANY	STAFF
Utility Plant in Service	169,205,682	182,127,486
Acquisition Adjustment	1,814,318	1,814,318
Common Plant Allocated	555,877	424,919
CWIP	6,709,934	1,417,684
Total Deductions	(68,135,475)	(68,397,507)
Customer Advances	0	0
Net Utility Plant	110,150,336	117,386,900
Working Capital Allowance	3,836,435	3,543,416
Total Rate Base	113,986,771	120,930,316

COST OF CAPITAL

ISSUE 20: What is the appropriate cost rate of City's common equity for the projected test year?

RECOMMENDATION: The appropriate cost rate for City's common equity for the projected test year is 11.5%, with a range of plus or minus 100 basis points. (D. DRAPER, LESTER)

STAFF ANALYSIS: In its MFRs, City proposed a return on equity (ROE) of 11.7%. Commission staff deposed Roger Morin on the cost rate of equity. In his deposition, Witness Morin stated that he arrived at his recommendation of 11.7% by performing five risk premium analyses. The first two risk premium analyses are the Capital Asset Pricing Model (CAPM) and an empirical CAPM. The other three risk premium analyses were performed on prospective, historical, and allowed risk premium data from the natural gas distribution industry aggregate data. In addition, Mr. Morin performed a Discount Cash Flow (DCF) analysis on three surrogates for City's gas distribution business which included: a group consisting of the natural gas distribution utilities that make up Moody's natural gas distribution utility index, a group of generation divested electric utilities, and City's parent company, NUI. Mr. Morin's models use July 2000 market data and allow for a 5% flotation cost, i.e., the cost to shareholders of issuing common stock.

The results of Mr. Morin's risk premium and DCF analyses range from 10.2% to 13.1%. Mr. Morin states that the midpoint for the risk premium models and the CAPMs is 11.1% and that the midpoint for the selected DCF models is 12.6%. He recommends the average of these two midpoints of 11.7% as his estimate of the appropriate ROE for City.

For his CAPM, Mr. Morin used a beta of .66 and a market risk premium of 6.9% derived from a historical risk premium and prospective DCF model. With a flotation cost adjustment of 5%, the CAPM result is 10.9%. Mr. Morin's analysis, using the empirical CAPM, produced a return of 11.4%. At deposition, Mr. Morin stated that the difference between the traditional CAPM analysis and his empirical CAPM analysis is intended to compensate for what he believes is a downward bias reflected in beta statistics that are less than 1.0.

Concerning the other three risk premium models, prospective, historical, and allowed, the prospective risk premium result of 10.2% is the most useful. The historical risk premium models are based on historical, earned returns which include several years when negative risk premiums occurred, i.e., bond returns exceeded earned returns on stocks. Prospectively, such a result is illogical since common stock is riskier than bonds and, therefore, investors require a higher return for common stock. In addition, staff believes using allowed returns in a risk premium model is circular. The allowed returns may be based on the analysis of previous stipulated ROEs, which may or may not be based on financial market data.

Mr. Morin's DCF results for Moody's index of natural gas distribution companies, generation divestiture electric utilities and City's parent company, NUI, used two different recognized earnings growth rates, IBES and Value Line. The results for the three groups mentioned and the two growth rates ranged from a high of 18.9% to a low of 12.4%. Analysts differ on what the appropriate growth rate should be for the DCF model. Mr. Morin uses a projected earnings growth rate in his DCF model. Staff believes that Mr. Morin's DCF results would have been lower if a dividend growth rate, instead of a earnings growth rate, was used in his models.

The required return depends on investor expectations and can be estimated using financial models that, in turn, use inputs from the stock and bond markets. The required return is the minimum return necessary to attract capital. Staff believes that investors' required return for an investment is the appropriate measure for deciding the appropriate cost rate for common equity because it meets the capital attraction and comparable risks standards of the Hope and Bluefield cases. A projected earnings growth rate is one type of growth rate that can be used in a DCF model to calculate a company's ROE. One criticism of using projected earnings growth is that it is more volatile than dividend growth rates. Staff believes that by using a dividend growth rate, a more stable and measurable stream of return can be estimated to match investors' expectations.

Regarding the risk position of City, the business risk of local distribution companies (LDCs) has increased due to some remaining uncertainties surrounding open access, competition from fuel oil and propane, and greater bargaining power of customers and suppliers. In addition, the Commission's recent decision to allow all non-residential customers to choose their natural gas supplier should raise competition between marketers and LDCs, in turn exerting a downward pressure on natural gas prices (Docket No. 960725-GU, Order No. PSC-00-0630-FOF-GU). Mr. Morin testifies that City's financial risk is above average due to a lower than average common equity ratio and its small size. Mr. Morin further remarks that, although a slightly higher return would be warranted for City due to its size, the risk is largely offset by the favorable regulatory environment under which the company operates.

Ultimately, deciding the appropriate cost rate for common equity is a subjective process. In staff's opinion, Mr. Morin's DCF results would provide a lower return if a dividend growth rate instead of a earnings growth rate were used. Staff believes that an earnings growth rate is more volatile than a dividend growth rates. Staff believes using a dividend growth rate produces a more measurable stream of return in which to provide a better estimate of investors' expectations. In addition, staff takes exception with Mr. Morin's use of the historical and allowed risk premium models because of the inclusion of negative risk premiums in the historical risk premium model and the allowed risk premium model's circularity.

Staff believes that Mr. Morin's CAPM and prospective risk premium models provide a reasonable range for the cost of common equity. Therefore, staff deems it is appropriate to average Mr. Morin's CAPM and prospective risk premium models to calculate an ROE. In addition, staff would make an adjustment for City's smaller size and less than average equity ratio. Averaging Mr. Morin's risk premium models and adjusting for a smaller equity ratio would result in a cost rate for common equity of 11.5%. By using this method, staff believes it allows for consideration of City's financial risk and meets the capital attraction and comparable risks standards of the Hope and Bluefield cases.

The Commission typically allows a range around the ROE of plus or minus 100 basis points for regulatory purposes such as measuring earnings and setting interim rates. Therefore, staff recommends that the appropriate cost rate for common equity be 11.5%, plus or minus 100 basis points.

ISSUE 21: What is the appropriate amount of accumulated deferred taxes to include in the capital structure?

RECOMMENDATION: The appropriate amount of accumulated deferred taxes to include in the capital structure is $10,488,832. (C. ROMIG)

STAFF ANALYSIS: Per MFR Schedule G-3, Page 2 of 11, the Company proposes to include accumulated deferred taxes of $10,488,832 in its projected 2001 test year capital structure. The accumulated deferred taxes have been specifically identified. Consistent with its last two rate cases, the per book amount, $20,221,678, is reduced a total of $9,732,846 for the taxes related to the NUI acquisition adjustment ($5,939,530) and its non-utility leased appliance operations ($3,793,316).

ISSUE 22: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure?

RECOMMENDATION: The appropriate amount of unamortized investment tax credits (ITCs) to include in the capital structure is $883,654. The appropriate cost rate is zero. (C. ROMIG)

STAFF ANALYSIS: Per MFR Schedule G-3, Page 2 of 11, consistent with its last two rate cases, the Company proposes to include ITCs of $883,654 in its projected 2001 test year capital structure at zero cost. The ITCs have been specifically identified. Staff agrees that the amount and the cost rate, as filed, are appropriate.

ISSUE 23: Has FAS 109 been appropriately reflected in the capital structure, such that it is revenue neutral?

RECOMMENDATION: Yes. FAS 109 has been appropriately reflected in the capital structure, such that it is revenue neutral. (C. ROMIG)

STAFF ANALYSIS: Per MFR Schedule G-3, Page 2 of 11, the Company proposes to include accumulated deferred taxes of $10,488,832 in its projected 2001 test year capital structure. This $10,488,832 includes FAS 109 regulatory assets and liabilities. As such, the Company has appropriately reflected FAS 109 in its capital structure, such that it is revenue neutral.

ISSUE 24: What is the appropriate capital structure for City Gas?

RECOMMENDATION: The appropriate capital structure for City should be based on NUI Utilities, Inc.'s capital structure for investor sources. Amounts for customer deposits, deferred taxes, and ITCs should be specifically identified at the City level. (D. DRAPER, LESTER)

STAFF ANALYSIS: In previous City rate cases, the company had agreed with staff to use NUI's ratios of investors' sources of capital in its capital structure. NUI is the source of investor capital for City. Therefore, the company filed a subsidiary capital structure using the ratios of investor sources of capital adjusted to reflect NUI's capital structure.

NUI's capital structure was projected for the test year by including debt and common stock issues subsequent to the base year and allowing for the amortization of existing debt. An amount for leased appliances was removed directly from NUI's equity before calculating an equity ratio of 43.38%. By using these calculated ratios, City adjusted its capital structure to reflect the relative ratios of investor capital maintained at the parent company level. City then removed the total dollar amount of leased appliances, on a pro-rata basis, from its rate base. Although, it has been the Commission's practice to remove all non-utility investment at the company level specifically from common equity, staff had concerns with the low equity ratio of City. Consequently, staff believed it to be prudent to allow the pro-rata adjustment of non-utility investments in City's capital structure over investor sources. This treatment is consistent with the Commission's decision in Order No. PSC-94-1570-FOF-GU issued December 19, 1994, regarding one of City Gas' previous rate case. In addition, the company specifically removed the deferred tax amounts associated with the non-utility leased appliances in the capital structure.

In its MFRs, the company did not include capital leases in the calculation of its long-term debt. Staff believes capital leases should be treated as debt. Therefore, staff has made specific adjustments to investor sources to compensate for the inclusion of capital leases in the calculation of long-term debt. The resulting adjustment to NUI's ratio of investors' sources resulted in a change to its equity ratio from 43.38% to 42.84%. Capital leases are a form of long-term debt and should be included in the calculation of long-term debt for capital structure purposes.

ISSUE 25: What is the appropriate weighted average cost of capital for the projected test year?

RECOMMENDATION: The appropriate weighted average cost of capital for the projected test year is 7.85%? (D. DRAPER, LESTER, C. ROMIG)

STAFF ANALYSIS: City is a wholly-owned subsidiary of NUI, which provides all investor capital to its subsidiaries. City has been financed entirely with common equity by its parent company. Therefore, for ratemaking purposes, the appropriate capital structure for City's projected test year ending September 30, 2001, should be based on the relative percentages of investor capital maintained at the parent level. City specifically identified the balances for ITCs, deferred income taxes, and customer deposits. The appropriate capital structure for City is discussed in more detail in Issue 24.

Based on the utility's MFR filing and including staff's adjustment to long-term debt, the appropriate weighted average cost of long-term debt is 6.58%. Staff then made pro-rata adjustments over investor sources to reconcile capital structure to rate base. Staff believes that the company's cost rate for customer deposits of 6.73%, is reasonable. In addition, staff agrees with the company that the ITCs and deferred taxes should have a zero cost rate. As was previously discussed in Issue 20, staff recommends 11.50% as the appropriate cost rate for common equity.

Based on the relative amounts of investor capital, ITCs, deferred income taxes, customer deposits and the respective cost rates discussed above, the resulting weighted average cost of capital is 7.85%. Attachment 2 shows the components, amounts, cost rates and weighted average cost of capital associated with the September 30, 2001, projected test year capital structure.

ISSUE 26: Has City properly removed PGA Revenues, expenses, and taxes-other from the projected test year?

RECOMMENDATION: Yes, the Company has properly removed PGA Revenues, expenses and taxes - other from the projected test year. (L. ROMIG, C. ROMIG)

STAFF ANALYSIS: The Company made adjustments to remove $25,129,968 in cost of gas revenues; $25,004,943 in cost of gas and $125,025 in taxes - other; which remove the effect of cost of gas, in net operating income. No further adjustments are appropriate.

NET OPERATING INCOME

ISSUE 27: Has City properly removed conservation revenues, expenses, and taxes-other from the projected test year?

RECOMMENDATION: Yes, the Company properly removed conservation revenues, expenses and taxes - other from the projected test year. (L. ROMIG, C. ROMIG)

STAFF ANALYSIS: The Company made adjustments to remove $2,319,744 in conservation revenue; $2,308,203 in conservation expenses and $11,541 in taxes - other; which removes the effect on conservation in net operating income. No further adjustments are appropriate.

ISSUE 28: What is the appropriate amount of projected test year total Operating Revenues?

RECOMMENDATION: The appropriate level of projected test year total Operating Revenues is $35,441,489. (WHEELER, REVELL)

STAFF ANALYSIS: Staff reviewed the Company's revenues for the projected test year as filed and is recommending no adjustment. However, in Issue 4, Staff recommended several changes as a result of annualizing the effects of the Clewiston Pipeline Expansion Project. Staff recommended increasing revenues by $1,866,852 to recognize this change. Therefore, the appropriate amount of projected test year total Operating Revenues is $35,441,489.

ISSUE 29: Should an adjustment be made for the gain on sale of the Medley property?

RECOMMENDATION: Yes, projected test year working capital should be reduced by $48,148, and expenses should be reduced by $36,111 to amortize the gain on the sale of the Medley property. (L. ROMIG)

STAFF ANALYSIS: In August 1997, the Company sold its Medley property for a gain of $788,169. The Company properly recorded the amount attributed to the regulated portion of $180,556 above the line. City did not amortize any portion of this gain. In some cases the Commission has amortized gains on sales of property over five years, with the unamortized portion of the gain included in working capital as a cost-free liability. This regulatory treatment was stated in Order No. 11628, issued February 17, 1983, for Florida Power Corporation. The order stated "We are amortizing these gains/losses over a five-year period. In addition, we are also including the unamortized portion of these gains as cost-free current liabilities in the Company's working capital allowance...".

Had the company actually begun to amortize the gain in August 1997, the remaining 13-month average unamortized balance for the 2001 test year would have been $48,148. Staff recommends that, for ratemaking purposes, the five-year amortization period of the gain should have begun in August 1997. Including this amount as a liability in working capital has the effect of reducing working capital. Therefore, staff recommends that rate base be reduced by $48,148 on a 13-month average basis.

An additional adjustment related to this transaction is the yearly amortization amount of $36,111 ($180,556/5=$36,111). Amortization of gains are considered a "contra" expense. Therefore, staff recommends that expenses be reduced by $36,111 for the yearly amortization that was not recognized in the company's filing.

This adjustment was also made in the Company's interim request, Order No. PSC-00-2101-PCO-GU, issued November 6, 2000.

ISSUE 30: Has the Company properly allocated expenses between regulated and non-regulated operations?

RECOMMENDATION: No. Expenses should be reduced $267,871 for non-utility operations. A non-utility adjustment for Account 923, Outside Services, in the amount of $506,017, which includes NUI corporate services, is recommended in Issue 38. (BRINKLEY)

STAFF ANALYSIS: Common expenses totaling $3,382,957 should be allocated to non-utility at 16.626% based on the three-factor method discussed in Issue 11. The Company allocated these expenses 10.5% on average. The adjustment necessary to allocate these expenses at 16.626% to non-utility operations is a decrease of $206,963.

Non-utility insurance expense recorded in a subaccount of Account 924, Property Insurance, was not removed from expenses. An adjustment should be made to remove non-utility insurance expense in the amount of $37,557.

The Company did not allocate a portion of bill production and postage to non-utility. The Company stated that it includes a line on the utility bill for the appliance charge only as a convenience to its customers. Alternatively, the Company could give their appliance customers a coupon book with which to remit their monthly payments. The Company stated that it could produce and mail a coupon book for an annual charge of $0.60 per appliance customer or $23,352 in total. Staff recommends reducing expenses $23,352 for 100% of the appliance business's avoided cost.

ISSUE 31: Should an adjustment be made to expenses for certain memberships, dues, and charitable contributions?

RECOMMENDATION: Yes, 1999 expense should be reduced $4,685 and projected expenses should be reduced $4,970. (BRINKLEY, L. ROMIG, REVELL)

STAFF ANALYSIS: The Company removed $260,908 for projected test year expenses for membership dues, charitable contributions, and lobbying expenses representing expenses allocated from NUI to City. Based on information provided by the Company, $4,685 in additional expenses recorded in Account 930.2, Miscellaneous General Expenses, should have been removed from 1999 expenses or $4,970 after trending for similar type expenses.

ISSUE 32: Should an adjustment be made to employee insurance and benefits?

RECOMMENDATION: Yes. Expenses in Account 926, Employee Pensions and Benefits, should be increased by $357,075. Additionally, Plant in Service should be increased $31,910. (REVELL)

STAFF ANALYSIS: Account 926, contains $803,844 in expenses related to benefits for City employees, and $1,313,407 for the allocated amount for NUI employees. The amounts in the MFRs were based on the Company's preliminary budget. These amounts were later revised downward to $606,876 and $964,731, respectively. In addition, the Company removed $934,629 in expenses which related to non-regulated employees. An examination of the revised budgeted amounts indicated that the revised numbers did not include any non-regulated expenses, so the adjustment to remove the $934,629 in expenses was made in error. The revised budget amount ($803,844-$606,876 + $1,313,407-$964,731) decreases expense by $545,644. The improper removal of expenses for non-regulated employees increases expenses by $934,629. The net increase to Account 926 should be $388,985 ($934,629-$545,644).

Also, the Company included a reduction of benefits for capitalized labor in the amount of $142,992, based on a 35% benefits rate on a capitalized labor amount of $408,548. The revised budget amount of capitalized labor is $460,268. The associated benefits are 38% based on 1999 actual data. Therefore, capitalized benefits should be $174,902 ($460,268 x 38%). This recalculation decreases expense by $31,910 ($174,902-$142,992). This recalculation increases capitalized labor. As a result, Plant in Service is increased by $31,910.

ISSUE 33: What is the appropriate amount of rate case expense and what is the appropriate amortization period for that expense?

RECOMMENDATION: Based on the latest information provided by the Company, the appropriate amount of rate case expense is $199,456, amortized over four years. (REVELL)

STAFF ANALYSIS: The Company had projected that it would incur total rate case expense of $369,000, with $75,000 of this amount projected to be incurred if this case goes to hearing. In addition, it appears that the remaining expenses will not be incurred at the projected level. The latest information provided by the company indicates that the company has incurred $199,456 in rate case expenses. The Company now projects a total rate case expense of $321,390, assuming that a hearing is not requested.

The Company projected an annual amortization expense of $123,000 over three years in Account 928, Regulatory Commission Expenses. Staff is recommending a four year amortization period for two reasons. It has been four years since City filed for a rate increase, and a four year amortization period was approved for the Florida Division of Chesapeake Utilities Corporation in Order No. PSC-00-2263-FOF-GU, issued November 28, 2000. Staff recommends that Account 928 be reduced $73,136, i.e., [($369,000/3)-($199,456/4)], for the projected test year to reflect the reduced level of rate case amortization.

