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September 27, 2002

BY HAND DELIVERY

Blanca Bayó
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket 020003-GU

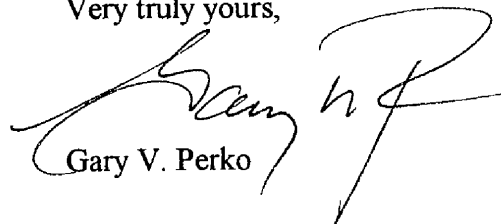
Dear Ms. Bayó:

Enclosed herewith for filing in the above referenced docket on behalf of NUI City Gas of Florida (City Gas) are the original and fifteen copies of City Gas' Petition for Approval of PGA Factor to be Applied for Service Rendered During the Period January 2003 Through December 2003 and attached testimony of Thomas Kaufmann.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning it to me. If you have any questions concerning this filing, please contact Thomas Kaufmann at (908) 470-4772.

Thank you for your assistance in connection with this matter.

Very truly yours,


Gary V. Perko

GVP/jlm
Enclosures
cc: Certificate of Service

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T. Kaufman
Testimony
DOCUMENT NUMBER DATE
10366 SEP 27 02
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FPSC-BUREAU OF RECORDS
Petition
DOCUMENT NUMBER DATE
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
PREPARED DIRECT TESTIMONY OF
THOMAS KAUFMANN
ON BEHALF OF CITY GAS COMPANY OF FLORIDA
DOCKET NO. 010003-GU
September 27, 2002

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Thomas Kaufmann. My business address is 550 Route 202-206, Bedminster New Jersey 07921.

Q. BY WHOM ARE YOU EMPLOYED, AND IN WHAT CAPACITY.

A. I am currently employed as a Manager of Rates and Tariffs for NUI Corporation ("NUI"), and have responsibilities with NUI Utilities, Inc., d/b/a City Gas Company of Florida ("City Gas")

Q. PLEASE DESCRIBE YOUR PROFESSIONAL QUALIFICATIONS AND BUSINESS EXPERIENCE.

A. My professional responsibilities have encompassed financial analysis, accounting, planning, and pricing in manufacturing and energy services companies in both regulated and deregulated industries. In 1977, I was employed by Allied Chemical Corp. as a staff accountant. In 1980, I was employed by Celanese Corp. as a financial analyst. In 1981, I was employed by Suburban Propane as a Strategic Planning Analyst, promoted to Manager of Rates and

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1 Pricing in 1986 and to Director of Acquisitions and Business
2 Analysis in 1990. In 1993, I was employed by Concurrent Computer
3 as a Manager, Pricing Administration. In 1996 I joined NUI as a
4 Rate Analyst, was promoted to Manager of Regulatory Support in
5 August, 1997 and Manager of Regulatory Affairs in February, 1998,
6 and named Manager of Rates and Tariffs in July 1998.

7 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

8 A. In June 1977, I graduated from Rutgers University, Newark, N.J.,
9 with a Bachelor of Arts degree in Business Administration, majoring
10 in accounting and economics. In July 1979, I graduated from
11 Fairleigh Dickinson University, Madison, N.J., with a Masters of
12 Business Administration, majoring in finance.

13 **Q. MR. KAUFMANN, WHAT IS THE PURPOSE OF YOUR**
14 **TESTIMONY?**

15 A. The purpose of my testimony is to present the revised estimate of
16 the Company's projection of gas costs for the period September
17 2002 through December 2002 and the Company's projection of gas
18 costs for the period January 2003 through December 2003. In
19 addition I will present the development of the maximum rate to be
20 charged to customers for the period January 2003 through
21 December 2003.

22 **Q. HAS THE COMPANY PREPARED THE FORMS AS PRESCRIBED**
23 **BY THE COMMISSION FOR THIS PURPOSE?**

1 A. Yes. The forms prescribed by the Commission are being filed at
2 this time. Copies are attached to my testimony.

3 **Q. CAN YOU EXPLAIN THE PROJECTION METHODOLOGY?**

4 A. Yes. Under this methodology, which was adopted by Order No.
5 PSC-93-0708-FOF-GU of this Commission on May 10, 1993 and
6 modified in Docket No. 980269-PU on June 10, 1998, gas
7 companies are to project their gas costs each twelve months for the
8 ensuing twelve month period ending in December. A per therm rate
9 is developed for the weighted average cost of gas (WACOG). This
10 rate, based on the average of the winter and summer seasons,
11 would lead to over or under-recoveries of gas costs in the two
12 seasons. This problem is mitigated by establishing a maximum
13 levelized purchased gas factor based on the Company's expected
14 winter cost of gas, thereby eliminating a large under-recovery in
15 that season. The Company is then able to flex downward in the
16 summer in order to match market conditions and eliminate the
17 potential for a large over-recovery for the remainder of the period.