ISSUE 34: Should an adjustment be made to bad debt expense?

RECOMMENDATION: Yes, bad debt expense should be reduced $297,441. (L. ROMIG)

STAFF ANALYSIS: The company projected $840,000 in bad debt expense for the year 2001, an increase of $332,000 from 1999 to 2001. The company projected its bad debt expense to increase only $15,240 from 1999 to 2000.

Witness Clancy stated on pages 16 and 17 of his testimony that "the increase is a result of a significant deterioration in the company's customer account collections in 2000 and its current delinquencies in its Miami Division. Write-offs for the past year have been running substantially over the historical experience, which was the basis for the uncollectible provision in 1999." The witness also states the higher level of expense in 2000 and 2001 should produce adequate allowance balances.

On pages 16 and 17 of his testimony, Witness Gruber summarized the methods the company has taken to improve its payments and collection methods to increase payment options for customers in arrears and to improve collections. In staff's opinion, the new steps to improve collections should help to reduce the uncollectible accounts in 2001 and to mitigate the tremendous projected $332,000 increase in expense from 1999 to 2001.

In prior cases, the Commission has tested the reasonableness of a company's bad debt expense by using a four year average of net write-offs as a percent of residential and commercial revenues. Based on this calculation for the 1997-2000 period, the average percent of net write offs is .947%. This methodology results in an allowable expense of $542,559 for 2001. Therefore, an adjustment should be made to reduce the company's projected expense by $297,441. This results in a reasonable amount of expense given the company's stated goal of implementing strategies for reducing the level of bad debts. This adjustment also affects the bad debt component of the revenue expansion factor in Issue 50.

It should also be noted that this adjustment is for ratemaking purposes only. For surveillance, annual report and other reporting purposes, the company's actual bad debt expense should be reported.

ISSUE 35: Should an adjustment be made for late fees related to leased vehicles?

RECOMMENDATION: Yes, expenses should be reduced $3,540 in the test year and $3,775 in the projected test year. (L. ROMIG)

STAFF ANALYSIS: The Company incurred late fees of $3,540 in the test year related to past due amounts for vehicles leased from SIS Express Car Rental, Inc., and expensed to Account 880 - Other Expenses.

In staff's opinion, late fees are penalty type expenses and should not be borne by the ratepayers. Therefore, test year expenses should be reduced $3,540 and projected expenses reduced $3,775.

ISSUE 36: Should meter turn ons, turn offs expenses be reduced?

RECOMMENDATION: Yes, projected test year expenses should be reduced $217,910 for duplication of expenses. (L. ROMIG)

STAFF ANALYSIS: During the historic test year the appliance operation was responsible for performing meter turn ons, turn offs, etc. Effective with the beginning of fiscal year ended September 30, 2000, the appliance business was separated from the utility business. The Company budgeted expenses in Account 878 - Meter and House Regulator Expenses in the amount of $654,871 for meter turn ons, turn offs, read onlys and nonpayment turn ons for fiscal year ending September 30, 2001. Although the company budgeted for Account 878, it did not reduce the accounts where the charges for this type of work was performed. These accounts were trended and included in the expenses for projected year end 9/30/01 on MFR Schedule G-2. The total is $217,910.

Expenses in Account 878 for projected fiscal year end 9/30/01 should be reduced in the amount of $217,910 to remove the effect of duplication expenses.

ISSUE 37: Should an adjustment be made to remove duplicative O&M expenses?

RECOMMENDATION: Yes. O&M expenses should be reduced $276,708 to *eliminate duplicative expenses. (BRINKLEY)*

STAFF ANALYSIS: Monthly overhead for Utility Billing Service (UBS), an affiliate company that handles City's billing, was left in Account 921, Office Supplies and Expenses, even as the Company included it in Account 903, Customer Records and Collections Expenses. Duplicative expenses of $213,823 related to UBS should be removed from Account 921.

In the historical base year, City consolidated the customer care and collections operations for Elizabethtown Gas Company and City Gas Company. In the Company's process of modifying its accounts and budgets, it included expenses of $62,885 twice. For this reason, O&M should be reduced $62,885.

ISSUE 38: Should an adjustment be made to Account 923, Outside Services?

RECOMMENDATION: Yes. Account 923 should be reduced $506,017 for non-utility operations and $40,328 for duplicative expenses. (BRINKLEY)

STAFF ANALYSIS: NUI Corporate expenses allocated to the Company were charged to Account 923 and then allocated to non-utility at 11.2%. Staff determined the correct non-utility allocation to be 16.626% based on the three-factor allocation method explained in Issue 11. Therefore, an adjustment should be made to remove $273,202 of NUI Corporate expenses for non-utility operations. Similarly, administrative and general expenses were allocated to non-utility at 11.85%. Using Staff's recommended allocation rate of 16.626%, a reduction of $33,192 to administrative and general expenses should be made.

The Company is now using Elizabethtown Dispatching to dispatch its after-hours and emergency calls. Staff recommends that the portion of the Elizabethtown Dispatching budget to be included in the Company's utility operations be based on the ratio of City customers to total customers served for those periods in which City customers utilize the service adjusted for high call volume days and evenings. At present, the Company has 100,719 customers out of a total of 352,025 customers for a normal allocation rate of 28.611%. Staff recommends twice the allocation rate for high volume days, 57.222%.

The Company monitored the number of calls on all shifts for two weeks and found that 34% of all calls are after hours. The Company provided Staff with a list of days and hours when Florida operations were supported because of unusually high call volume. From July 1, 2000 to December 2, 2000, there were 16 high volume days, 8 of which were high volume during regular hours as well. Staff projects that through the end of 2000 there will be 4 more high volume days, 2 of which will occur throughout regular hours as well as after hours. The calculation for City's allocation is as follows:

Budget:	$1,642,573
After-hours portion:	$558,475 (34%)
Regular-hours portion:	$1,084,098 (66%)

After-hours portion allocated to City:
[(20/182 of days) x 57.222% x $558,475]
+ [(162/182) x 28.611% x $558,475]
= $177,346 (Continued on next page.)

Regular-hours portion allocated to City:
[(10/182) x 57.222% x $1,084,098]
= $34,085

Total City allocation: $211,431.

Staff does not recommend a portion of the regular-hours budget be allocated to City on days when there is not unusually high call volume since City customers do not utilize the dispatching service then. Based on the preceding calculations, an adjustment should be made to reduce dispatching expenses by $199,623.

The Company included projected legal expenses of $40,328 in Account 923 derived from $38,013 of legal expenses incurred in 1999 relating to the Homestead Lateral acquisition. These costs were moved to the acquisition adjustment without being removed from Account 923. An adjustment should be made to reduce Account 923 by $40,328 to correct this error.

ISSUE 39: Should an adjustment be made to the various expense accounts for the Call Center?

RECOMMENDATION: Yes. An adjustment should be made to reduce expenses related to the Call Center by $31,888. (BRINKLEY)

STAFF ANALYSIS: Six months of Call Center rent, $29,911, was included in Account 931, Rents. This rent is now considered a part of NUI Corporation and is allocated to the Company at 25% in Account 903. Therefore the duplicative amount, $29,911, should be removed from Account 931. In addition, $75,000 was projected for full year rent in Account 903 even though $67,092 was actually realized. An adjustment should be made to reduce rent by the Company's portion, or $1,977, for this misprojection.

ISSUE 40: Are the trend rates used by City to calculate projected O&M expenses appropriate?

RECOMMENDATION: Yes. The trend rates used by the Company are appropriate. (BRINKLEY, STALLCUP, SPRINGER)

STAFF ANALYSIS: Staff examined the payroll rate increase, general inflation rate, and the customer growth rate used by the Company and found they were appropriate.

ISSUE 41: Has City used the appropriate trend basis for each O&M account?

RECOMMENDATION: Yes. The Company has used the appropriate trend basis for each account. (BRINKLEY)

STAFF ANALYSIS: Staff examined each O&M account and determined that the Company used the appropriate trend basis for each account.

ISSUE 42: Should the projected test year O&M expense be adjusted for the effect of any changes to the trend factors?

RECOMMENDATION: No. Projected test year O&M expenses should not be adjusted for changes to the trend factors. (BRINKLEY)

STAFF ANALYSIS: Staff made no changes to the trend basis of any account and therefore proposes no adjustments for the effects of changes to the trend factors.

ISSUE 43: Should an adjustment be made for odorizing costs?

RECOMMENDATION: Yes, projected test year expenses should be reduced $7,286 to amortize the prepaid odorant costs over two and one half years. (L. ROMIG)

STAFF ANALYSIS: The company purchased a two and a half year supply of odorant in 1998. The company included $17,180 in Account 887 - Maintenance of Mains in 1999 and trended to $18,226 in the projected test year.

Consistent with prior Commission decisions and in the company's last rate case, Order No. PSC-96-1404-FOF-GU, issued November 20, 1996, in Docket No. 960502-GU, made an adjustment to amortize similar costs over a two year period. The company also, made an adjustment, reducing expenses $6,152 in its interim case, to amortize these costs over two and a half years. This adjustment was not made in the projected test year.

Based on the above it would be appropriate to reduce 1999 expenses $6,868 or projected expenses $7,286 to reflect the application of the "inflation only" trend factors.

ISSUE 44: What is the appropriate amount of projected test year O&M Expense?

RECOMMENDATION: The appropriate amount of projected test year O&M expense is $18,142,658. (BRINKLEY)

STAFF ANALYSIS: This is a calculation based on the decisions made in previous issues.

ISSUE 45: What is the appropriate amount of projected test year Depreciation and Amortization Expense?

RECOMMENDATION: The appropriate amount of projected test year Depreciation and Amortization Expense is $7,332,329. (P. LEE)

STAFF ANALYSIS: This is a calculation based on decisions in preceding Issues. Staff recommends that the projected test year Depreciation Expense be increased $418,278 in Issue 4; decreased $14,228 in Issue 5; increased $32,651 in Issue 11; decreased $35,549 in Issue 12; and, decreased $36,111 in Issue 29. The total of these adjustments is an increase of $365,041. Therefore, the appropriate amount of the depreciation expense for the projected test year is $7,332,329.

ISSUE 46: What is the appropriate amount of Taxes Other Than Income Taxes?

RECOMMENDATION: The appropriate amount of Taxes Other is $2,484,259. (C. ROMIG)

STAFF ANALYSIS: Per MFR G-2, Page 1 of 34, the Company proposes Taxes Other Than Income of $2,523,303 for year 2001, as follows:

Payroll Taxes	$ 357,877
State Intangible	6,500
Utility Assessment (RAF)	177,379
Property Taxes	1,958,627
Sales Tax Discounts	(1,080)
Use Tax	24,000
Total	$ 2,523,303

Staff recalculated the Utility Assessment Fees by applying the Regulatory Assessment Fee (RAF) rate of .005 to the company adjusted revenue of $33,574,637, resulting in staff recommended Utility Assessment Fees of $167,873, and a $9,506 decrease to the Company requested amount of $177,379. Also, in Issue 4, staff recommends increasing Company Adjusted Revenue by $1,866,852. Applying the .005 RAF rate to the $1,866,852 increase in revenue, results in additional RAFs of $9,334. The required adjustment is therefore a net decrease of $172.

The Company proposes $1,958,627 in property taxes. The Company did not allocate property taxes to non-utility operations. Property taxes for common plant allocated to non-utility properties are approximately $15,261, calculated as follows:

Location	Amount	Non-utility %	Non-utility
Miami 955 E. 25 St.	$22,526.67	41%	$ 9,235.93
Miami 933 E. 25 St.	13,606.74	19%	2,585.28
Titusville	1,239.21	58%	718.74
Rockledge	9,383.97	29%	2,721.35
Non-utility Property Taxes			$15,261.31

Staff reduced property taxes by $15,261 for property taxes related to non-utility common plant. Projected property taxes of $1,958,627 have been reduced by $15,261 to $1,943,366.

Use tax has been reduced by $23,612. In Year 1999, the Company included $388 in Taxes Other for Use Tax. In Year 2000, there is not adequate detail to determine the amount of Use tax in Taxes Other. In Year 2001, the Company included $24,000 in Taxes Other for Use tax. Because we were unable to determine the reason for the increase, staff reduced the Year 2001 amount to the Year 1999 amount, a reduction of $23,612.

Staff's adjustments to Taxes Other reduce the Company proposed amount of $2,523,304 by $39,045 to the staff recommended amount of $2,484,259.

ISSUE 47: What is the appropriate Income Tax Expense, including current and deferred income taxes and interest reconciliation?

RECOMMENDATION: The appropriate Income Tax Expense, including current and deferred income taxes, and interest reconciliation is $1,069,487. (C. ROMIG)

STAFF ANALYSIS: Per Company MFR G-2, Page 1 of 34, the Company requested Income Tax Expense of $(81,193)for year 2001. Review of the Company's calculation disclosed that the Company calculated its interest reconciliation incorrectly, using an incorrect interest expense in its calculation of tax expense. To correct the Company's error and adjust for changes in rate base and capital structure, staff increased income tax expense by $24,686. In addition, staff increased Income Tax Expense by $1,125,994 for other staff adjustments to NOI. This increases Income Tax Expense by $1,150,680 from $(81,193) to $1,069,487.

ISSUE 48: What is the appropriate level of Total Operating Expenses for the projected test year?

RECOMMENDATION: The appropriate level of total operating expenses for the projected test year is $29,028,732. (REVELL)

STAFF ANALYSIS: This is a fallout calculation based on the decisions in preceding issues.

ISSUE 49: What is the appropriate amount of projected test year Net Operating Income?

RECOMMENDATION: The appropriate amount of projected test year Net Operating Income is $6,412,757. (Attachment 3) (REVELL)

STAFF ANALYSIS: This is a fallout calculation based on the decisions in preceding issues. Company and staff positions are reflected below.

NET OPERATING INCOME
For the Projected Test Year Ending 9/30/01

	COMPANY	STAFF
Operating Revenues	33,574,637	35,441,489
Operating Expenses:		
O&M	19,594,080	18,142,658
Depreciation & Amortization	6,967,288	7,332,329
Taxes-Other	2,523,303	2,484,258
Income Taxes	(81,193)	1,069,487
Total Operating Expense	29,003,478	29,028,732
Total NOI	4,571,159	6,412,757

ISSUE 50: What is the appropriate projected test year revenue expansion factor to be used in calculating the revenue deficiency including the appropriate elements and rates?

RECOMMENDATION: The appropriate revenue expansion factor is 1.6269. (C. ROMIG, L. ROMIG)

STAFF ANALYSIS: Calculation of the revenue expansion factor/net operating income multiplier as filed and as recommended by staff is shown on Attachment 4. The difference between staff and the company is the bad debt component in the expansion factor, resulting from staff's adjustment to bad debt expense as discussed in Issue 34.

ISSUE 51: What is the appropriate projected test year revenue deficiency?

RECOMMENDATION: The appropriate projected test year revenue deficiency is $5,011,296. (REVELL)

STAFF ANALYSIS: This is a fallout calculation based on the decisions in preceding issues. Company and staff positions are reflected in the following schedule.

CALCULATION OF REVENUE DEFICIENCY
For the Projected Test Year Ending 9/30/01

	COMPANY	STAFF
Rate Base	$113,986,771	120,930,316
Rate of Return	7.88%	7.85%
Required NOI	8,982,158	9,493,030
Achieved NOI	4,571,159	6,412,757
NOI Deficiency	4,410,999	3,080,273
Revenue Expansion Factor	1.6282	1.6269
Revenue Deficiency	$7,181,988	$5,011,296

ISSUE 52: Should any portion of the $1,640,777 interim increase granted by Order No. PSC-00-2101-PCO-GU, issued November 6, 2000, be refunded to customers?

RECOMMENDATION: No portion of the $1,640,777 interim revenue increase should be refunded. (REVELL)

STAFF ANALYSIS: In this docket, the requested interim test year was the 12 months ended September 30, 1999. The Commission granted the interim increase noted above to City on October 17, 2000.

Any interim increase is reviewed when final rates are derived to determine if any portion should be returned to the ratepayers. In this case, the test period for permanent rates significantly overlap the interim period, the rate case review requirements should be used for affirmation of the interim increase.

In this case, interim rates went into effect November 16, 2000, approximately six weeks after the beginning of the projected 2001 projected test year, and will continue for approximately three more months of the projected test year. Therefore, the test period for permanent rates includes the period interim rates are in effect. The use of information used to determine rate case requirements has been subject to investigation by staff to determine appropriateness for rate setting.

Staff believes that no refund of interim is required since the increase recommended for the projected test year exceeds the interim increase awarded.

ISSUE 53: Should City be required to submit, within 60 days after the date of the PAA Order in this docket, a description of all entries or adjustments to its future annual reports, rate of return reports, published financial statements, and books and records that will be required as a result of the Commission's findings in this rate case?

RECOMMENDATION: Yes. The utility should be required to fully describe the entries and adjustments that will be either recorded or used in preparing reports submitted to the Commission. (REVELL)

STAFF ANALYSIS: Various adjustments will be made to the records of City as a result of findings in this rate case. City should be required to fully describe the entries and adjustments that will be either recorded or used in preparing reports submitted to the Commission.

ISSUE 54: What are the appropriate billing determinants to be used in the projected test year?

RECOMMENDATION: The appropriate billing determinants to be used in the projected test year are indicated on Attachment No. 6, page 15. (WHEELER, SPRINGER)

STAFF ANALYSIS: The appropriate billing determinants to be used in the projected test year are indicated on Attachment No. 6, page 15. These billing determinants include the effect of annualizing the customer and therm growth associated with the Clewiston Pipeline Expansion Project, as discussed in Issue 3.

ISSUE 55: What is the appropriate cost of service methodology to be used in allocating costs to the various rate classes?

RECOMMENDATION: Staff's cost of service methodology adjusted for adjustments made to rate base, operations and maintenance expense, and net operating income. (WHEELER, SPRINGER)

STAFF ANALYSIS: The appropriate cost of service methodology to be used in allocating costs to the various rate classes is reflected in Staff's cost of service study included in Attachment No. 6, pages 1-15. The study reflects the adjustments made to rate base, operations and maintenance expense, net operating income and projected test year base rate revenues.

ISSUE 56: If any revenue increase is granted, what are the appropriate rates and charges for City resulting from the allocation of the increase among customer classes?

RECOMMENDATION: The rates and charges are detailed on Attachment No. 7. (WHEELER, SPRINGER)

STAFF ANALYSIS: These rates are subject to change based upon the resolution of other issues.