18 **Q. WHAT IF THE ACTUAL COST EXCEEDS THE MAXIMUM RATE**
19 **AS PROJECTED?**

20 A. If re-projected gas costs for the remaining period exceed projected
21 recoveries by at least 10% for the twelve month period, a mid-
22 course correction may formally be requested by the Company.

1 **Q. WHAT HAPPENS TO THE DIFFERENCES THAT RESULT FROM**
2 **MISESTIMATES, THAT IS, THE MISMATCHES BETWEEN**
3 **ESTIMATED AND ACTUAL COSTS?**

4 A. The forms take this into consideration. Form E-2 calculates the
5 projected differences using estimated figures, and form E-4
6 calculates the final true-up using actual figures. These differences
7 are flowed back to customers through the true-up factor included in
8 gas costs billed in the subsequent twelve month period.

9 **Q. ARE ANY FLORIDA GAS TRANSMSSION (FGT) RATE**
10 **CHANGES PROPOSED WHICH ARE REFLECTED IN THIS**
11 **FILING?**

12 A. No, the rates in this filing reflect those currently charges by FGT.

13 **Q. DOES THE COMPANY ANTICIPATE ANY CHANGES TO THE**
14 **CAPACITY PORTFOLIO IN THE COMING YEAR?**

15 A. No.

16 **Q. CAN YOU SUMMARIZE THE CONTENTS OF THE SCHEDULES**
17 **SUBMITTED AS PART OF THIS FILING?**

18 A. Yes. For the projected period, January 2003 through December
19 2003, we estimate the gas purchases for resale will be 33,170,077
20 therms at a total cost of \$25,263,982 with a resulting WACOG of
21 74.265 cents per therm (before the application of the true-up factor
22 and the regulatory assessment fee). The difference between the
23 estimated actual and actual true-up for the prior period, January

1 2001 through December 2001, is an over-recovery of \$1,370,047.
 2 The projected true-up for the current period, January 2002 through
 3 December 2002 is an under-recovery of \$739,924. The total true-up
 4 as shown on Schedule E-4 is an over-recovery of \$630,123 for a
 5 true-up factor of (\$1.900) cents per therm that would be applied
 6 during the projected period. This true-up factor decreases the gas
 7 cost factor during the projected period to 74.265 cents per therm
 8 (before the regulatory assessment fee). With the regulatory
 9 assessment fee added, the PGA factor is 74.639 cents per therm
 10 based on the average of the winter and summer seasons. City Gas,
 11 however, has chosen to establish a maximum levelized purchased
 12 gas factor based on the Company's expected winter cost of gas as
 13 follows:

	<u>Winter Average</u>
15 Total Cost (Line 11)	\$14,598,167
16 Total Therm Sales (Line 27)	18,037,767
17 (Line 11/ Line 27)	\$0.80931
18 True-up	(\$0.01900)
19 Before Regulatory Assessment	\$0.79031
20 Revenue Tax Factor	1.00503
21 Purchased Gas Factor	\$0.79429

22 As shown above, the maximum levelized purchased gas factor
 23 based on the Company's expected winter cost of gas is 79.031

1 cents per therm before the regulatory assessment fee and 79.429
2 cents per therm after the regulatory assessment fee. This is the
3 maximum gas cost factor that City Gas may charge its customers for
4 the period January 2003 through December 2003.

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

6 **A. Yes, it does.**

E1 Winter

COMPANY: NUI CITY GAS COMPANY OF FLORIDA A Division of NUI Corporation		SCHEDULE E-1 (REVISED FORM 9/22/00)					
ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: 2003 Winter Months		\$0.79429 PGA CAP w/ assessment					
		PROJECTION					
		NOV	DEC	JAN	FEB	MAR	TOTAL
1	COMMODITY (Pipeline)	\$13,480	\$16,098	\$17,673	\$17,404	\$19,809	\$97,719
2	NO NOTICE RESERVATION	\$11,160	\$26,190	\$10,125	\$24,444	\$27,063	\$126,045
3	SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0
4	COMMODITY (Other)	\$1,220,786	\$1,277,564	\$1,676,183	\$1,634,068	\$1,855,695	\$9,241,000
5	DEMAND	\$514,735	\$835,049	\$862,884	\$994,712	\$994,712	\$5,100,541
6	OTHER	\$4,924	\$5,117	\$5,518	\$6,404	\$5,403	\$32,862
LESS END-USE CONTRACT		\$0	\$0	\$0	\$0	\$0	\$0
7	COMMODITY (Pipeline)	\$0	\$0	\$0	\$0	\$0	\$0
8	DEMAND	\$0	\$0	\$0	\$0	\$0	\$0
9		\$0	\$0	\$0	\$0	\$0	\$0
10		\$0	\$0	\$0	\$0	\$0	\$0
11	TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$1,764,880	\$2,157,380	\$2,488,269	\$2,705,097	\$2,979,859	\$14,598,167
12	NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0
13	COMPANY USE	(\$10,774)	(\$12,988)	(\$12,530)	(\$12,234)	(\$11,885)	(\$72,430)
14	THERM SALES REVENUES	\$1,754,106	\$2,144,392	\$2,475,739	\$2,692,863	\$2,890,787	\$14,525,737
15	COMMODITY (Pipeline)	2,449,263	2,483,408	2,970,041	3,280,739	3,211,040	18,029,377
16	NO NOTICE RESERVATION	1,240,000	2,910,000	3,007,000	1,125,000	2,716,000	14,005,000
17	SWING SERVICE	-	-	-	-	-	-
18	COMMODITY (Other)	2,449,263	2,483,408	2,970,041	3,308,473	3,211,040	18,075,111
19	DEMAND	10,921,610	17,673,000	18,262,100	21,052,100	21,052,100	107,975,710
20	OTHER	7,890	8,199	8,842	10,282	8,657	52,658
LESS END-USE CONTRACT		-	-	-	-	-	-
21	COMMODITY (Pipeline)	-	-	-	-	-	-
22	DEMAND	-	-	-	-	-	-
23		-	-	-	-	-	-
24	TOTAL PURCHASES (+17+18+20)-(21+23)	2,457,153	2,491,607	2,978,883	3,316,735	3,219,848	18,127,767
25	NET UNBILLED	-	-	-	-	-	-
26	COMPANY USE	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(90,000)
27	TOTAL THERM SALES (24-26)	2,442,153	2,476,607	2,963,883	3,301,735	3,204,848	18,037,767
CENTS PER THERM							
28	COMMODITY (Pipeline) (1/15)	0.0054	0.0054	0.0054	0.0054	0.0054	0.0054
29	NO NOTICE RESERVATION (2/16)	0.0090	0.0090	0.0090	0.0090	0.0090	0.0090
30	SWING SERVICE (3/17)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
31	COMMODITY (Other) (4/18)	\$0.49843	\$0.51444	\$0.53087	0.5069	0.5088	0.51126
32	DEMAND (5/19)	\$0.04713	\$0.04725	\$0.04725	0.0472	0.0472	0.04724
33	OTHER (6/20)	\$0.62408	\$0.62408	\$0.62408	0.6240	0.6240	0.62409
LESS END-USE CONTRACT		-	-	-	-	-	-
34	COMMODITY Pipeline (7/21)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35	DEMAND (8/22)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
36	(9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	0.71826	0.86586	0.83530	0.81559	0.80124	0.80529
38	NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39	COMPANY USE (13/26)	0.71826	0.86586	0.83530	0.81559	0.80124	0.80529
40	TOTAL THERM SALES (11/27)	0.72267	0.87110	0.83953	0.81930	0.80499	0.80931
41	TRUE-UP (E-2)	(0.01900)	(0.01900)	(0.01900)	-0.01900	-0.01900	-0.01900
42	TOTAL COST OF GAS (40+41)	0.70367	0.85210	0.82053	0.80030	0.78599	0.79031
43	REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.70721	0.85639	0.82466	0.80433	0.78994	0.79429
45	PGA FACTOR ROUNDED TO NEAREST .001	0.707	0.856	0.825	0.804	0.790	0.794

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY 2003 Through DECEMBER 2003