ISSUE 57: What is the appropriate effective date for any new rates and charges approved by the Commission?

RECOMMENDATION: All new rates and charges should become effective for meter readings on or after 30 days from the date of the vote approving the rates and charges. (WHEELER, SPRINGER)

STAFF ANALYSIS: All new rates and charges should become effective for meter readings on or after 30 days from the date of the vote approving them. This will insure that customers are aware of the new rates prior to being billed for usage under the new rates.

Pursuant to Section 366.06(4), Florida Statutes, if the Commission's action is protested by a party other than the utility, the utility may put its requested rates into effect under bond, escrow or corporate undertaking subject to refund. If the utility does put the rate into effect in this manner, it must first give notice to the Commission and file the appropriate tariffs. The utility must keep accurate records of amounts received in accordance with Section 366.06(3), Florida Statutes.

ISSUE 58: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action. (STERN)

STAFF ANALYSIS: If no timely protest to the proposed agency action is filed within 21 days of the date of issuance of the Consummating Order, this docket should be closed upon the issuance of a Consummating order.

DOCKET NO. 000768-GU
DATE: January 4, 2001

ATTACHMENT 1

COMPARATIVE AVERAGE RATE BASES

CITY GAS COMPANY OF FLORIDA
DOCKET NO. 000768-GU
PTY 9/30/01

ATTACHMENT 1
04-Jan-2001

ISSUE NO.		TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	STAFF ADJS.	STAFF ADJUSTED
			COMPANY		STAFF	
	PLANT IN SERVICE					
	UTILITY PLANT	169,205,682				
32	Increase Capitalized Labor				31,910	
5	Remove for canceled and delayed projects				(465,675)	
4	Increase for Clewiston Expansion Project				13,355,569	
	Total Plant-In-Service	169,205,682	0	169,205,682	12,921,804	182,127,486
	COMMON PLANT ALLOCATED					
	Remove Common Plant		(3,367,636)			
	Include NUI Common Plant		3,923,513			
11	Increase Utility Common Plant				112,469	
12	Decrease NUI HQ Allocated Plant				(243,427)	
	Total Common Allocated		555,877	555,877	(130,958)	424,919
	ACQUISITION ADJUSTMENT	31,184,548	0			
	Remove NUI Acquisition Adjustment		(29,335,430)			
	Reduce Ft. Pierce Acq. Adj. for Lost Rev.		(34,800)			
	Total Acquisition Adjustment	31,184,548	(29,370,230)	1,814,318	0	1,814,318
	CONSTRUCTION WORK IN PROGRESS	6,709,934				
5	Remove for canceled and delayed projects				(35,000)	
11	Remove nonutility CWIP allocation				(24,635)	
4	Decrease for Clewiston Expansion Project				(5,232,615)	
	Total Construction Work In Progress	6,709,934	0	6,709,934	(5,292,250)	1,417,684
	TOTAL PLANT	207,100,164	(28,814,353)	178,285,811	7,498,596	185,784,407
	DEDUCTIONS					
	ACCUM. DEPR.- PLANT IN SERVICE	67,713,522				
4	*Increase for* Clewiston Expansion Project				$272,832	
5	Remove for canceled and delayed projects				($12,254)	
	Total Accum. Depr.- Plant In Service	67,713,522	0	67,713,522	260,578	67,974,100
	ACCUM DEPR. - COMMON PLANT	0		0		0
	Remove Common Plant Allocation		(1,570,509)			
	Include NUI Common Plant Accum. Depr.		1,565,150			
11	Increase Utility Common Plant A/D				98,561	
12	Decrease *NUI HQ Allocated A/D*				(97,107)	
	Total Accum. Depr. - Common Plant		(5,359)	(5,359)	1,454	(3,905)
	ACCUM. AMORT. - ACQUISITION ADJ.	12,629,164				
	Remove NUI Acquisition Adj. Amort.		(12,194,988)			
	Reduce Ft. Pierce Acq. Adj. for Lost Rev.		(6,864)			
	Total Accum. Depr. - Acquisition Adj.	12,629,164	(12,201,852)	427,312	0	427,312
	TOTAL DEDUCTIONS	80,342,686	(12,207,211)	68,135,475	262,032	68,397,507
	NET UTILITY PLANT	126,757,478	(16,607,142)	110,150,336	7,236,564	117,386,900
	WORKING CAPITAL ALLOWANCE	(33,279,225)	37,115,660	3,836,435	(293,019)	3,543,416
	TOTAL RATE BASE	93,478,253	20,508,518	113,986,771	6,943,545	120,930,316

COMPARATIVE WORKING CAPITAL COMPONENTS

CITY GAS COMPANY OF FLORIDA
DOCKET NO. 000768-GU
PTY 9/30/01

ATTACHMENT 1A
04-Jan-2001

ISSUE NO.		COMPANY AS FILED TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	STAFF COMM. ADJS.	COMM. ADJUSTED
	WORKING CAPITAL	(33,279,225)				
	ASSETS					
	Nonutility Property		(27,999,877)			
	Accum. Depr. - Nonutility Property		17,166,923			
	Other Special Funds		(28,613)			
	Other Receivables		2115			
	Unamortized Debt Expense		(420,431)			
	Unamortized Rate Case Expense		(301,371)			
	Misc. Deferred Debits		(3,680,864)			
	Unrecovered Gas Cost		(1,780,652)			
16	Decrease for Nonutility allocation				(285,455)	
17	Increase for Project Development Costs				40,584	
	LIABILITIES					
	Notes Payable		26,572,040			
	Customer Deposits		5,596,459			
	Interest Accrued		289,145			
	Allocation to Nonregulated Activities		(1,022,287)			
	Capital Leases - Current		341,789			
	Total Deferred Credits		21,794,736			
	Capital Leases (Long Term Portion?)		586,548			
29	Decrease for unamort. portion of Medley gain				(48,148)	
	TOTALS	(33,279,225)	37,115,660	3,836,435	(293,019)	3,543,416

City Gas of Florida
Project Test Year 09/30/01
Docket No. 000768- GU
13 Month Average

Attachment 2
Page 1 of 1

				COMPANY ADJUSTMENTS			RATE BASE ADJUSTMENTS					
	PER BOOKS	CONFORM TO INVESTOR SOURCES	ADJUSTED BOOKS	SPECIFIC	PRO RATA	ADJUSTED PER BOOKS	SPECIFIC	PRO RATA	STAFF ADJUSTED	RATIO	COST RATE	WEIGHTED COST
COMMON EQUITY	37,348,760	$13,649,387	$50,998,147		(8,913,718)	42,084,429	(518,754)	2,974,847	44,540,522	36.83%	11.50%	4.24%
LONG TERM DEBT	53,645,941	5,924,882	$59,570,823		(10,412,094)	49,158,729	589,935	3,560,501	53,309,165	44.08%	6.58%	2.90%
SHORT TERM DEBT	26,572,040	(19,574,269)	$6,997,771		(1,223,106)	5,774,665	(71,181)	408,197	6,111,681	5.05%	8.00%	0.40%
CUSTOMER DEPOSITS	5,596,459	0	$5,596,459			5,596,459			5,596,459	4.63%	6.73%	0.31%
DEFERRED TAXES - ZERO COST	20,221,678	0	$20,221,678	(9,732,846)		10,488,832			10,488,832	8.67%	0.00%	0.00%
TAX CREDIT - ZERO COST	883,654	0	$883,654			883,654			883,654	0.73%	0.00%	0.00%
	$144,268,532	$0	$144,268,532	($9,732,846)	($20,548,918)	$113,986,768	$0	$6,943,545	$120,930,313	100.0%		7.85%

ATTACHMENT 2

COMPARATIVE NOIs

CITY GAS COMPANY OF FLORIDA
NO. 000768-GU
PTY 9/30/01

ATTACHMENT 3
Page 1 of 2

04-Jan-2001

ISSUE NO.		TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	STAFF ADJS.	STAFF ADJUSTED
			COMPANY		STAFF	
	OPERATING REVENUES	61,790,681				
	REVENUES DUE TO GROWTH	2,439,504				
	Remove Cost of Gas		(25,129,968)			
	Remove Conservation Costs		(2,319,744)			
	Remove Revenue Related Taxes		(2,523,902)			
	Remove Off System Sales Margins		(681,934)			
4	Increase for Clewiston Expansion Project				1,866,852	
	TOTAL REVENUES	64,230,185	(30,655,548)	33,574,637	1,866,852	35,441,489
	OPERATING EXPENSES:					
	COST OF GAS	25,004,943				
	Remove Cost of Gas		(25,004,943)			
	TOTAL COST OF GAS	25,004,943	(25,004,943)	0	0	0
	OPERATION & MAINTENANCE EXPENSE	22,981,629				
	Remove Appliance Business Expense		(2,026,256)			
	Remove Customer Care Benefits		(577,680)			
	Remove 10% of Economic Development Exp.		(207)			
	Remove AGA Dues for Lobbying		(4,045)			
	Remove Nonutility A&G Expenses		(82,423)			
	Remove Membership Dues		(4,402)			
	Remove Nonrecurring Charges		(260,908)			
	Remove Depreciation Exp. in Allocation		(431,628)			
17	Remove Project Dev. Costs				(81,167)	
30	Remove Nonutility allocated expenses				(267,871)	
31	Remove memberships, dues, & contribitions				(4,970)	
32	Pension and Benefits adjustments				357,075	
33	Reduce Rate Case Expense to actual				(73,136)	
34	Reduce Bad Debt Expense				(297,441)	
35	Remove car rental late fees				(3,775)	
36	Remove duplication of meter turn on/off exp.				(217,910)	
37	Remove duplicate UBS & Cust. Care expenses				(276,708)	
38	Reduce Outside Services for nonutility exp.				(506,017)	
38	Reduce Outside Services for duplicate exp.				(40,328)	
39	Reduce Call Center Rent (931, 903)				(31,888)	
43	Reduce odorant costs				(7,286)	
	TOTAL O & M EXPENSE	22,981,629	(3,387,549)	19,594,080	(1,451,422)	18,142,658
	CONSERVATION COSTS	2,308,203				
	Remove Conservation Costs		(2,308,203)			
	TOTAL CONSERVATION COSTS	2,308,203	(2,308,203)	0	0	0

COMPARATIVE NOIs

CITY GAS COMPANY OF FLORIDA
NO. 000768-GU
PTY 9/30/01

04-Jan-2001

ISSUE NO.		TOTAL PER BOOKS	COMPANY: COMPANY ADJS.	COMPANY: COMPANY ADJUSTED	STAFF: STAFF ADJS.	STAFF: STAFF ADJUSTED
	DEPRECIATION AND AMORTIZATION	6,622,601				
	Add NUI Common Plant Allocation		572,977			
	Remove Common Plant Depreciation		(228,290)			
4	Increase for Clewiston Expansion Project				418,278	
5	Remove for canceled and delayed projects				(14,228)	
11	Increase depr. exp. allocation				32,651	
12	Decrease NUI HQ depreciation allocation				(35,549)	
29	Decrease for Medley gain amortization				(36,111)	
	TOTAL DEPRECIATION & AMORTIZATION	6,622,601	344,687	6,967,288	365,041	7,332,329
	TAXES OTHER THAN INCOME	5,433,005				
	Revenue Related Taxes		(2,523,902)			
	Property tax					
	Regulatory Assessment Fee		(136,566)			
	Gross receipts, franchise fees					
	Payroll taxes		(249,234)			
46	Reduce RAF				(172)	
46	Remove nonutility property taxes				(15,261)	
46	Reduce Use Tax				(23,612)	
	TOTAL TAXES OTHER THAN INCOME	5,433,005	(2,909,702)	2,523,303	(39,045)	2,484,258
	INCOME TAX EXPENSE	(1,401,054)				
	Income taxes - current & deferred		982,199			
47	Increase income tax expense for other adjs.				1,125,994	
	Interest Synch/Rec. Adj.				24,686	
	Interest Synch/Rec. Adj.		337,662			
	TOTAL INCOME TAXES	(1,401,054)	1,319,861	(81,193)	1,150,680	1,069,487
	TOTAL OPERATING EXPENSES	60,949,327	(31,945,849)	29,003,478	25,254	29,028,732
	NET OPERATING INCOME	3,280,858	1,290,301	4,571,159	1,841,598	6,412,757

	TREND RATES:	BASE YEAR + 1 12/31/00	PROJECTED TEST YEAR 12/31/01
# 1	Payroll Rate Increase	4.00%	4.00%
# 2	General Inflation Rate	3.00%	3.00%
# 3	Customer Growth Rate	0.82%	0.62%
# 4	2001 Preliminary Budget		Budgeted

ACCOUNT	BASE YEAR 1999	BASE YEAR + 1 2000	PROJECTED TEST YEAR 2001	TREND BASIS APPLIED
DISTRIBUTION EXPENSE				
870 Operation Supervision & Engineering				
Payroll trended	440,410	458,026	476,347	1
Other trended	105,380	108,541	118,461	2
Other not trended	306,763	306,763	270,557	4
Staff adjustment for Project Development Costs			(101,895)	
Total	852,553	873,331	763,470	
871 Distribution Load Dispatching				
Payroll trended	0	0	0	
Other trended	0	0	0	
Other trended	0	0	0	
Total	0	0	0	
872 Compressor Station Labor & Expense				
Payroll trended	0	0	0	
Other trended	0	0	0	
Total	0	0	0	
873 Compressor Station Fuel & Power				
Payroll trended	0	0	0	
Other trended	0	0	0	
Total	0	0	0	
874 Main & Service Expense				
Payroll trended	1,005,257	1,045,467	1,271,223	1
Other trended	278,646	287,005	295,616	2
Other trended	0		52,000	4
Staff adjustments	0		(26,405)	
Total	1,283,903	1,332,473	1,592,434	
875 Measuring & Regulating Station General				
Payroll trended	8,288	10,567	8,946	1
Other trended	12,015	12,375	12,747	2
Other not trended				
Total	20,303	22,942	21,693	
876 Measure & Regulating Station Industrial				
Payroll trended	6,835	7,108	7,393	1
Other trended	0	0	0	
Total	6,835	7,108	7,393	

877 Measure & Regulating Station City Gate				
Payroll trended	2,852	2,966	3,085	1
Other trended	478	492	507	2
Other not trended	0	0	0	
Total	3,330	3,458	3,592	
878 Meter & House Regulator Expense				
Payroll trended	354,315	368,488	186,116	1
Other trended	36,022	37,103	38,141	2
Other trended	0		654,871	4
Staff adjustment for duplication of meter exp.	0	0	(217,910)	
Total	390,337	405,590	661,218	
879 Customer Service Expense				
Payroll trended	212,650	221,156	172,918	1
Other trended	81,336	83,776	(97,065)	2
Staff adjustment	0	0	(507)	
Total	293,986	304,932	75,347	
880 Other Expense Maps & Records				
Payroll trended	657,760	684,070	712,712	1
Other trended	636,066	655,148	668,745	2
Other trended	0	0	0	
Staff adjustment for car rental late fees	(3,540)		(42,818)	
Total	1,290,286	1,339,218	1,338,639	
881 Rents				
Payroll trended	0	0	0	
Other trended	0	0	0	
Total	0	0	0	
Total Distribution Expense	4,141,533	4,289,053	4,463,785	

MAINTENANCE EXPENSE

885	Maintenance Supervision & Engineering				
	Payroll trended	8	8	9	1
	Other trended	48,729	50,191	51,697	2
	Other not trended				
	Total	48,737	50,199	51,706	
886	Maintenance of Structures & Improvements				
	Payroll trended	283	294	306	1
	Other trended	5,286	5,445	5,320	2
	Other not trended				
	Total	5,569	5,739	5,626	
887	Maintenance of Mains				
	Payroll trended	94,578	98,361	102,296	1
	Other trended	555,730	572,402	593,672	2
	Other trended	0		66,000	4
	Staff adjustment for odorant costs	(6,868)		(7,286)	
	Total	643,440	670,763	754,681	
888	Maintenance of Compressor Station Equip.				
	Payroll trended	0	0	0	
	Other trended	0	0	0	
	Other not trended				
	Total	0	0	0	
889	Maintenance of Meas. & Reg. Station General				
	Payroll trended	1,531	1,592	1,656	1
	Other trended	0	0	0	
	Other not trended				
	Total	1,531	1,592	1,656	
890	Maintenance of Meas. & Reg. Station Industrial				
	Payroll trended	26,248	27,298	28,390	1
	Other trended	60,342	62,152	64,017	2
	Other not trended				
	Total	86,590	89,450	92,407	

891 Maintenance of Meas. & Reg. Station City Gate				
Payroll trended	59,260	61,630	64,096	1
Other trended	2,874	2,960	3,049	2
Other not trended				
Total	62,134	64,591	67,145	
892 Maintenance of Services				
Payroll trended	47,797	49,709	51,697	1
Other trended	160,127	164,931	164,635	2
Other not trended				
Total	207,924	214,640	216,332	
893 Maintenance of Meters & House Regulators				
Payroll trended	55,579	57,802	60,114	1
Other trended	46,980	48,389	49,485	2
Staff adjustments			0	
Total	102,559	106,192	109,599	
894 Maintenance of Other Equipment				
Payroll trended	0	0	0	
Other trended	5,618	5,787	5,960	2
Other not trended				
Total	5,618	5,787	5,960	
Total Maintenance Expense	1,164,102	1,208,952	1,305,112	

CUSTOMER ACCOUNT EXPENSE

901	Supervision				
	Payroll trended	69,530	69,530	19,754	4
	Other trended	15,025	15,025	2,643	4
	Other not trended				
	Total	84,555	84,555	22,397	
902	Meter Reading Expense				
	Payroll trended	409,385	425,760	441,466	1
	Other trended	147,056	151,468	147,897	2
	Staff adjustments			0	
	Total	556,441	577,228	589,363	
903	Customer Records & Collections				
	Payroll trended	743,636	743,636	452,259	4
	Other trended	165,364	165,364	202,589	4
	Other 2000	0	0	822,679	4
	Other 2001	342,174	342,174	440,007	4
	Staff adjustments			(25,329)	
	Total	1,251,174	1,251,174	1,892,205	
904	Uncollectible Accounts				
	Payroll trended	0	0	0	
	Other trended	508,000	523,240	840,000	4
	Staff adjustments for Bad Debt Expense			(297,441)	
	Total	508,000	523,240	542,559	
Total Customer Account Expense		2,400,170	2,436,197	3,046,524	