COST OF GAS PURCHASED	PROJECTION												TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1 COMMODITY (Pipeline)	\$17,673	\$17,404	\$19,809	\$12,515	\$15,307	\$13,307	\$14,334	\$13,200	\$13,511	\$13,275	\$13,460	\$16,098	\$179,993
2 INTRA-DAY SUPPLY RESERVATION	\$10,125	\$24,444	\$27,063	\$13,500	\$10,463	\$10,125	\$10,463	\$10,463	\$10,125	\$11,160	\$26,190	\$27,063	\$191,184
3 SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 COMMODITY (Other)	\$1,676,183	\$1,634,066	\$1,855,895	\$1,133,680	\$1,391,598	\$1,213,034	\$1,312,679	\$1,211,347	\$1,248,529	\$1,220,785	\$1,277,564	\$1,576,706	\$16,757,867
5 DEMAND	\$994,712	\$898,449	\$994,712	\$607,169	\$473,711	\$464,236	\$473,711	\$473,711	\$464,236	\$514,735	\$835,049	\$862,984	\$8,075,315
6 OTHER	\$6,404	\$5,496	\$5,403	\$4,599	\$4,424	\$4,623	\$4,345	\$4,101	\$4,669	\$4,924	\$5,117	\$5,518	\$59,623
LESS END-USE CONTRACT													\$0.2435
7 COMMODITY (Pipeline)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$2,705,097	\$2,579,859	\$2,902,682	\$1,777,463	\$1,901,503	\$1,705,325	\$1,821,532	\$1,718,822	\$1,741,170	\$1,764,880	\$2,157,380	\$2,489,269	\$25,263,982
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 COMPANY USE (\$12,234)	(\$12,234)	(\$12,019)	(\$11,889)	(\$11,510)	(\$10,874)	(\$10,389)	(\$10,304)	(\$10,558)	(\$10,370)	(\$10,774)	(\$12,988)	(\$12,530)	(\$136,634)
14 THERM SALES REVENUES	\$2,692,863	\$2,567,840	\$2,890,797	\$1,765,953	\$1,890,629	\$1,694,937	\$1,811,228	\$1,708,264	\$1,730,800	\$1,754,106	\$2,144,392	\$2,476,739	\$23,126,348
THERMS PURCHASED													
15 COMMODITY (Pipeline)	3,280,739	3,211,040	3,654,866	2,309,055	2,824,146	2,455,087	2,644,610	2,435,357	2,511,171	2,449,263	2,483,408	2,970,041	33,208,803
16 INTRA-DAY SUPPLY RESERVATION	1,125,000	2,716,000	3,007,000	1,900,000	1,162,600	1,125,000	1,162,500	1,162,600	1,125,000	1,240,000	2,910,000	3,007,000	21,242,600
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY (Other)	3,306,473	3,211,040	3,654,866	2,309,055	2,824,146	2,455,087	2,644,610	2,435,357	2,511,171	2,449,263	2,483,408	2,970,041	33,254,637
19 DEMAND	21,052,100	19,014,800	21,052,100	11,527,800	9,977,350	9,655,500	9,977,350	9,977,350	9,655,500	10,921,610	17,673,000	18,262,100	168,746,560
20 OTHER	10,262	8,806	8,657	7,370	7,089	7,408	6,963	6,572	7,482	7,890	8,199	8,842	95,840
LESS END-USE CONTRACT													
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (+17+18+20)-(21+23)	3,316,735	3,219,846	3,663,543	2,316,425	2,831,235	2,462,495	2,651,573	2,441,929	2,518,653	2,457,153	2,491,607	2,978,883	33,350,077
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE (15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(180,000)
27 TOTAL THERM SALES (24-26)	3,301,735	3,204,846	3,648,543	2,301,425	2,816,235	2,447,495	2,636,573	2,426,929	2,503,653	2,442,153	2,476,607	2,963,883	33,170,077
CENTS PER THERM													
28 COMMODITY (Pipeline) (1/13)	0.00542	0.00542	0.00542	0.00542	0.00542	0.00542	0.00542	0.00542	0.00542	0.00542	0.00542	0.00542	0.00542
29 INTRA-DAY SUPPLY RESERVATION (2/16)	0.00900	0.00900	0.00900	0.00900	0.00900	0.00900	0.00900	0.00900	0.00900	0.00900	0.00900	0.00900	0.00900
30 SWING SERVICE (3/17)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
31 COMMODITY (Other) (4/18)	0.50694	0.50899	0.50773	0.49387	0.49275	0.49469	0.49636	0.49740	0.49719	0.49843	0.51444	0.53087	0.50393
32 DEMAND (5/19)	0.04725	0.04725	0.04725	0.05267	0.04808	0.04808	0.04808	0.04808	0.04713	0.04725	0.04725	0.04725	0.04785
33 OTHER (6/20)	0.62408	0.62408	0.62408	0.62408	0.62408	0.62408	0.62408	0.62408	0.62408	0.62408	0.62408	0.62408	0.62408
LESS END-USE CONTRACT													
34 COMMODITY (Pipeline) (7/21)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35 DEMAND (8/22)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
36	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37 TOTAL COST (11/24)	0.81589	0.80124	0.79232	0.78733	0.77162	0.78252	0.78996	0.79388	0.79131	0.79826	0.82586	0.83538	0.78754
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39 COMPANY USE (13/26)	0.81589	0.80124	0.79232	0.78733	0.77162	0.78252	0.78996	0.79388	0.79131	0.79826	0.82586	0.83538	0.78754
40 TOTAL THERM SALES (11/27)	0.81930	0.80429	0.79567	0.77233	0.75719	0.76876	0.78087	0.78223	0.78445	0.77267	0.81110	0.83983	0.78165
41 TRIP-UP (E-2)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)	(0.01900)
42 TOTAL COST OF GAS (40+41)	0.80030	0.78529	0.77667	0.75333	0.73819	0.74976	0.76187	0.76323	0.76545	0.75367	0.85210	0.82083	0.74268
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.80433	0.78994	0.78048	0.76712	0.75349	0.76117	0.76725	0.76920	0.77211	0.75859	0.85639	0.82466	0.74639
45 PGA FACTOR ROUNDED TO NEAREST .001	0.804	0.790	0.780	0.757	0.753	0.761	0.767	0.769	0.772	0.759	0.856	0.825	0.746

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY 2002 Through

DECEMBER 2002

COST OF GAS PURCHASED	ACTUAL								REVISED PROJECTION					TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
1 COMMODITY (Pipeline)	\$15,823	\$9,697	\$13,418	\$9,387	\$14,307	\$13,940	\$14,316	\$11,537	\$17,873	\$17,849	\$18,431	\$19,300	\$175,678	
2 NO NOTICE RESERVATION	27,063	24,444	27,063	13,500	10,323	9,990	10,323	10,323	10,125	11,160	26,190	27,063	\$207,567	
3 SWING SERVICE	0	0	43,891	0	0	30,109	25,037	32,531	-	-	-	-	\$131,568	
4 COMMODITY (Other)	1,262,600	1,007,989	994,281	993,035	861,165	1,048,110	1,003,670	750,167	1,169,399	1,248,258	1,454,756	1,693,141	\$13,486,571	
5 DEMAND	858,842	773,701	854,754	604,552	475,987	454,655	476,184	476,124	464,236	514,735	835,049	862,884	\$7,651,703	
6 OTHER	17,292	5,794	0	9,473	4,484	4,314	4,508	4,262	4,553	4,801	4,989	5,380	\$69,850	
LESS END-USE CONTRACT	0	0	0	0	0	0	0	0	0	0	0	0	0	
7 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	2,181,620	1,821,625	1,933,407	1,629,947	1,366,266	1,561,118	1,534,038	1,284,944	1,665,986	1,796,803	2,339,415	2,607,768	21,722,937	
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 COMPANY USE	(438)	(465)	(238)	(601)	(112)	(46)	(22)	(71)	(1,020)	(1,089)	(1,373)	(1,462)	(6,937)	
14 THERM SALES REVENUES	\$2,516,342	\$2,273,488	\$2,449,298	\$1,732,090	\$1,501,596	\$1,584,596	\$1,515,806	\$1,431,806	\$1,664,966	\$1,795,714	\$2,338,042	\$2,806,306	\$23,410,050	
THERMS PURCHASED														
15 COMMODITY (Pipeline)	4,311,289	2,964,172	3,789,628	2,797,737	2,169,992	2,827,729	2,902,181	2,345,896	3,260,739	3,293,121	3,400,631	3,560,908	37,624,023	
16 NO NOTICE RESERVATION	3,007,000	2,716,000	3,007,000	1,500,000	1,147,000	1,110,000	1,147,000	1,147,000	1,125,000	1,240,000	2,910,000	3,007,000	23,063,000	
17 SWING SERVICE	0	0	81,020	0	0	37,390	36,150	48,680	-	-	-	-	203,220	
18 COMMODITY (Other)	4,349,169	2,986,692	3,789,628	2,801,187	2,173,454	2,831,319	2,902,871	2,408,316	3,260,739	3,293,121	3,400,631	3,560,908	37,758,035	
19 DEMAND	18,262,100	16,494,800	18,271,960	11,744,720	10,085,810	9,629,720	9,977,350	9,977,350	9,655,500	10,921,610	17,673,000	18,262,100	160,956,020	
20 OTHER	8,842	10,262	0	17,462	7,370	7,089	7,408	7,004	7,462	7,890	8,199	8,842	97,850	
LESS END-USE CONTRACT	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 TOTAL PURCHASES (17+18+20)-(21+23)	4,358,011	2,996,954	3,870,648	2,818,649	2,180,824	2,875,798	2,946,429	2,463,980	3,268,221	3,301,011	3,408,830	3,569,750	38,059,105	
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