SALES EXPENSE

909 Infor. & Instructional Advertising				
Other trended	0	0	(231,213)	2
Over-recovery, not trended	0	0	242,754	
Staff adjustments			0	
Total	0	0	11,541	
911 Supervision				
Payroll trended	29,669	30,856	32,090	1
Other trended	0	0	0	
Other not trended	0	0	0	
Total	29,669	30,856	32,090	
912 Selling & Demonstrating Expense				
Payroll trended	296,484	308,343	320,677	1
Payroll not trended	138,838	143,003	143,963	2
Other 2001	467,822	467,822	412,719	4
Staff adjustment			0	
Total	903,144	919,169	877,359	
913 Advertising Expense				
Payroll trended	0	0	0	
Other trended	(1,376)	(1,417)	0	2
Other not trended	0			
Total	(1,376)	(1,417)	0	
916 Miscellaneous Sales Expense				
Payroll trended	(264)	(275)	0	1
Other trended	8,959	9,228	18,672	2
Other trended	0			
Total	8,695	8,953	18,672	
Total Sales Expense	940,132	957,560	939,662	

ADMINISTRATIVE & GENERAL EXPENSES

920 Administrative & General Salaries				
Payroll trended	59,984	62,383	73,711	1
Other trended	0	0	0	
Other 2000	0	0	0	
Other 2000	0	0	0	
Staff adjustment			(8,494)	
Total	59,984	62,383	65,217	
921 Office Supplies & Expenses				
Payroll trended	0	0	0	
Other trended	112,844	116,229	137,604	2
Other trended	763,904	786,821	810,426	2
Other trended	664,000	683,920	0	2
Staff adjustments			(236,126)	
Total	1,540,748	1,586,970	711,903	
922 Administrative Exp. Transferred-Credit				
Payroll trended	0	0	0	
Other trended	0	0	0	
Other not trended				
Total	0	0	0	
923 Outside Services Employed				
Other trended	230,831	237,756	244,889	2
Customer care not trended	218,630	218,630	324,208	4
Other trended	4,719,576	4,861,163	5,736,979	2
Staff adjustments	0	0	(546,347)	
Total	5,169,037	5,317,549	5,759,729	
924 Property Insurance				
Payroll trended	0	0	0	
Other trended	35,401	36,463	37,557	2
Staff adjustments			(37,557)	
Total	35,401	36,463	(0)	
925 Injuries & Damages				
Payroll trended	0	0	0	
Other trended	409,182	421,457	436,596	2
Staff adjustments			0	
Total	409,182	421,457	436,596	
926 Employee Pensions/Benefits				
Capitalized benefits trended	(774,764)	(774,764)	(1,077,621)	4
Pension trended	(215,576)	(215,576)	(120,000)	4
Company group insurance trended	724,316	724,316	803,844	4
401K & Stock Purchase trended	99,724	102,716	105,797	2
Employee programs trended	31,343	32,283	0	
Billed to/from benefits trended	1,216,043	1,216,043	1,313,407	4
Stock grants trended	120,666	120,666	46,930	4
Restructuring trended	(32,682)	0	0	
Staff adjustments			204,709	
Total	1,169,070	1,205,684	1,277,066	
927 Franchise Requirements				
Payroll trended	0	0	0	
Other trended	0	0	0	
Total	0	0	0	

928	Regulatory Commission Expense				
	Other trended	125,676	125,676	125,000	4
	Other 2001	0	0	0	
	Staff adjustments			(73,136)	
	Total	125,676	125,676	51,864	
929	Duplicate Charges				
	Payroll trended	0	0	0	
	Other trended	0	0	0	
	Other not trended				
	Total	0	0	0	
930.1	General Advertising Expenses				
	Payroll trended	0	0	0	
	Other trended	(1,404)	(1,404)	(1,763)	4
	Other not trended				
	Total	(1,404)	(1,404)	(1,763)	
930.2	Miscellaneous General Expenses				
	Payroll trended	0	0	0	
	Other trended	17,584	18,112	18,655	2
	Other not trended	0	0	0	
	Staff adjustment for memberships, dues, etc.	(4,685)		(4,970)	
	Total	12,899	18,112	13,685	
931	Rents				
	Payroll trended	0	0	0	
	Other trended	98,082	101,024	102,353	2
	Staff adjustments	0	0	(29,911)	
	Total	98,082	101,024	72,442	
932/935	Maintenance of General Plant				
	Payroll trended	0	0	0	
	Other trended	784	808	836	2
	Other not trended	0	0	0	
	Total	784	808	836	
Total Administrative & General Expenses		8,619,459	8,874,723	8,387,575	
TOTAL OPERATION & MAINTENANCE EXPENSES		$17,265,396	$17,766,485	$18,142,656	

NET OPERATING INCOME MULTIPLIER

CITY GAS COMPANY OF FLORIDA
DOCKET NO. 000768-GU
PTY 9/30/01

ATTACHMENT 4
05-Jan-2001

DESCRIPTION	COMPANY PER FILING	STAFF
REVENUE REQUIREMENT	100.0000%	100.0000%
GROSS RECEIPTS TAX RATE	0.0000%	0.0000%
REGULATORY ASSESSMENT RATE	0.5000%	0.5000%
BAD DEBT RATE	1.0280%	0.9470%
NET BEFORE INCOME TAXES	98.4720%	98.5530%
STATE INCOME TAX RATE	5.5000%	5.5000%
STATE INCOME TAX	5.4160%	5.4204%
NET BEFORE FEDERAL INCOME TAXES	93.0560%	93.1326%
FEDERAL INCOME TAX RATE	34.0000%	34.0000%
FEDERAL INCOME TAX	31.6391%	31.6651%
REVENUE EXPANSION FACTOR	61.4170%	61.4675%
NET OPERATING INCOME MULTIPLIER	1.6282	1.6269

COMPARATIVE REVENUE DEFICIENCY CALCULATIONS

CITY GAS COMPANY OF FLORIDA
DOCKET NO. 000768-GU
PTY 9/30/01

ATTACHMENT 5
05-Jan-2001

		COMPANY ADJUSTED		STAFF
RATE BASE (AVERAGE)		$113,986,771		$120,930,316
RATE OF RETURN	X	7.88%	X	7.85%
REQUIRED NOI		$8,982,158		$9,493,030
Operating Revenues		33,574,637		35,441,489
Operating Expenses:				
Operation & Maintenance		19,594,080		18,142,658
Depreciation & Amortization		6,967,288		7,332,329
Amortization of Environ. Costs		0		0
Taxes Other than Income Taxes		2,523,303		2,484,258
Income Taxes		(81,193)		1,069,487
Total Operating Expenses		29,003,478		29,028,732
ACHIEVED NOI		4,571,159		6,412,757
NET NOI DEFICIENCY		4,410,999		3,080,273
REVENUE TAX FACTOR		1.6282		1.6269
REVENUE DEFICIENCY		$7,181,988		$5,011,296

COST OF SERVICE
CLASSIFICATION OF RATE BASE
(Page 1 of 2: PLANT)

Attachment 6
Page 1 of 15

COMPANY NAME: **CITY GAS COMPANY**
DOCKET NO. **000768-GU**

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT	0		0	0	100% capacity
INTANGIBLE PLANT:	181,590		181,590	0	100% capacity
PRODUCTION PLANT	0		0	0	100% capacity
DISTRIBUTION PLANT:					
374 Land and Land Rights	43,377		43,377		100% capacity
375 Structures and Improvements	440,189		440,189		100% capacity
376 Mains	108,901,134		108,901,134		100% capacity
377 Comp.Sta.Eq.	0		0		100% capacity
378 Meas.& Reg.Sta.Eq.-Gen	0				100% capacity
379 Meas.& Reg.Sta.Eq.-CG	4,885,887		4,885,887		100% capacity
380 Services	39,647,844	39,647,844			100% customer
381-382 Meters	10,464,176	10,464,176			100% customer
383-384 House Regulators	3,265,782	3,265,782			100% customer
385 Industrial Meas.& Reg.Eq.	2,617,642		2,617,642		100% capacity
386 Property on Customer Premises	0	0	0	0	ac 374-385
387 Other Equipment	158,309	51,106	107,217	0	ac 374-386
Total Intangible & Distribution Plant	**170,605,930**	**53,428,908**	**117,177,036**	**0**	
GENERAL PLANT:	11,911,476	5,955,738	5,955,738		50% customer,50%, capacity
TOTAL DIST/INTANGIBLE/GENERAL PL	182,517,406	59,384,646	123,132,774		
PLANT ACQUISITIONS:	1,814,318	0	1,814,318		100% capacity
GAS PLANT FOR FUTURE USE:	0	0	0		"
CWIP:	1,452,685	454,939	997,746	0	dist.plant
TOTAL PLANT	**185,784,409**	**59,839,585**	**125,944,838**	**0**	

COST OF SERVICE
CLASSIFICATION OF RATE BASE
(PAGE 2 OF 2: ACCUMULATED DEPRECIATION)

COMPANY NAME: **CITY GAS COMPANY**
DOCKET NO.: **000768-GU**

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:	0	0	0	0	related plant
INTANGIBLE PLANT:	107,224	0	107,224	0	rel.plant account
PRODUCTION PLANT	0	0	0	0	rel.plant account
DISTRIBUTION PLANT:					
375 Structures and Improvements	179,291	0	179,291	0	rel.plant account
376 Mains	38,881,599	0	38,881,599	0	rel.plant account
377 Compressor Sta. Eq.	0	0	0	0	rel.plant account
378 Meas.& Reg.Sta. Eq.-Gen	0	0	0	0	rel.plant account
379 Meas.& Reg.Sta. Eq.-CG	1,094,662	0	1,094,662	0	rel.plant account
380 Services	15,785,405	15,785,405	0	0	rel.plant account
381-382 Meters	4,296,317	4,296,317	0	0	rel.plant account
383-384 House Regulators	1,440,388	1,440,388	0	0	rel.plant account
385 Indust.Meas.& Reg.Sta.Eq.	678,721	0	678,721	0	rel.plant account
386 Property on Customer Premises	0	0	0	0	rel.plant account
387 Other Equipment	158,006	51,008	107,012	0	rel.plant account
Total A.D. on Dist. Plant	**62,514,389**	**21,573,118**	**40,941,285**	**0**	
GENERAL PLANT:	5,458,262	2,729,131	2,729,131	0	general plant
PLANT ACQUISITIONS:	427,312	0	427,312	0	plant acquisitions
RETIREMENT WORK IN PROGRESS:	(109,678)	(35,364)	(74,314)	0	distribution plant
TOTAL ACCUMULATED DEPRECIATION	**68,397,509**	**24,266,885**	**44,130,638**	0	
NET PLANT (Plant less Accum.Dep.)	117,386,900	35,572,700	81,814,200	0	
less:CUSTOMER ADVANCES	0	0	0		50% cust 50% cap
plus:WORKING CAPITAL	3,543,416	2,156,849	1,189,506	197,061	oper. and maint. exp.
Equals: TOTAL RATE BASE	**120,930,316**	**37,729,550**	**83,003,706**	**197,061**	

COST OF SERVICE
CLASSIFICATION OF EXPENSES
(PAGE 1 OF 2)

COMPANY NAME: CITY GAS COMPANY
DOCKET NO. 000768-GU

OPERATIONS AND MAINTENANCE EXPENSES

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:	0	0	0	0	ac 301-320
PRODUCTION PLANT	0		0	0	100% capacity
DISTRIBUTION:					
870 Operation Supervision & Eng.	763,470	375,511	387,959	0	ac 871-879
871 Dist.Load Dispatch	0		0		100% capacity
872 Compr.Sta.Lab. & Ex.	0	0	0	0	ac 377
873 Compr.Sta.Fuel & Power	0			0	100% commodity
874 Mains and Services	1,592,434	425,022	1,167,412	0	ac376+ac380
875 Meas.& Reg. Sta.Eq.-Gen	21,693	0	21,693	0	ac 378
876 Meas.& Reg. Sta.Eq.-Ind.	7,393	0	7,393	0	ac 385
877 Meas.& Reg. Sta.Eq.-CG	3,592	0	3,592	0	ac 379
878 Meter and House Reg.	661,218	661,218	0	0	ac381+ac383
879 Customer Instal.	75,347	75,347	0	0	ac 386
880 Other Expenses	1,338,637	615,827	722,810	0	ac 387
881 Rents	0		0		100% capacity
885 Maintenance Supervision	51,706	13,525	38,181	0	ac886-894
886 Maint. of Struct. and Improv.	5,626	0	5,626	0	ac375
887 Maintenance of Mains	754,681	0	754,681	0	ac376
888 Maint. of Comp.Sta.Eq.	0	0	0	0	ac 377
889 Maint. of Meas.& Reg. Sta.Eq.-Gen	1,656	0	1,656	0	ac 378
890 Maint. of Meas.& Reg. Sta.Eq.-Ind.	92,407	0	92,407	0	ac 385
891 Maint. of Meas.& Reg.Sta.Eq.-CG	67,145	0	67,145	0	ac 379
892 Maintenance of Services	216,332	216,332	0	0	ac 380
893 Maint. of Meters and House Reg.	109,599	109,599	0	0	ac381-383
894 Maint. of Other Equipment	5,960	1,924	4,037	0	ac387
Total Distribution Expenses	**5,768,896**	**2,494,305**	**3,274,592**	**0**	5,768,897
CUSTOMER ACCOUNTS:					
901 Supervision	22,397	22,397			100% customer
902 Meter-Reading Expense	589,363	589,363			100% customer
903 Records and Collection Exp.	1,892,205	1,892,205			100% customer
904 Uncollectible Accounts	542,559			542,559	100% commodity
905 Misc. Expenses	0	0			100% customer
Total Customer Accounts	**3,046,524**	**2,503,965**	**0**	**542,559**	
(907-910) CUSTOMER SERV.& INFO. EXP.	0	0			100% customer
(911-916) SALES EXPENSE	939,662	939,662			100% customer
(932) MAINT. OF GEN. PLANT	835	418	418	0	general plant
(920-931) ADMINISTRATION AND GENERAL	8,386,739	5,104,941	2,815,384	466,414	O&M excl. A&G
TOTAL O&M EXPENSE	18,142,656	11,043,291	6,090,394	1,008,973	

COST OF SERVICE
CLASSIFICATION OF EXPENSES
(Page 2 of 2)

COMPANY NAME: **CITY GAS COMPANY**
DOCKET NO. **000768-GU**

DEPRECIATION AND AMORTIZATION EXPENS	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE	CLASSIFIER
Depreciation Expense	7,194,021	2,180,062	5,013,959	0		net plant
Amort. of Other Gas Plant	0		0			100% capacity
Amort. of Property Loss	0		0			100% capacity
Amort. of Limited-term Inv.	0	0	0	0		intangible plant
Amort. of Acquisitiion Adj.	91,580	29,797	61,783	0		intan/dist/gen plant
Amort. of Conversion Costs	46,728			46,728		100% commodity
Total Deprec. and Amort. Expense	7,332,329	2,209,859	5,075,742	46,728	0	7,332,329
TAXES OTHER THAN INCOME TAXES:						
Revenue Related	167,873				167,873	100% revenue
Other	2,316,385	701,953	1,614,432	0		net plant
Total Taxes other than Income Taxes	2,484,258	701,953	1,614,432	0	167,873	
REV.CRDT TO COS (NEG.OF OTHR OPR.REV)	(1,143,259)	(1,143,259)				100% customer
RETURN (REQUIRED NOI)	9,493,030	2,961,770	6,515,791	15,469		rate base
INCOME TAXES	1,069,487	333,674	734,071	1,743	0	return(noi)
TOTAL OVERALL COST OF SERVICE	37,378,501	16,107,287	20,030,429	1,072,913	167,873	

SUMMARY:	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE
ATTRITION	0	0	0	0	0
OPERATION AND MAINTENANCE EXPENSE	18,142,656	11,043,291	6,090,394	1,008,973	0
less O&M direct assignments	(3,434,064)	(1,412,171)	(2,021,893)	0	0
NET O&M	14,708,592	9,631,120	4,068,501	1,008,973	0
DEPRECIATION EXPENSE	7,194,021	2,180,062	5,013,959	0	0
AMORT. OF OTHER GAS PLANT	0	0	0	0	0
AMORT. OF PROPERTY LOSS	0	0	0	0	0
AMORT. OF LIMITED-TERM INVESTMENT	0	0	0	0	0
AMORT. OF ACQUISITION ADJUSTMENT	91,580	29,797	61,783	0	0
AMORT. OF CONVERSION COSTS	46,728	0	0	46,728	0
TAXES OTHER THAN INCOME TAXES	2,484,258	701,953	1,614,432	0	167,873
RETURN	9,493,030	2,961,770	6,515,791	15,469	0
INCOME TAXES	1,069,487	333,674	734,071	1,743	0
REV.CRD. TO COS	(1,143,259)	(1,143,259)	0	0	0
TOTAL COST OF SERVICE	**37,378,501**	**16,107,287**	**20,030,429**	**1,072,913**	**167,873**
RATE BASE	**120,930,316**	**37,729,550**	**83,003,706**	**197,061**	
less Rate Base direct assignments	(103,814,148)	(31,855,692)	(71,958,456)	0	0
NET RATE BASE	**17,116,168**	**5,873,858**	**11,045,250**	**197,061**	**0**

KNOWN DIRECT & SPECIAL ASSIGNMENTS:

RATE BASE ITEMS(PLANT-ACC.DEP):	TOTAL	CUSTOMER	CAPACITY	COMMODITY
381-382 METERS	6,167,859	6,167,859	0	0
383-384 HOUSE REGULATORS	1,825,394	1,825,394	0	0
385 INDUSTRIAL MEAS.& REG.EQ.	1,938,921	0	1,938,921	0
376 MAINS	70,019,535		70,019,535	
380 SERVICES	23,862,439	23,862,439		
378 MEAS.& REG.STA.EQ.-GEN.	0		0	
TOTAL RATE BASE DIRECT ASSIGNMENTS	**103,814,148**	**31,855,692**	**71,958,456**	

O&M ITEMS	TOTAL	CUSTOMER	CAPACITY	COMMODITY
892 Maint. of Services O & M ITEMS	216,332	216,332		
876 MEAS.& REG.STA.EQ.IND.	7,393	0	7,393	0
878 METER & HOUSE REG.	661,218	661,218	0	0
890 MAINT.OF MEAS.& REG.STA.EQ.-IND.	92,407	0	92,407	0
893 MAINT.OF METERS AND HOUSE REG.	109,599	109,599	0	0
874 MAINS AND SERVICES	1,592,434	425,022	1,167,412	
887 MAINT. OF MAINS	754,681		754,681	
TOTAL O&M DIRECT ASSIGNMENTS	**3,434,064**	**1,412,171**	**2,021,893**	**0**

COST OF SERVICE
DEVELOPMENT OF ALLOCATION FACTORS

COMPANY NAME: CITY GAS COMPANY
DOCKET NO. 000768-GU

	TOTAL	RES.	GAS LIGHTING	COMMERCIAL INDUSTRIAL	LARGE COMM.	INTERRUPTIBL PREFERRED	N.G. VEHICLES	SMALL COMM.	COMM.	INTERRUPT.	C-ITS CONTRACT INTERRUPT.	INTERRUPTIBLE LARGE VOL.	C-ILVT CONTRACT INT. LARGE VOL
CUSTOMER COSTS													
No. of Customers - SALES	100,211	95,674	248	4,274	10	4	1	0	0	0	0	0	0
No. of Customers - TRANSPORT.	1,039	0	0	0	0	0	0	949	50	25	3	4	8
TOTAL	101,250	95,674	248	4,274	10	4	1	949	50	25	3	4	8
Weighting	NA	1.00	1.00	4.34	4.34	10.14	4.34	4.34	4.34	10.14	10.14	20.45	20.45
Weighted No. of Customers	119,433	95,674	248	18,557	43	41	4	4,120	217	253	30	82	164
Allocation Factors	**1.00000**	**0.801066**	**0.002076**	**0.155373**	**0.000364**	**0.000340**	**0.000036**	**0.034496**	**0.001818**	**0.002122**	**0.000255**	**0.000685**	**0.001370**
CAPACITY COSTS				18,549									
Peak & Avg. Month Sales Vol.(therms)	24,496,607	4,015,002	11,080	5,038,443	274,055	144,073	60	2,430,751	1,378,700	1,857,791	413,773	1,014,936	7,917,943
Allocation Factors	**1.000000**	**0.163900**	**0.000452**	**0.205679**	**0.011187**	**0.005881**	**0.000002**	**0.099228**	**0.056281**	**0.075839**	**0.016891**	**0.041432**	**0.323226**
Allocation Factors ACCT. 876	1.000000	N/A	N/A	0.246132	0.013388	0.007038	0.000003	0.118744	0.067350	0.090754	0.020213	0.049580	0.386797
Allocation Factors ACCT. 890	1.000000	N/A	N/A	N/A	0.021079	0.011081	0.000005	N/A	0.106043	0.142892	0.031825	0.078064	0.609010
Allocation Factors - 874 Mains & Svcs	1.000000	0.248378	0.000685	0.311691	0.016954	0.008913	0.000004	0.150372	0.085290	0.114928	N/A	0.062786	N/A
Allocation Factors - 874 Mains & Svcs LV	1.000000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.049662	N/A	0.950338
Allocation Factors - 887 Maint of Mains	1.000000	0.248378	0.000685	0.311691	0.016954	0.008913	0.000004	0.150372	0.085290	0.114928	N/A	0.062786	N/A
Allocation Factors - 887 Maint of Mains LV	1.000000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.049662	N/A	0.950338
Allocation Factors - All Other	1.000000	0.248378	0.000685	0.311691	0.016954	0.008913	0.000004	0.150372	0.085290	0.114928	N/A	0.062786	N/A
Allocation Factors - All Other LV	1.000000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.049662	N/A	0.950338
COMMODITY COSTS													
Annual Sales Vol.(therms)	134,693,960	19,392,020	66,480	29,302,370	1,733,600	788,800	360	12,795,660	8,308,700	10,832,700	2,406,500	6,105,300	42,961,470
Allocation Factors	**1.00000**	**0.143971**	**0.000494**	**0.217548**	**0.012871**	**0.005856**	**0.000003**	**0.094998**	**0.061686**	**0.080425**	**0.017866**	**0.045327**	**0.318956**
REVENUE-RELATED COSTS													
Tax on Cust., Cap., & Commod	139,912	66,768	182	30,233	1,230	652	3	12,775	6,174	8,287	1,294	4,502	7,812
Allocation Factors	**0.9442**	**0.477217**	**0.001299**	**0.216087**	**0.008790**	**0.004663**	**0.000019**	**0.091307**	**0.044125**	**0.059230**	**0.009250**	**0.032180**	**0.055834**

COST OF SERVICE
ALLOCATION OF RATE BASE TO CUSTOMER CLASSES

COMPANY NAME: CITY GAS COMPANY
DOCKET NO. 000768-GU

RATE BASE BY CUSTOMER CLASS	TOTAL	RESIDENTIAL	GAS LIGHTING	COMMERCIAL INDUSTRIAL	LARGE COMMERCIAL	INTERRUPTIBL PREFERRED	NATURAL GAS VEHICLES	SMALL COMMERCIAL	COMMERCIAL	INTERRUPTIBLE	CONTRACT INTERRUPTIBLE	INTERRUPTIBL LARGE VOL.	CONTRACT INT. LARGE VOL
DIRECT AND SPECIAL ASSIGNMENTS:													
Customer													
Meters	6,167,859	4,940,862	12,807	958,319	2,245	2,095	224	212,768	11,213	13,088	1,573	4,224	8,449
House Regulators	1,825,394	1,825,394	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Services	23,862,439	19,115,389	49,550	3,707,579	8,686	8,104	867	823,166	43,382	50,636	6,085	16,343	32,687
All Other	5,873,858	4,705,348	12,197	912,639	2,138	1,995	213	202,626	10,679	12,464	1,498	4,023	8,046
Total	37,729,550	30,586,992	74,554	5,578,536	13,069	12,193	1,305	1,238,560	65,274	76,189	9,156	24,591	49,182
Capacity													
Industrial Meas.& Reg. Sta. Eq	1,938,921	0	1,049	476,972	25,944	13,639	6	230,111	130,517	175,870	39,170	96,080	749,564
Meas &Reg Sta Eq.-Gen.	0	0	0	0	0	0	0	0	0	0	0	0	0
Mains	64,423,722	16,001,430	44,158	20,080,262	1,092,222	574,190	239	9,687,540	5,494,685	7,404,059	N/A	4,044,936	N/A
Mains Large Volume	5,595,813	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,049,892	N/A	4,545,921
All Other	11,045,250	1,810,320	4,996	2,271,778	123,568	64,961	27	1,095,999	621,641	837,657	186,566	457,623	3,570,113
Total	83,003,706	17,811,750	50,203	22,829,012	1,241,734	652,790	272	11,013,649	6,246,842	8,417,587	1,275,628	4,598,640	8,865,598
Commodity													
Account #													
Account #													
Account #													
All Other	197,061	28,371	97	42,870	2,536	1,154	1	18,720	12,156	15,849	3,521	8,932	62,854
Total	197,061	28,371	97	42,870	2,536	1,154	1	18,720	12,156	15,849	3,521	8,932	62,854
TOTAL	120,930,316	48,427,114	124,854	28,450,419	1,257,339	666,137	1,577	12,270,930	6,324,272	8,509,624	1,288,304	4,632,163	8,977,633

COST OF SERVICE
ALLOCATION OF EXPENSES TO CUSTOMER CLASSES

COMPANY NAME: CITY GAS COMPANY
DOCKET NO. 000768-GU

Customer	13,253,150	10,616,648	27,520	2,059,182	4,824	4,501	482	457,185	24,094	28,123	3,380	9,077	18,154
Capacity	10,157,622	2,492,922	6,880	3,130,197	172,208	90,531	38	1,510,135	866,334	1,167,381	4,134	637,756	79,106
Capacity LV	1,008,514	0	0	0	0	0	0	0	0	0	189,218	0	819,296
Commodity	1,055,701	151,990	521	229,665	13,588	6,182	3	100,290	65,122	84,904	18,662	47,852	336,722
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	25,474,987	13,261,560	34,920	5,419,045	190,620	101,214	522	2,067,609	955,560	1,280,408	215,593	694,685	1,263,279

OPERATIONS AND MAINTENANCE EXPENSE: DIRECT AND SPECIAL ASSIGNMENTS:	TOTAL	RESIDENTIAL	GAS LIGHTING	COMMERCIAL INDUSTRIAL	LARGE COMMERCIAL	INTERRUPTIBL. PREFERRED	NATURAL GAS VEHICLES	SMALL COMMERCIAL	COMMERCIAL	INTERRUPTIBLE	CONTRACT INTERRUPTIBLE	INTERRUPTIBLE LARGE VOL.	CONTRACT INT. LARGE VOL
Customer													
878 Meters and House Regulators	661,218	529,679	1,373	102,735	241	225	24	22,810	1,202	1,403	169	453	906
893 Maint. of Meters & House Reg.	109,599	87,796	228	17,029	40	37	4	3,781	199	233	28	75	150
874 Mains & Services	425,022	340,471	883	66,037	155	144	15	14,662	773	902	108	291	582
892 Maint. of Services	216,332	173,296	449	33,612	79	73	8	7,463	393	459	55	148	296
All Other	9,631,120	7,715,163	19,999	1,496,416	3,506	3,271	350	332,238	17,509	20,437	2,456	6,596	13,193
Total	11,043,291	8,846,405	22,931	1,715,829	4,020	3,750	401	380,953	20,077	23,434	2,816	7,564	15,127
Capacity													
876 Measuring & Reg. Sta. Eq.- I	7,393	N/A	N/A	1,820	99	52	0	878	498	671	149	367	2,860
890 Maint. of Meas & Reg.Sta.Eq.-I	92,407	N/A	N/A	N/A	1,948	1,024	0	N/A	9,799	13,204	2,941	7,214	56,277
874 Mains and Services	1,057,405	262,636	725	329,583	17,927	9,424	4	159,004	90,186	121,525	N/A	66,391	N/A
874 Mains and Services LV	110,007	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20,640	N/A	89,367
887 Maint of Mains	683,507	169,768	469	213,043	11,588	6,092	3	102,780	58,296	78,554	N/A	42,915	N/A
887 Maint of Mains LV	71 174	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13,354	N/A	57,820
All Other	3,677,253	913,348	2,521	1,146,165	62,343	32,774	14	552,957	313,632	422,618	N/A	230,882	N/A
All Other LV	391 248	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	73,406	N/A	317,842
Total	6,090,394	1,345,752	3,714	1,690,610	93,906	49,367	21	815,619	472,411	636,571	110,490	347,767	524,166
Commodity													
Account #													
Account #													
Account #													
All Other	1,008,973	145,263	498	219,500	12,986	5,909	3	95,850	62,239	81,146	18,027	45,734	321,818
Total	1,008,973	145,263	498	219,500	12,986	5,909	3	95,850	62,239	81,146	18,027	45,734	321,818
TOTAL O&M	18,142,658	10,337,420	27,143	3,625,939	110,911	59,026	425	1,292,423	554,727	741,152	131,333	401,065	861,111
DEPRECIATION EXPENSE:													
Customer	2,180,062	1,746,374	4,527	338,723	794	740	79	75,204	3,963	4,626	556	1,493	2,986
Capacity	4,577,874	1,137,043	3,138	1,426,860	77,612	40,801	17	688,385	390,446	526,124	N/A	287,428	N/A
Capacity LV	436,085	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	81,819	N/A	354,266
Total	7,194,021	2,883,417	7,666	1,765,603	78,406	41,542	96	763,589	394,409	530,750	82,375	288,922	357,253

COST OF SERVICE
ALLOCATION OF EXPENSES TO CUSTOMER CLASSES

COMPANY NAME CITY GAS COMPANY
DOCKET NO 000768-GU

	TOTAL	RES.	GAS LIGHTING	COMMERCIAL INDUSTRIAL	LARGE COMMERCIAL	INTERRUPTIBLE PREFERRED	N. G. VEHICLES	SMALL COMM.	COMM.	INT.	CONTRACT INT.	INTERRUPTIBLE LARGE VOL.	CONTRACT INT. LARGE VOL
TAXES OTHER THAN INCOME TAXES:													
Customer	701,953	562,311	1,458	109,065	256	238	26	24,215	1,276	1,490	179	481	962
Capacity	1,466,090	364,144	1,005	456,966	24,856	13,067	5	220,459	125,043	168,494	N/A	92,051	N/A
Capacity LV	148,342	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	27,832	N/A	120,510
Subtotal	2,316,385	926,455	2,462	566,031	25,111	13,305	31	244,674	126,319	169,984	28,011	92,531	121,471
Revenue	167,873	80,112	218	36,275	1,476	783	3	15,328	7,407	9,943	1,553	5,402	9,373
Total	2,484,258	1,006,567	2,681	602,306	26,587	14,088	34	260,002	133,726	179,927	29,564	97,934	130,844
RETURN (NOI)													
Customer	2,961,770	2,401,079	5,852	437,915	1,026	957	102	97,227	5,124	5,981	719	1,930	3,861
Capacity	6,074,841	1,397,836	3,940	1,791,582	97,449	51,230	21	864,333	490,242	660,598	17,715	360,894	339,001
Capacity LV	440,950	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	82,731	N/A	358,219
Commodity	15,469	2,227	8	3,365	199	91	0	1,470	954	1,244	276	701	4,934
Total	9,493,030	3,801,142	9,800	2,232,863	98,674	52,278	124	963,029	496,320	667,823	101,442	363,525	706,014
INCOME TAXES													
Customer	333,674	270,506	659	49,336	116	108	12	10,954	577	674	81	217	435
Capacity	739,162	183,591	507	230,390	12,532	6,588	3	111,149	63,043	84,950	N/A	46,409	N/A
Capacity LV	(5,091)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(955)	N/A	(4,136)
Commodity	1,743	251	1	379	22	10	0	166	108	140	31	79	556
Total	1,069,487	454,348	1,167	280,104	12,670	6,706	14	122,269	63,728	85,764	(843)	46,706	(3,145)
REVENUE CREDITED TO COS:													
Customer	(1,143,259)	(685,955)	N/A	(457,304)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL COST OF SERVICE:													
Customer	16,107,287	13,164,588	35,489	2,198,193	6,221	5,804	621	589,580	31,072	36,267	4,358	11,706	23,411
Capacity	18,437,714	4,438,493	12,331	5,609,136	307,044	161,416	67	2,706,077	1,544,661	2,081,423	21,849	1,137,109	418,107
Capacity LV	1,592,715	0	0	0	0	0	0	0	0	0	298,827	0	1,293,888
Commodity	1,072,913	154,468	530	233,410	13,809	6,283	3	101,925	66,183	86,289	19,169	48,632	342,212
Subtotal	37,210,630	17,757,550	48,350	8,040,739	327,075	173,503	691	3,397,581	1,641,916	2,203,979	344,203	1,197,447	2,077,619
Revenue	167,873	80,112	218	36,275	1,476	783	3	15,328	7,407	9,943	1,553	5,402	9,373
Total	37,378,503	17,837,662	48,568	8,077,014	328,550	174,286	694	3,412,909	1,649,324	2,213,922	345,756	1,202,849	2,086,992

COMPANY NAME: CITY GAS COMPANY
DOCKET NO. 000768-GU

SUMMARY	TOTAL	RES.	GAS LIGHTING	COMM. INDUST.	LARGE COMM.	INT. PREFERRED	N.G. VEHICLES	SMALL COMM.	COMM.	INT.	CONTRACT INT.	INT. LARGE VOL.	CONTRACT INT. LARGE VOL.
RATE BASE	120,930,367	48,427,114	124,854	28,450,419	1,257,339	666,137	1,577	12,270,930	6,324,272	8,509,624	1,288,304	4,632,163	8,977,633
ATTRITION	0	0	0	0	0	0	0	0	0	0	0	0	0
OPERATION AND MAINTENANCE	18,142,674	10,337,420	27,143	3,625,939	110,911	59,026	425	1,292,423	554,727	741,152	131,333	401,065	861,111
DEPRECIATION	7,194,024	2,883,417	7,665	1,765,603	78,406	41,542	96	763,589	394,409	530,750	82,375	288,922	357,253
AMORTIZATION EXPENSES	138,308	40,723	113	27,503	1,303	647	1	11,598	6,414	8,507	1,886	4,698	34,915
TAXES OTHER THAN INCOME TAX (SUB TOTAL)	2,316,386	926,455	2,462	566,031	25,111	13,305	31	244,674	126,319	169,984	28,011	92,531	121,471
TAXES OTHER THAN INCOME TAX (REVENUE)	167,873	80,112	218	36,275	1,476	783	3	15,328	7,407	9,943	1,553	5,402	9,373
INCOME TAX (TOTAL)	1,069,487	454,348	1,167	280,104	12,670	6,706	14	122,269	63,728	85,764	(843)	46,706	(3,145)
REVENUE CREDITED TO COST OF SERVICE	(1,143,259)	(685,955)	N/A	(457,304)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL COST OF SERVICE (CUSTOMER) *	16,107,311	13,164,588	35,489	2,198,193	6,221	5,804	621	589,580	31,072	36,267	4,358	11,706	23,411
TOTAL COST OF SERVICE (CAPACITY)	20,030,429	4,438,493	12,331	5,609,136	307,044	161,416	67	2,706,077	1,544,661	2,081,423	320,676	1,137,109	1,711,996
TOTAL COST OF SERVICE (COMMODITY)	1,072,913	154,468	530	233,410	13,809	6,283	3	101,925	66,183	86,289	19,169	48,632	342,212
TOTAL COST OF SERVICE (REVENUE)	167,873	80,112	218	36,275	1,476	783	3	15,328	7,407	9,943	1,553	5,402	9,373
TOTAL COST OF SERVICE *	37,378,527	17,837,662	48,568	8,077,014	328,550	174,286	694	3,412,909	1,649,324	2,213,922	345,756	1,202,849	2,086,992
NO. OF CUSTOMERS	101,250	95,674	248	4,274	10	4	1	949	50	25	3	4	8
PEAK AND AVERAGE MONTH SALES VOL.	19,682,091	4,015,002	11,080	5,038,443	274,055	144,073	60	2,430,751	1,378,700	1,857,791	413,773	1,014,936	3,103,427
ANNUAL SALES	134,693,960	19,392,020	66,480	29,302,370	1,733,600	788,800	360	12,795,660	8,308,700	10,832,700	2,406,500	6,105,300	42,961,470

COST OF SERVICE
DERIVATION OF REVENUE DEFICIENCY

COMPANY NAME: CITY GAS COMPANY
DOCKET NO. 000768-GU

COST OF SERVICE BY CUSTOMER CLASS	TOTAL	RES.	GAS LIGHTING	COMM. INDUST.	LARGE COMM.	INT. PREFERRED	N. G. VEHICLES	SMALL COMM.	COMM.	INT.	CONTRACT INT.	INT. LARGE VOL.	ONTRACT INT. LARGE VOL.
CUSTOMER COSTS	16,107,311	13,164,588	35,489	2,198,193	6,221	5,804	621	589,580	31,072	36,267	4,358	11,706	23,411
CAPACITY COSTS	20,030,429	4,438,493	12,331	5,609,136	307,044	161,416	67	2,706,077	1,544,661	2,081,423	320,676	1,137,109	1,711,996
COMMODITY COSTS	1,072,913	154,468	530	233,410	13,809	6,283	3	101,925	66,183	86,289	19,169	48,632	342,212
REVENUE COSTS	167,873	80,112	218	36,275	1,476	783	3	15,328	7,407	9,943	1,553	5,402	9,373
TOTAL	37,378,527	17,837,662	48,568	8,077,014	328,550	174,286	694	3,412,909	1,649,324	2,213,922	345,756	1,202,849	2,086,992
less: REVENUE AT PRESENT RATES * (in the attrition year)	34,298,231	17,024,643	30,804	6,808,343	287,400	103,025	192	2,788,117	1,387,001	1,434,426	313,297	523,009	3,597,974
equals: GAS SALES REVENUE DEFICIENCY	3,080,296	813,019	17,764	1,268,671	41,150	71,261	502	624,792	262,323	779,496	32,459	679,840	(1,510,982)
plus: Deficiency due to revenue expansion													
reg assessment	25,057	6,614	145	10,320	335	580	4	5,082	2,134	6,341	264	5,530	(12,291)
bad debt	47,500	12,537	274	19,564	635	1,099	8	9,635	4,045	12,020	501	10,484	(23,300)
state income tax	271,630	71,695	1,566	111,875	3,629	6,284	44	55,096	23,132	68,738	2,862	59,950	(133,243)
federal income tax	1,586,830	418,831	9,151	653,562	21,199	36,710	259	321,865	135,137	401,561	16,722	350,223	(778,390)
plus: DEFICIENCY IN OTHER OPERATING REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
equals: TOTAL BASE-REVENUE DEFICIENCY	5,011,313	1,322,695	28,900	2,063,992	66,947	115,934	817	1,016,470	426,771	1,268,157	52,808	1,106,027	(2,458,206)

COST OF SERVICE
RATE OF RETURN BY CUSTOMER CLASS
(PAGE 1 OF 2: PRESENT RATES)

COMPANY NAME: CITY GAS COMPANY
DOCKET NO. 000768-GU

	TOTAL	RES.	GAS LIGHTING	COMM. INDUSTRIAL	LARGE COMM.	INT. PREFERRED	N. G. VEHICLES	SMALL COMM	COMM.	INTERR.	CONTRACT INT.	INT. LARGE VOL.	CONTRACT INT. LARGE VOL
REVENUES: (projected test year)													
Gas Sales (due to growth)	34,298,231	17,024,643	30,804	6,808,343	287,400	103,025	192	2,788,117	1,387,001	1,434,426	313,297	523,009	3,597,974
Other Operating Revenue	1,143,259	685,955		457,304	0	0	0	0	0	0	0	0	0
Total	35,441,490	17,710,598	30,804	7,265,647	287,400	103,025	192	2,788,117	1,387,001	1,434,426	313,297	523,009	3,597,974
EXPENSES:													
Purchased Gas Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
O&M Expenses	18,142,674	10,337,420	27,143	3,625,939	110,911	59,026	425	1,292,423	554,727	741,152	131,333	401,065	861,111
Depreciation Expenses	7,194,024	2,883,417	7,665	1,765,603	78,406	41,542	96	763,589	394,409	530,750	82,375	288,922	357,253
Amortization Expenses	138,308	40,723	113	27,503	1,303	647	1	11,598	6,414	8,507	1,886	4,698	34,915
Taxes Other Than Income--Fixed	2,316,386	926,455	2,462	566,031	25,111	13,305	31	244,674	126,319	169,984	28,011	92,531	121,471
Taxes Other Than Income--Revenue	167,873	80,112	218	36,275	1,476	783	3	15,328	7,407	9,943	1,553	5,402	9,373
Total Exp. excl. Income Taxes	27,959,265	14,268,127	37,601	6,021,351	217,207	115,302	556	2,327,611	1,089,276	1,460,335	245,157	792,618	1,384,123
INCOME TAXES:	1,069,487	454,348	1,167	280,104	12,670	6,706	14	122,269	63,728	85,764	(843)	46,706	(3,145)
NET OPERATING INCOME:	6,412,738	2,988,123	(7,964)	964,192	57,524	(18,983)	(378)	338,237	233,997	(111,673)	68,983	(316,315)	2,216,996
RATE BASE:	120,930,367	48,427,114	124,854	28,450,419	1,257,339	666,137	1,577	12,270,930	6,324,272	8,509,624	1,288,304	4,632,163	8,977,633
RATE OF RETURN	5.30%	6.17%	-6.38%	3.39%	4.58%	-2.85%	-24.00%	2.76%	3.70%	-1.31%	5.35%	-6.83%	24.69%

COST OF SERVICE
RATE OF RETURN BY CUSTOMER CLASS
(Page 2 of 2: PROPOSED RATES)

COMPANY NAME: CITY GAS COMPANY
DOCKET NO. 000768-GU

	TOTAL	RES.	GAS LIGHTING	COMM. INDUST.	LARGE COMM.	INT. PREFERRED	N. G. VEHICLES	SMALL COMM.	COMM.	INT.	CONTRACT INTERR.	INT. LARGE VOL.	CONTRACT INT. LARGE VOL
REVENUES:													
Gas Sales	39,120,679	18,123,609	32,612	8,022,287	315,396	129,328	243	3,339,920	1,515,524	1,762,658	386,214	695,362	4,797,983
Other Operating Revenue	1,332,097	799,258	0	532,839	0	0	0	0	0	0	0	0	0
Total	40,452,776	18,922,867	32,612	8,555,126	315,396	129,328	243	3,339,920	1,515,524	1,762,658	386,214	695,362	4,797,983
EXPENSES:													
Purchased Gas Cost	0	0	0	0	0	0	0	0	0	0	0	0	0
O&M Expenses	18,190,174	10,359,639	27,181	3,635,985	111,281	59,178	425	1,296,344	556,507	743,221	131,786	401,882	866,745
Depreciation Expenses	7,194,024	2,883,417	7,665	1,765,603	78,406	41,542	96	763,589	394,409	530,750	82,375	288,922	357,253
Amortization Expenses	138,308	40,723	113	27,503	1,303	647	1	11,598	6,414	8,507	1,886	4,698	34,915
Taxes Other Than Income--Fixed	2,316,386	926,455	2,462	566,031	25,111	13,305	31	244,674	126,319	169,984	28,011	92,531	121,471
Taxes Other Than Income--Revenue	192,930	91,833	238	41,574	1,671	863	3	17,397	8,346	11,035	1,792	5,833	12,345
Total Exp. excl. Income Taxes	28,031,822	14,302,067	37,660	6,036,695	217,772	115,534	557	2,333,602	1,091,994	1,463,497	245,850	793,866	1,392,729
PRE TAX NOI:	12,420,955	4,620,801	(5,047)	2,518,431	97,623	13,793	(314)	1,006,318	423,529	299,162	140,364	(98,504)	3,405,254
INCOME TAXES:	2,927,948	1,323,693	2,665	673,139	27,159	12,647	25	275,709	133,353	166,743	16,900	78,652	217,281
NET OPERATING INCOME:	9,493,007	3,297,108	(7,712)	1,845,291	70,464	1,146	(339)	730,608	290,176	132,419	123,464	(177,155)	3,187,973
RATE BASE:	120,930,367	48,427,114	124,854	28,450,419	1,257,339	666,137	1,577	12,270,930	6,324,272	8,509,624	1,288,304	4,632,163	8,977,633
RATE OF RETURN	7.85%	6.81%	-6.18%	6.49%	5.60%	0.17%	-21.50%	5.95%	4.59%	1.56%	9.58%	-3.82%	35.51%

COST OF SERVICE SUMMARY
PROPOSED RATE DESIGN

COMPANY NAME: CITY GAS COMPANY
DOCKET NO. 000768-GU

	TOTAL	RES.	GAS LIGHTING	COMMERCIAL INDUSTRIAL	LARGE COMM.	INTERRUPTIBLE PREFERRED	NATURAL GAS VEHICLES	SMALL COMM.	COMM.	INTERR.	CONTRACT INT.	INT. LARGE VOL.	CONTRACT INT. LARGE VOL
PRESENT RATES (projected test year)													
GAS SALES (due to growth)	34,298,231	17,024,643	30,804	6,808,343	287,400	103,025	192	2,788,117	1,387,001	1,434,426	313,297	523,009	3,597,974
OTHER OPERATING REVENUE	1,143,259	685,955	0	457,304	0	0	0	0	0	0	0	0	0
TOTAL	35,441,490	17,710,598	30,804	7,265,647	287,400	103,025	192	2,788,117	1,387,001	1,434,426	313,297	523,009	3,597,974
RATE OF RETURN	5.30%	6.17%	-6.38%	3.39%	4.58%	-2.85%	-24.00%	2.76%	3.70%	-1.31%	5.35%	-6.83%	24.69%
INDEX	1.0	1.16	(1.20)	0.64	0.86	(0.54)	(4.53)	0.52	0.70	(0.25)	1.01	(1.29)	4.66
PROPOSED RATES													
GAS SALES	39,309,544	18,123,609	32,612	8,022,287	315,396	129,328	243	3,339,920	1,515,524	1,762,658	386,214	695,362	4,797,983
OTHER OPERATING REVENUE	1,332,097	799,258	0	532,839	0	0	0	0	0	0	0	0	0
TOTAL	40,641,641	18,922,867	32,612	8,555,126	315,396	129,328	243	3,339,920	1,515,524	1,762,658	386,214	695,362	4,797,983
TOTAL REVENUE INCREASE	5,200,151	1,212,269	1,808	1,289,479	27,996	26,303	51	551,803	128,523	328,232	72,917	172,353	1,200,009
PERCENT INCREASE	14.67%	6.84%	5.87%	17.75%	9.74%	25.53%	26.56%	19.79%	9.27%	22.88%	23.27%	32.95%	33.35%
RATE OF RETURN	7.85%	6.81%	-6.18%	6.49%	5.60%	0.17%	-21.50%	5.95%	4.59%	1.56%	9.58%	-3.82%	35.51%
INDEX	1.00	0.87	-0.79	0.83	0.71	0.02	-2.74	0.76	0.58	0.20	1.22	-0.49	4.52

COST OF SERVICE SUMMARY
CALCULATION OF PROPOSED RATES

COMPANY NAME: CITY GAS COMPANY
DOCKET NO. 000768-GU

	TOTAL	RES.	GAS LIGHTING	COMMERCIAL INDUSTRIAL	LARGE COMM.	INT. PREFERRED	N. G. VEHICLES	SMALL COMM.	COMM.	INT.	CONTRACT INT.	INT. LARGE VOL.	CONTRACT INT. LARGE VOL.
PROPOSED TOTAL TARGET REVENUES	40,452,776	18,922,867	32,612	8,555,126	315,396	129,328	243	3,339,920	1,515,524	1,762,658	386,214	695,362	4,797,983
LESS:OTHER OPERATING REVENUE	1,332,097	799,258	0	532,839	0	0	0	0	0	0	0	0	0
REVENUE TO BE RECOVERED THROUGH BASE RATES	39,120,679	18,123,609	32,612	8,022,287	315,396	129,328	243	3,339,920	1,515,524	1,762,658	386,214	695,362	4,797,983
LESS:CUSTOMER CHARGE REVENUES													
PROPOSED CUSTOMER CHARGES		$7.50	N/A	$20.00	$50.00	$100.00	$15.00	$25.00	$55.00	$175.00	$175.00	$400.00	$400.00
TIMES: NUMBER OF BILLS: SALES	1,214,998	1,148,088	2,976	51,288	120	48	12	11,388	594	300	36	48	100
EQUALS: CUSTOMER CHARGE REVENUES	10,082,770	8,610,660	0	1,025,760	6,000	4,800	180	284,700	32,670	52,500	6,300	19,200	40,000
EQUALS:PER-THERM TARGET REVENUES	29,037,909	9,512,949	32,612	6,996,527	309,396	124,528	63	3,055,220	1,482,854	1,710,158	379,914	676,162	4,757,983
DIVIDED BY: NUMBER OF THERMS	134,693,960	19,392,020	66,480	29,302,370	1,733,600	788,800	360	12,795,660	8,308,700	10,832,700	2,406,500	6,105,300	42,961,470
EQUALS: PER-THERM RATES(UNRNDED)		0.490560	0.490560	0.238770	0.178470	0.157870	0.175000	0.238770	0.178470	0.157870	0.157870	0.110750	0.110750
PER-THERM RATES (RNDED)		**0.49056**	**0.49056**	**0.23877**	**0.17847**	**0.15787**	**0.17500**	**0.23877**	**0.17847**	**0.15787**	**0.15787**	**0.11075**	**0.11075**
PER-THERM-RATE REVENUES(RNDED RATES)	**29,038,366**	9,512,949	32,612	6,996,527	309,396	124,528	63	3,055,220	1,482,854	1,710,158	379,914	676,162	4,757,983
SUMMARY:PROPOSED TARIFF RATES													
CUSTOMER CHARGES		$7.50	N/A	$20.00	$50.00	$100.00	$15.00	$25.00	$55.00	$175.00	$175.00	$400.00	$400.00
ENERGY CHARGES													
NON-GAS (CENTS PER THERM)		49.056	49.056	23.877	17.847	15.787	17.500	23.877	17.847	15.787	15.787	11.075	11.075
PURCHASED GAS ADJUSTMENT		79.093	79.093	79.093	79.093	79.093	79.093	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL (INCLUDING PGA)		128.149	128.149	102.970	96.940	94.880	96.593	23.877	17.847	15.787	15.787	11.075	11.075
SUMMARY:PRESENT TARIFF RATES													
CUSTOMER CHARGES		$7.00	N/A	$17.00	$35.00	$50.00	$12.00	$17.00	$50.00	$175.00	$175.00	$400.00	$400.00
ENERGY CHARGES													
NON-GAS (CENTS PER THERM)		46.349	46.349	20.259	16.336	12.757	14.119	20.259	16.336	12.757	12.757	8.250	8.250
PURCHASED GAS ADJUSTMENT		79.093	79.093	79.093	79.093	79.093	79.093	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL (INCLUDING PGA)		125.442	125.442	99.352	95.429	91.850	93.212	20.259	16.336	12.757	12.757	8.250	8.250

SUMMARY:OTHER OPERATING REVENUE

	PRESENT CHARGE	PRESENT REVENUE	PROPOSED CHARGE	PROPOSED REVENUE
CONNECTION	$20.00-$45.00	$79,235	$30.00-$60.00	$116,190
COLLECTION	$20.00-$45.00	$188,524	$20.00-$45.00	$188,524
RETURNED CHECK CHARGE	$15.00	$91,220	$25.00	$152,033
LATE PAYMENT CHARGES	$25.00	$420,000	$25.00	$420,000
CHANGE OF ACCOUNT	$15.00	$364,280	$20.00	$455,350
TOTAL		$1,143,259		$1,332,097

RECOMMENDED RATES
COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(a)
DOCKET NO. 000768-GU

RATE SCHEDULE	PRESENT RATE	PSC STAFF RECOMMENDED RATE
RESIDENTIAL		
CUSTOMER CHARGE	$7.00	$7.50
ENERGY CHARGE (cents/therm)	46.349	49.056
GAS LIGHTING SERVICE		
CUSTOMER CHARGE	$0.00	$0.00
ENERGY CHARGE (cents/therm)	46.349	49.056
COMMERCIAL & INDUSTRIAL		
CUSTOMER CHARGE	$17.00	$20.00
ENERGY CHARGE (cents/therm)	20.259	23.877
LARGE COMMERCIAL		
CUSTOMER CHARGE	$35.00	$50.00
ENERGY CHARGE (cents/therm)	16.336	17.847
INTERRUPTIBLE - PREFERRED GAS		
CUSTOMER CHARGE	$50.00	$100.00
ENERGY CHARGE (cents/therm)	12.757	15.787
CONTRACT INT. - PREFERRED GAS		
CUSTOMER CHARGE	$50.00	$100.00
ENERGY CHARGE (cents/therm)	12.757	15.787
INT. LARGE VOL. GAS		
CUSTOMER CHARGE	$250.00	$250.00
ENERGY CHARGE (cents/therm)	8.252	11.075
CONTRACT INT. LARGE VOL. GAS		
CUSTOMER CHARGE	$250.00	$250.00
ENERGY CHARGE (cents/therm)	8.252	11.075
NATURAL GAS VEHICLE SALES SERVICE		
CUSTOMER CHARGE	$12.00	$15.00
ENERGY CHARGE (cents/therm)	14.119	17.500
SMALL COMMERCIAL TRANSPORTATION		
CUSTOMER CHARGE	$17.00	$25.00
ENERGY CHARGE (cents/therm)	20.259	23.877
COMMERCIAL TRANSPORTATION		
CUSTOMER CHARGE	$50.00	$55.00
ENERGY CHARGE (cents/therm)	16.336	17.847
INTERRUPTIBLE TRANSPORTATION		
CUSTOMER CHARGE	$175.00	$175.00
ENERGY CHARGE (cents/therm)	12.757	15.787
CONTRACT INTERRUPTIBLE - TRANS.		
CUSTOMER CHARGE	$175.00	$175.00
ENERGY CHARGE (cents/therm)	12.757	15.787
INTERRUPTIBLE LARGE VOL. TRANS.		
CUSTOMER CHARGE	$400.00	$400.00
ENERGY CHARGE (cents/therm)	8.252	11.075
CONTRACT INTERRUPTIBLE - LARGE VOL. TRANS.		
CUSTOMER CHARGE	$400.00	$400.00
ENERGY CHARGE (cents/therm)	8.252	11.075
NATURAL GAS VEHICLE TRANS.		
CUSTOMER CHARGE	$12.00	$15.00
ENERGY CHARGE (cents/therm)	14.119	17.500

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(b)
DOCKET NO. 000768-GU

MISCELLANEOUS CHARGES	PRESENT CHARGES	PSC STAFF RECOMMENDED CHARGES
<u>RESIDENTIAL</u>		
CONNECTION CHARGE	$20.00	$30.00
RECONNECTION CHARGE	$20.00	$30.00
BAD CHECK CHARGE	$15.00 or 5%, whichever is greater	$25.00 or 5%, whichever is greater
CHANGE OF ACCOUNT CHARGE	$15.00	$20.00
<u>NONRESIDENTIAL</u>		
CONNECTION CHARGE	$45.00	$60.00
RECONNECTION CHARGE	$45.00	$60.00

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(c)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: RESIDENTIAL

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge	Customer Charge
$7.00	$7.50
Cents per Therm	Cents per Therm
46.349	49.056

Gas Cost Cents/Therm: 79.093

Therm usage Increment: 10

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
10	$11.63	$19.54	$12.41	$20.31	6.62%	3.94%	$0.77
20	$16.27	$32.09	$17.31	$33.13	6.40%	3.25%	$1.04
30	$20.90	$44.63	$22.22	$45.94	6.28%	2.94%	$1.31
40	$25.54	$57.18	$27.12	$58.76	6.20%	2.77%	$1.58
50	$30.17	$69.72	$32.03	$71.57	6.14%	2.66%	$1.85
60	$34.81	$82.27	$36.93	$84.39	6.10%	2.58%	$2.12
70	$39.44	$94.81	$41.84	$97.20	6.07%	2.53%	$2.39
80	$44.08	$107.35	$46.74	$110.02	6.05%	2.48%	$2.67
90	$48.71	$119.90	$51.65	$122.83	6.03%	2.45%	$2.94
100	$53.35	$132.44	$56.56	$135.65	6.01%	2.42%	$3.21
110	$57.98	$144.99	$61.46	$148.46	6.00%	2.40%	$3.48
120	$62.62	$157.53	$66.37	$161.28	5.99%	2.38%	$3.75
130	$67.25	$170.07	$71.27	$174.09	5.98%	2.36%	$4.02
140	$71.89	$182.62	$76.18	$186.91	5.97%	2.35%	$4.29
150	$76.52	$195.16	$81.08	$199.72	5.96%	2.34%	$4.56
160	$81.16	$207.71	$85.99	$212.54	5.95%	2.33%	$4.83
170	$85.79	$220.25	$90.90	$225.35	5.95%	2.32%	$5.10
180	$90.43	$232.80	$95.80	$238.17	5.94%	2.31%	$5.37
190	$95.06	$245.34	$100.71	$250.98	5.94%	2.30%	$5.64
200	$99.70	$257.88	$105.61	$263.80	5.93%	2.29%	$5.91

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(d)
DOCKET NO. 000768-GU

RATE COMPARISON

DOCKET NO. 000768-GU

RATE SCHEDULE: GAS LIGHTING

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge	Customer Charge
$0.00	$0.00
Cents per Therm	Cents per Therm
46.349	49.056

Gas Cost Cents/Therm: 79.093

Therm usage Increment 10

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
10	$4.63	$12.54	$4.91	$12.81	5.84%	2.16%	$0.27
20	$9.27	$25.09	$9.81	$25.63	5.84%	2.16%	$0.54
30	$13.90	$37.63	$14.72	$38.44	5.84%	2.16%	$0.81
40	$18.54	$50.18	$19.62	$51.26	5.84%	2.16%	$1.08
50	$23.17	$62.72	$24.53	$64.07	5.84%	2.16%	$1.35
60	$27.81	$75.27	$29.43	$76.89	5.84%	2.16%	$1.62
70	$32.44	$87.81	$34.34	$89.70	5.84%	2.16%	$1.89
80	$37.08	$100.35	$39.24	$102.52	5.84%	2.16%	$2.17
90	$41.71	$112.90	$44.15	$115.33	5.84%	2.16%	$2.44
100	$46.35	$125.44	$49.06	$128.15	5.84%	2.16%	$2.71
110	$50.98	$137.99	$53.96	$140.96	5.84%	2.16%	$2.98
120	$55.62	$150.53	$58.87	$153.78	5.84%	2.16%	$3.25
130	$60.25	$163.07	$63.77	$166.59	5.84%	2.16%	$3.52
140	$64.89	$175.62	$68.68	$179.41	5.84%	2.16%	$3.79
150	$69.52	$188.16	$73.58	$192.22	5.84%	2.16%	$4.06
160	$74.16	$200.71	$78.49	$205.04	5.84%	2.16%	$4.33
170	$78.79	$213.25	$83.40	$217.85	5.84%	2.16%	$4.60
180	$83.43	$225.80	$88.30	$230.67	5.84%	2.16%	$4.87
190	$88.06	$238.34	$93.21	$243.48	5.84%	2.16%	$5.14
200	$92.70	$250.88	$98.11	$256.30	5.84%	2.16%	$5.41

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(e)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: COMMERCIAL & INDUSTRIAL

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge	Customer Charge
$17.00	$20.00
Cents per Therm	Cents per Therm
20.259	23.877

Gas Cost Cents/Therm: 79.093

Therm usage Increment 100

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
100	$37.26	$116.35	$43.88	$122.97	17.76%	5.69%	$6.62
200	$57.52	$215.70	$67.75	$225.94	17.80%	4.75%	$10.24
300	$77.78	$315.06	$91.63	$328.91	17.81%	4.40%	$13.85
400	$98.04	$414.41	$115.51	$431.88	17.82%	4.22%	$17.47
500	$118.30	$513.76	$139.39	$534.85	17.83%	4.11%	$21.09
600	$138.55	$613.11	$163.26	$637.82	17.83%	4.03%	$24.71
700	$158.81	$712.46	$187.14	$740.79	17.84%	3.98%	$28.33
800	$179.07	$811.82	$211.02	$843.76	17.84%	3.93%	$31.94
900	$199.33	$911.17	$234.89	$946.73	17.84%	3.90%	$35.56
1000	$219.59	$1,010.52	$258.77	$1,049.70	17.84%	3.88%	$39.18
1100	$239.85	$1,109.87	$282.65	$1,152.67	17.84%	3.86%	$42.80
1200	$260.11	$1,209.22	$306.52	$1,255.64	17.84%	3.84%	$46.42
1300	$280.37	$1,308.58	$330.40	$1,358.61	17.85%	3.82%	$50.03
1400	$300.63	$1,407.93	$354.28	$1,461.58	17.85%	3.81%	$53.65
1500	$320.89	$1,507.28	$378.16	$1,564.55	17.85%	3.80%	$57.27
1600	$341.14	$1,606.63	$402.03	$1,667.52	17.85%	3.79%	$60.89
1700	$361.40	$1,705.98	$425.91	$1,770.49	17.85%	3.78%	$64.51
1800	$381.66	$1,805.34	$449.79	$1,873.46	17.85%	3.77%	$68.12
1900	$401.92	$1,904.69	$473.66	$1,976.43	17.85%	3.77%	$71.74
2000	$422.18	$2,004.04	$497.54	$2,079.40	17.85%	3.76%	$75.36

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(f)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: COMMERCIAL LARGE VOLUME

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge	Customer Charge
$35.00	$50.00
Cents per Therm	Cents per Therm
16.336	17.847

Gas Cost Cents/Therm: 79.093

Therm usage Increment 2,000

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
2,000	$361.72	$1,943.58	$406.94	$1,988.80	12.50%	2.33%	$45.22
4,000	$688.44	$3,852.16	$763.88	$3,927.60	10.96%	1.96%	$75.44
6,000	$1,015.16	$5,760.74	$1,120.82	$5,866.40	10.41%	1.83%	$105.66
8,000	$1,341.88	$7,669.32	$1,477.76	$7,805.20	10.13%	1.77%	$135.88
10,000	$1,668.60	$9,577.90	$1,834.70	$9,744.00	9.95%	1.73%	$166.10
12,000	$1,995.32	$11,486.48	$2,191.64	$11,682.80	9.84%	1.71%	$196.32
14,000	$2,322.04	$13,395.06	$2,548.58	$13,621.60	9.76%	1.69%	$226.54
16,000	$2,648.76	$15,303.64	$2,905.52	$15,560.40	9.69%	1.68%	$256.76
18,000	$2,975.48	$17,212.22	$3,262.46	$17,499.20	9.64%	1.67%	$286.98
20,000	$3,302.20	$19,120.80	$3,619.40	$19,438.00	9.61%	1.66%	$317.20
22,000	$3,628.92	$21,029.38	$3,976.35	$21,376.81	9.57%	1.65%	$347.43
24,000	$3,955.64	$22,937.96	$4,333.29	$23,315.61	9.55%	1.65%	$377.65
26,000	$4,282.36	$24,846.54	$4,690.23	$25,254.41	9.52%	1.64%	$407.87
28,000	$4,609.08	$26,755.12	$5,047.17	$27,193.21	9.50%	1.64%	$438.09
30,000	$4,935.80	$28,663.70	$5,404.11	$29,132.01	9.49%	1.63%	$468.31
32,000	$5,262.52	$30,572.28	$5,761.05	$31,070.81	9.47%	1.63%	$498.53
34,000	$5,589.24	$32,480.86	$6,117.99	$33,009.61	9.46%	1.63%	$528.75
36,000	$5,915.96	$34,389.44	$6,474.93	$34,948.41	9.45%	1.63%	$558.97
38,000	$6,242.68	$36,298.02	$6,831.87	$36,887.21	9.44%	1.62%	$589.19
40,000	$6,569.40	$38,206.60	$7,188.81	$38,826.01	9.43%	1.62%	$619.41

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(g)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: INTERRUPTIBLE PREFERRED

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge	Customer Charge
$50.00	$100.00
Cents per Therm	Cents per Therm
12.757	15.787

Gas Cost Cents/Therm: 79.093

Therm usage Increment 2,200

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
2,200	$330.65	$2,070.70	$447.31	$2,187.36	35.28%	5.63%	$116.66
4,400	$611.31	$4,091.40	$794.63	$4,274.72	29.99%	4.48%	$183.32
6,600	$891.96	$6,112.10	$1,141.94	$6,362.08	28.03%	4.09%	$249.98
8,800	$1,172.62	$8,132.80	$1,489.26	$8,449.44	27.00%	3.89%	$316.64
11,000	$1,453.27	$10,153.50	$1,836.57	$10,536.80	26.38%	3.78%	$383.30
13,200	$1,733.92	$12,174.20	$2,183.89	$12,624.16	25.95%	3.70%	$449.96
15,400	$2,014.58	$14,194.90	$2,531.20	$14,711.52	25.64%	3.64%	$516.62
17,600	$2,295.23	$16,215.60	$2,878.52	$16,798.88	25.41%	3.60%	$583.28
19,800	$2,575.89	$18,236.30	$3,225.83	$18,886.24	25.23%	3.56%	$649.94
22,000	$2,856.54	$20,257.00	$3,573.14	$20,973.60	25.09%	3.54%	$716.60
24,200	$3,137.19	$22,277.70	$3,920.46	$23,060.96	24.97%	3.52%	$783.26
26,400	$3,417.85	$24,298.40	$4,267.77	$25,148.32	24.87%	3.50%	$849.92
28,600	$3,698.50	$26,319.10	$4,615.09	$27,235.69	24.78%	3.48%	$916.59
30,800	$3,979.16	$28,339.80	$4,962.40	$29,323.05	24.71%	3.47%	$983.25
33,000	$4,259.81	$30,360.50	$5,309.72	$31,410.41	24.65%	3.46%	$1,049.91
35,200	$4,540.46	$32,381.20	$5,657.03	$33,497.77	24.59%	3.45%	$1,116.57
37,400	$4,821.12	$34,401.90	$6,004.34	$35,585.13	24.54%	3.44%	$1,183.23
39,600	$5,101.77	$36,422.60	$6,351.66	$37,672.49	24.50%	3.43%	$1,249.89
41,800	$5,382.43	$38,443.30	$6,698.97	$39,759.85	24.46%	3.42%	$1,316.55
44,000	$5,663.08	$40,464.00	$7,046.29	$41,847.21	24.43%	3.42%	$1,383.21

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(h)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: CONTRACT INTERRUPTIBLE PREFERRED

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge	Customer Charge
$50.00	$100.00
Cents per Therm	Cents per Therm
12.757	15.787

Gas Cost Cents/Therm: 79.093

Therm usage Increment 2,200

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
2,200	$330.65	$2,070.70	$447.31	$2,187.36	35.28%	5.63%	$116.66
4,400	$611.31	$4,091.40	$794.63	$4,274.72	29.99%	4.48%	$183.32
6,600	$891.96	$6,112.10	$1,141.94	$6,362.08	28.03%	4.09%	$249.98
8,800	$1,172.62	$8,132.80	$1,489.26	$8,449.44	27.00%	3.89%	$316.64
11,000	$1,453.27	$10,153.50	$1,836.57	$10,536.80	26.38%	3.78%	$383.30
13,200	$1,733.92	$12,174.20	$2,183.89	$12,624.16	25.95%	3.70%	$449.96
15,400	$2,014.58	$14,194.90	$2,531.20	$14,711.52	25.64%	3.64%	$516.62
17,600	$2,295.23	$16,215.60	$2,878.52	$16,798.88	25.41%	3.60%	$583.28
19,800	$2,575.89	$18,236.30	$3,225.83	$18,886.24	25.23%	3.56%	$649.94
22,000	$2,856.54	$20,257.00	$3,573.14	$20,973.60	25.09%	3.54%	$716.60
24,200	$3,137.19	$22,277.70	$3,920.46	$23,060.96	24.97%	3.52%	$783.26
26,400	$3,417.85	$24,298.40	$4,267.77	$25,148.32	24.87%	3.50%	$849.92
28,600	$3,698.50	$26,319.10	$4,615.09	$27,235.69	24.78%	3.48%	$916.59
30,800	$3,979.16	$28,339.80	$4,962.40	$29,323.05	24.71%	3.47%	$983.25
33,000	$4,259.81	$30,360.50	$5,309.72	$31,410.41	24.65%	3.46%	$1,049.91
35,200	$4,540.46	$32,381.20	$5,657.03	$33,497.77	24.59%	3.45%	$1,116.57
37,400	$4,821.12	$34,401.90	$6,004.34	$35,585.13	24.54%	3.44%	$1,183.23
39,600	$5,101.77	$36,422.60	$6,351.66	$37,672.49	24.50%	3.43%	$1,249.89
41,800	$5,382.43	$38,443.30	$6,698.97	$39,759.85	24.46%	3.42%	$1,316.55
44,000	$5,663.08	$40,464.00	$7,046.29	$41,847.21	24.43%	3.42%	$1,383.21

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(i)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: INTERRUPTIBLE LARGE VOLUME GAS SERVICE

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge $250.00	Customer Charge $250.00
Cents per Therm 8.252	Cents per Therm 11.075

Gas Cost Cents/Therm: 79.093

Therm usage Increment: 17,300

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
17,300	$1,677.60	$15,360.69	$2,165.98	$15,849.06	29.11%	3.18%	$488.38
34,600	$3,105.19	$30,471.37	$4,081.95	$31,448.13	31.46%	3.21%	$976.76
51,900	$4,532.79	$45,582.06	$5,997.93	$47,047.19	32.32%	3.21%	$1,465.14
69,200	$5,960.38	$60,692.74	$7,913.90	$62,646.26	32.78%	3.22%	$1,953.52
86,500	$7,387.98	$75,803.43	$9,829.88	$78,245.32	33.05%	3.22%	$2,441.90
103,800	$8,815.58	$90,914.11	$11,745.85	$93,844.38	33.24%	3.22%	$2,930.27
121,100	$10,243.17	$106,024.80	$13,661.83	$109,443.45	33.37%	3.22%	$3,418.65
138,400	$11,670.77	$121,135.48	$15,577.80	$125,042.51	33.48%	3.23%	$3,907.03
155,700	$13,098.36	$136,246.17	$17,493.78	$140,641.58	33.56%	3.23%	$4,395.41
173,000	$14,525.96	$151,356.85	$19,409.75	$156,240.64	33.62%	3.23%	$4,883.79
190,300	$15,953.56	$166,467.54	$21,325.73	$171,839.70	33.67%	3.23%	$5,372.17
207,600	$17,381.15	$181,578.22	$23,241.70	$187,438.77	33.72%	3.23%	$5,860.55
224,900	$18,808.75	$196,688.91	$25,157.68	$203,037.83	33.76%	3.23%	$6,348.93
242,200	$20,236.34	$211,799.59	$27,073.65	$218,636.90	33.79%	3.23%	$6,837.31
259,500	$21,663.94	$226,910.28	$28,989.63	$234,235.96	33.82%	3.23%	$7,325.69
276,800	$23,091.54	$242,020.96	$30,905.60	$249,835.03	33.84%	3.23%	$7,814.07
294,100	$24,519.13	$257,131.65	$32,821.58	$265,434.09	33.86%	3.23%	$8,302.44
311,400	$25,946.73	$272,242.33	$34,737.55	$281,033.15	33.88%	3.23%	$8,790.82
328,700	$27,374.32	$287,353.02	$36,653.53	$296,632.22	33.90%	3.23%	$9,279.20
346,000	$28,801.92	$302,463.70	$38,569.50	$312,231.28	33.91%	3.23%	$9,767.58

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(j)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: CONTRACT INTERRUPTIBLE LARGE VOLUME GAS SERVICE

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge $250.00	Customer Charge $250.00
Cents per Therm 8.252	Cents per Therm 11.075

Gas Cost Cents/Therm: 79.093

Therm usage Increment: 17,300

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
17,300	$1,677.60	$15,360.69	$2,165.98	$15,849.06	29.11%	3.18%	$488.38
34,600	$3,105.19	$30,471.37	$4,081.95	$31,448.13	31.46%	3.21%	$976.76
51,900	$4,532.79	$45,582.06	$5,997.93	$47,047.19	32.32%	3.21%	$1,465.14
69,200	$5,960.38	$60,692.74	$7,913.90	$62,646.26	32.78%	3.22%	$1,953.52
86,500	$7,387.98	$75,803.43	$9,829.88	$78,245.32	33.05%	3.22%	$2,441.90
103,800	$8,815.58	$90,914.11	$11,745.85	$93,844.38	33.24%	3.22%	$2,930.27
121,100	$10,243.17	$106,024.80	$13,661.83	$109,443.45	33.37%	3.22%	$3,418.65
138,400	$11,670.77	$121,135.48	$15,577.80	$125,042.51	33.48%	3.23%	$3,907.03
155,700	$13,098.36	$136,246.17	$17,493.78	$140,641.58	33.56%	3.23%	$4,395.41
173,000	$14,525.96	$151,356.85	$19,409.75	$156,240.64	33.62%	3.23%	$4,883.79
190,300	$15,953.56	$166,467.54	$21,325.73	$171,839.70	33.67%	3.23%	$5,372.17
207,600	$17,381.15	$181,578.22	$23,241.70	$187,438.77	33.72%	3.23%	$5,860.55
224,900	$18,808.75	$196,688.91	$25,157.68	$203,037.83	33.76%	3.23%	$6,348.93
242,200	$20,236.34	$211,799.59	$27,073.65	$218,636.90	33.79%	3.23%	$6,837.31
259,500	$21,663.94	$226,910.28	$28,989.63	$234,235.96	33.82%	3.23%	$7,325.69
276,800	$23,091.54	$242,020.96	$30,905.60	$249,835.03	33.84%	3.23%	$7,814.07
294,100	$24,519.13	$257,131.65	$32,821.58	$265,434.09	33.86%	3.23%	$8,302.44
311,400	$25,946.73	$272,242.33	$34,737.55	$281,033.15	33.88%	3.23%	$8,790.82
328,700	$27,374.32	$287,353.02	$36,653.53	$296,632.22	33.90%	3.23%	$9,279.20
346,000	$28,801.92	$302,463.70	$38,569.50	$312,231.28	33.91%	3.23%	$9,767.58

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(k)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: NATURAL GAS VEHICLE SALES

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge	Customer Charge
$12.00	$15.00
Cents per Therm	Cents per Therm
14.119	17.500

Gas Cost Cents/Therm: 79.093

Therm usage Increment 10

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
10	$13.41	$21.32	$16.75	$24.66	24.89%	15.66%	$3.34
20	$14.82	$30.64	$18.50	$34.32	24.80%	12.00%	$3.68
30	$16.24	$39.96	$20.25	$43.98	24.73%	10.04%	$4.01
40	$17.65	$49.28	$22.00	$53.64	24.66%	8.83%	$4.35
50	$19.06	$58.61	$23.75	$63.30	24.61%	8.00%	$4.69
60	$20.47	$67.93	$25.50	$72.96	24.56%	7.40%	$5.03
70	$21.88	$77.25	$27.25	$82.62	24.52%	6.95%	$5.37
80	$23.30	$86.57	$29.00	$92.27	24.49%	6.59%	$5.70
90	$24.71	$95.89	$30.75	$101.93	24.46%	6.30%	$6.04
100	$26.12	$105.21	$32.50	$111.59	24.43%	6.06%	$6.38
110	$27.53	$114.53	$34.25	$121.25	24.41%	5.87%	$6.72
120	$28.94	$123.85	$36.00	$130.91	24.38%	5.70%	$7.06
130	$30.35	$133.18	$37.75	$140.57	24.36%	5.55%	$7.40
140	$31.77	$142.50	$39.50	$150.23	24.34%	5.43%	$7.73
150	$33.18	$151.82	$41.25	$159.89	24.33%	5.32%	$8.07
160	$34.59	$161.14	$43.00	$169.55	24.31%	5.22%	$8.41
170	$36.00	$170.46	$44.75	$179.21	24.30%	5.13%	$8.75
180	$37.41	$179.78	$46.50	$188.87	24.28%	5.05%	$9.09
190	$38.83	$189.10	$48.25	$198.53	24.27%	4.98%	$9.42
200	$40.24	$198.42	$50.00	$208.19	24.26%	4.92%	$9.76

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(I)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: SMALL COMMERCIAL TRANSPORTATION

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge	Customer Charge
$17.00	$25.00
Cents per Therm	Cents per Therm
20.259	23.877

Gas Cost Cents/Therm: n/a

Therm usage Increment 200

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
200	$57.52	n/a	$72.75	n/a	26.49%	n/a	$15.24
400	$98.04	n/a	$120.51	n/a	22.92%	n/a	$22.47
600	$138.55	n/a	$168.26	n/a	21.44%	n/a	$29.71
800	$179.07	n/a	$216.02	n/a	20.63%	n/a	$36.94
1,000	$219.59	n/a	$263.77	n/a	20.12%	n/a	$44.18
1,200	$260.11	n/a	$311.52	n/a	19.77%	n/a	$51.42
1,400	$300.63	n/a	$359.28	n/a	19.51%	n/a	$58.65
1,600	$341.14	n/a	$407.03	n/a	19.31%	n/a	$65.89
1,800	$381.66	n/a	$454.79	n/a	19.16%	n/a	$73.12
2,000	$422.18	n/a	$502.54	n/a	19.03%	n/a	$80.36
2,200	$462.70	n/a	$550.29	n/a	18.93%	n/a	$87.60
2,400	$503.22	n/a	$598.05	n/a	18.85%	n/a	$94.83
2,600	$543.73	n/a	$645.80	n/a	18.77%	n/a	$102.07
2,800	$584.25	n/a	$693.56	n/a	18.71%	n/a	$109.30
3,000	$624.77	n/a	$741.31	n/a	18.65%	n/a	$116.54
3,200	$665.29	n/a	$789.06	n/a	18.60%	n/a	$123.78
3,400	$705.81	n/a	$836.82	n/a	18.56%	n/a	$131.01
3,600	$746.32	n/a	$884.57	n/a	18.52%	n/a	$138.25
3,800	$786.84	n/a	$932.33	n/a	18.49%	n/a	$145.48
4,000	$827.36	n/a	$980.08	n/a	18.46%	n/a	$152.72

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(m)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: COMMERCIAL TRANSPORTATION

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge $50.00	Customer Charge $55.00
Cents per Therm 16.336	Cents per Therm 17.847

Gas Cost Cents/Therm: n/a

Therm usage Increment 1,900

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
1,900	$360.38	n/a	$394.09	n/a	9.35%	n/a	$33.71
3,800	$670.77	n/a	$733.19	n/a	9.31%	n/a	$62.42
5,700	$981.15	n/a	$1,072.28	n/a	9.29%	n/a	$91.13
7,600	$1,291.54	n/a	$1,411.37	n/a	9.28%	n/a	$119.84
9,500	$1,601.92	n/a	$1,750.47	n/a	9.27%	n/a	$148.55
11,400	$1,912.30	n/a	$2,089.56	n/a	9.27%	n/a	$177.25
13,300	$2,222.69	n/a	$2,428.65	n/a	9.27%	n/a	$205.96
15,200	$2,533.07	n/a	$2,767.74	n/a	9.26%	n/a	$234.67
17,100	$2,843.46	n/a	$3,106.84	n/a	9.26%	n/a	$263.38
19,000	$3,153.84	n/a	$3,445.93	n/a	9.26%	n/a	$292.09
20,900	$3,464.22	n/a	$3,785.02	n/a	9.26%	n/a	$320.80
22,800	$3,774.61	n/a	$4,124.12	n/a	9.26%	n/a	$349.51
24,700	$4,084.99	n/a	$4,463.21	n/a	9.26%	n/a	$378.22
26,600	$4,395.38	n/a	$4,802.30	n/a	9.26%	n/a	$406.93
28,500	$4,705.76	n/a	$5,141.40	n/a	9.26%	n/a	$435.64
30,400	$5,016.14	n/a	$5,480.49	n/a	9.26%	n/a	$464.35
32,300	$5,326.53	n/a	$5,819.58	n/a	9.26%	n/a	$493.05
34,200	$5,636.91	n/a	$6,158.68	n/a	9.26%	n/a	$521.76
36,100	$5,947.30	n/a	$6,497.77	n/a	9.26%	n/a	$550.47
38,000	$6,257.68	n/a	$6,836.86	n/a	9.26%	n/a	$579.18

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(n)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: INTERRUPTIBLE TRANSPORTATION

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge $175.00	Customer Charge $175.00
Cents per Therm 12.757	Cents per Therm 15.787
Gas Cost Cents/Therm: n/a	Therm usage Increment 4,900

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
4,900	$800.09	n/a	$948.56	n/a	18.56%	n/a	$148.47
9,800	$1,425.19	n/a	$1,722.13	n/a	20.84%	n/a	$296.94
14,700	$2,050.28	n/a	$2,495.69	n/a	21.72%	n/a	$445.41
19,600	$2,675.37	n/a	$3,269.25	n/a	22.20%	n/a	$593.88
24,500	$3,300.47	n/a	$4,042.81	n/a	22.49%	n/a	$742.35
29,400	$3,925.56	n/a	$4,816.38	n/a	22.69%	n/a	$890.82
34,300	$4,550.65	n/a	$5,589.94	n/a	22.84%	n/a	$1,039.29
39,200	$5,175.74	n/a	$6,363.50	n/a	22.95%	n/a	$1,187.76
44,100	$5,800.84	n/a	$7,137.07	n/a	23.04%	n/a	$1,336.23
49,000	$6,425.93	n/a	$7,910.63	n/a	23.10%	n/a	$1,484.70
53,900	$7,051.02	n/a	$8,684.19	n/a	23.16%	n/a	$1,633.17
58,800	$7,676.12	n/a	$9,457.75	n/a	23.21%	n/a	$1,781.64
63,700	$8,301.21	n/a	$10,231.32	n/a	23.25%	n/a	$1,930.11
68,600	$8,926.30	n/a	$11,004.88	n/a	23.29%	n/a	$2,078.58
73,500	$9,551.40	n/a	$11,778.44	n/a	23.32%	n/a	$2,227.05
78,400	$10,176.49	n/a	$12,552.01	n/a	23.34%	n/a	$2,375.52
83,300	$10,801.58	n/a	$13,325.57	n/a	23.37%	n/a	$2,523.99
88,200	$11,426.67	n/a	$14,099.13	n/a	23.39%	n/a	$2,672.46
93,100	$12,051.77	n/a	$14,872.69	n/a	23.41%	n/a	$2,820.93
98,000	$12,676.86	n/a	$15,646.26	n/a	23.42%	n/a	$2,969.40

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(o)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: CONTRACT INTERRUPTIBLE TRANSPORTATION

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge $175.00	Customer Charge $175.00
Cents per Therm 12.757	Cents per Therm 15.787
Gas Cost Cents/Therm: n/a	Therm usage Increment 9,100

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
9,100	$1,335.89	n/a	$1,611.62	n/a	20.64%	n/a	$275.73
18,200	$2,496.77	n/a	$3,048.23	n/a	22.09%	n/a	$551.46
27,300	$3,657.66	n/a	$4,484.85	n/a	22.62%	n/a	$827.19
36,400	$4,818.55	n/a	$5,921.47	n/a	22.89%	n/a	$1,102.92
45,500	$5,979.44	n/a	$7,358.08	n/a	23.06%	n/a	$1,378.65
54,600	$7,140.32	n/a	$8,794.70	n/a	23.17%	n/a	$1,654.38
63,700	$8,301.21	n/a	$10,231.31	n/a	23.25%	n/a	$1,930.11
72,800	$9,462.10	n/a	$11,667.93	n/a	23.31%	n/a	$2,205.84
81,900	$10,622.98	n/a	$13,104.55	n/a	23.36%	n/a	$2,481.56
91,000	$11,783.87	n/a	$14,541.16	n/a	23.40%	n/a	$2,757.29
100,100	$12,944.76	n/a	$15,977.78	n/a	23.43%	n/a	$3,033.02
109,200	$14,105.64	n/a	$17,414.40	n/a	23.46%	n/a	$3,308.75
118,300	$15,266.53	n/a	$18,851.01	n/a	23.48%	n/a	$3,584.48
127,400	$16,427.42	n/a	$20,287.63	n/a	23.50%	n/a	$3,860.21
136,500	$17,588.31	n/a	$21,724.25	n/a	23.52%	n/a	$4,135.94
145,600	$18,749.19	n/a	$23,160.86	n/a	23.53%	n/a	$4,411.67
154,700	$19,910.08	n/a	$24,597.48	n/a	23.54%	n/a	$4,687.40
163,800	$21,070.97	n/a	$26,034.10	n/a	23.55%	n/a	$4,963.13
172,900	$22,231.85	n/a	$27,470.71	n/a	23.56%	n/a	$5,238.86
182,000	$23,392.74	n/a	$28,907.33	n/a	23.57%	n/a	$5,514.59

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(p)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: INTERRUPTIBLE LARGE VOLUME TRANSPORTATION

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge	Customer Charge
$400.00	$400.00
Cents per Therm	Cents per Therm
8.252	11.075

Gas Cost Cents/Therm: n/a

Therm usage Increment 17,300

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
17,300	$1,827.60	n/a	$2,315.98	n/a	26.72%	n/a	$488.38
34,600	$3,255.19	n/a	$4,231.95	n/a	30.01%	n/a	$976.76
51,900	$4,682.79	n/a	$6,147.93	n/a	31.29%	n/a	$1,465.14
69,200	$6,110.38	n/a	$8,063.90	n/a	31.97%	n/a	$1,953.52
86,500	$7,537.98	n/a	$9,979.88	n/a	32.39%	n/a	$2,441.90
103,800	$8,965.58	n/a	$11,895.85	n/a	32.68%	n/a	$2,930.27
121,100	$10,393.17	n/a	$13,811.83	n/a	32.89%	n/a	$3,418.65
138,400	$11,820.77	n/a	$15,727.80	n/a	33.05%	n/a	$3,907.03
155,700	$13,248.36	n/a	$17,643.78	n/a	33.18%	n/a	$4,395.41
173,000	$14,675.96	n/a	$19,559.75	n/a	33.28%	n/a	$4,883.79
190,300	$16,103.56	n/a	$21,475.73	n/a	33.36%	n/a	$5,372.17
207,600	$17,531.15	n/a	$23,391.70	n/a	33.43%	n/a	$5,860.55
224,900	$18,958.75	n/a	$25,307.68	n/a	33.49%	n/a	$6,348.93
242,200	$20,386.34	n/a	$27,223.65	n/a	33.54%	n/a	$6,837.31
259,500	$21,813.94	n/a	$29,139.63	n/a	33.58%	n/a	$7,325.69
276,800	$23,241.54	n/a	$31,055.60	n/a	33.62%	n/a	$7,814.07
294,100	$24,669.13	n/a	$32,971.58	n/a	33.66%	n/a	$8,302.44
311,400	$26,096.73	n/a	$34,887.55	n/a	33.69%	n/a	$8,790.82
328,700	$27,524.32	n/a	$36,803.53	n/a	33.71%	n/a	$9,279.20
346,000	$28,951.92	n/a	$38,719.50	n/a	33.74%	n/a	$9,767.58

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(q)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: CONTRACT INTERRUPTIBLE LARGE VOLUME TRANSPORTATION

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge	Customer Charge
$400.00	$400.00
Cents per Therm	Cents per Therm
8.252	11.075

Gas Cost Cents/Therm: n/a

Therm usage Increment 29,000

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
29,000	$2,793.08	n/a	$3,611.75	n/a	29.31%	n/a	$818.67
58,000	$5,186.16	n/a	$6,823.50	n/a	31.57%	n/a	$1,637.34
87,000	$7,579.24	n/a	$10,035.25	n/a	32.40%	n/a	$2,456.01
116,000	$9,972.32	n/a	$13,247.00	n/a	32.84%	n/a	$3,274.68
145,000	$12,365.40	n/a	$16,458.75	n/a	33.10%	n/a	$4,093.35
174,000	$14,758.48	n/a	$19,670.50	n/a	33.28%	n/a	$4,912.02
203,000	$17,151.56	n/a	$22,882.25	n/a	33.41%	n/a	$5,730.69
232,000	$19,544.64	n/a	$26,094.00	n/a	33.51%	n/a	$6,549.36
261,000	$21,937.72	n/a	$29,305.75	n/a	33.59%	n/a	$7,368.03
290,000	$24,330.80	n/a	$32,517.50	n/a	33.65%	n/a	$8,186.70
319,000	$26,723.88	n/a	$35,729.25	n/a	33.70%	n/a	$9,005.37
348,000	$29,116.96	n/a	$38,941.00	n/a	33.74%	n/a	$9,824.04
377,000	$31,510.04	n/a	$42,152.75	n/a	33.78%	n/a	$10,642.71
406,000	$33,903.12	n/a	$45,364.50	n/a	33.81%	n/a	$11,461.38
435,000	$36,296.20	n/a	$48,576.25	n/a	33.83%	n/a	$12,280.05
464,000	$38,689.28	n/a	$51,788.00	n/a	33.86%	n/a	$13,098.72
493,000	$41,082.36	n/a	$54,999.75	n/a	33.88%	n/a	$13,917.39
522,000	$43,475.44	n/a	$58,211.50	n/a	33.90%	n/a	$14,736.06
551,000	$45,868.52	n/a	$61,423.25	n/a	33.91%	n/a	$15,554.73
580,000	$48,261.60	n/a	$64,635.00	n/a	33.93%	n/a	$16,373.40

COMPANY: CITY GAS COMPANY OF FLORIDA

ATTACHMENT : 7(r)
DOCKET NO. 000768-GU

RATE COMPARISON

RATE SCHEDULE: NATURAL GAS VEHICLE TRANSPORTATION

PRESENT RATES	PSC STAFF RECOMMENDED RATES
Customer Charge $12.00	Customer Charge $15.00
Cents per Therm 14.119	Cents per Therm 17.500

Gas Cost Cents/Therm: n/a

Therm usage Increment: 10

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
10	$13.41	n/a	$16.75	n/a	24.89%	n/a	$3.34
20	$14.82	n/a	$18.50	n/a	24.80%	n/a	$3.68
30	$16.24	n/a	$20.25	n/a	24.73%	n/a	$4.01
40	$17.65	n/a	$22.00	n/a	24.66%	n/a	$4.35
50	$19.06	n/a	$23.75	n/a	24.61%	n/a	$4.69
60	$20.47	n/a	$25.50	n/a	24.56%	n/a	$5.03
70	$21.88	n/a	$27.25	n/a	24.52%	n/a	$5.37
80	$23.30	n/a	$29.00	n/a	24.49%	n/a	$5.70
90	$24.71	n/a	$30.75	n/a	24.46%	n/a	$6.04
100	$26.12	n/a	$32.50	n/a	24.43%	n/a	$6.38
110	$27.53	n/a	$34.25	n/a	24.41%	n/a	$6.72
120	$28.94	n/a	$36.00	n/a	24.38%	n/a	$7.06
130	$30.35	n/a	$37.75	n/a	24.36%	n/a	$7.40
140	$31.77	n/a	$39.50	n/a	24.34%	n/a	$7.73
150	$33.18	n/a	$41.25	n/a	24.33%	n/a	$8.07
160	$34.59	n/a	$43.00	n/a	24.31%	n/a	$8.41
170	$36.00	n/a	$44.75	n/a	24.30%	n/a	$8.75
180	$37.41	n/a	$46.50	n/a	24.28%	n/a	$9.09
190	$38.83	n/a	$48.25	n/a	24.27%	n/a	$9.42
200	$40.24	n/a	$50.00	n/a	24.26%	n/a	$9.76