26 COMPANY USE	(971)	(1,032)	(528)	(1,333)	(228)	(101)	(49)	(244)	(2,000)	(2,000)	(2,000)	(2,000)	(12,486)	
27 TOTAL THERM SALES (24-26)	4,194,105	3,795,290	4,098,294	2,876,163	2,789,637	2,935,292	2,810,403	2,860,234	3,266,221	3,299,011	3,406,830	3,567,750	39,899,230	
CENTS PER THERM														
28 COMMODITY (Pipeline) (1/15)	0.00367	0.00327	0.00354	0.00336	0.00659	0.00493	0.00493	0.00492	0.00542	0.00542	0.00542	0.00542	0.00467	
29 NO NOTICE RESERVATION (2/16)	0.00900	0.00900	0.00900	0.00561	0.00561	0.00561	0.00561	0.00561	0.00900	0.00900	0.00900	0.00900	0.00900	
30 SWING SERVICE (3/17)	0.00000	0.00000	0.54173	0.00000	0.00000	0.80527	0.69259	0.66854	0.00000	0.00000	0.00000	0.00000	0.64742	
31 COMMODITY (Other) (4/18)	0.29031	0.33749	0.26237	0.35451	0.39622	0.37018	0.34575	0.31149	0.35863	0.37905	0.42779	0.47548	0.35718	
32 DEMAND (5/19)	0.04703	0.04691	0.04678	0.05147	0.04719	0.04721	0.04773	0.04772	0.04808	0.04713	0.04725	0.04728	0.04754	
33 OTHER (6/20)	1.95567	0.56461	0.00000	0.54249	0.60841	0.60855	0.60853	0.60851	0.60851	0.60851	0.60851	0.60851	0.71385	
LESS END-USE CONTRACT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
34 COMMODITY Pipeline (7/21)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
35 DEMAND (8/22)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
36 (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
37 TOTAL COST (11/24)	0.50060	0.60783	0.49950	0.57827	0.62649	0.54285	0.52064	0.52149	0.50975	0.54432	0.68628	0.73052	0.57077	
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
39 COMPANY USE (13/26)	0.45108	0.45058	0.45076	0.45086	0.49123	0.45545	0.44898	0.29098	0.51000	0.54450	0.68650	0.73100	0.55558	
40 TOTAL THERM SALES (11/27)	0.52016	0.47997	0.47176	0.56671	0.48976	0.53184	0.54584	0.44924	0.51007	0.54485	0.68666	0.73093	0.54445	
41 TRUE-UP (E-2)	0.04889	0.04889	0.04889	0.04889	0.04889	0.04889	0.04889	0.04889	0.04889	0.04889	0.04889	0.04889	0.04889	
42 TOTAL COST OF GAS (40+41)	0.56905	0.52886	0.52065	0.61560	0.53865	0.58073	0.59473	0.49813	0.55896	0.59354	0.73557	0.77982	0.59334	
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.57191	0.53152	0.52327	0.61870	0.54136	0.58365	0.59772	0.50064	0.56177	0.59653	0.73927	0.78374	0.59632	
45 PGA FACTOR ROUNDED TO NEAREST .001	0.572	0.532	0.523	0.619	0.541	0.584	0.598	0.501	0.562	0.597	0.739	0.784	0.596	

FOR THE CURRENT PERIOD: JANUARY 2002 Through DECEMBER 2002

	ACTUAL								REVISED PROJECTIONS				TOTAL PERIOD
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	\$1,279,892	\$1,013,783	\$994,281	\$1,002,508	\$865,649	\$1,052,424	\$1,008,178	\$754,429	\$1,173,952	\$1,253,059	\$1,459,745	\$1,698,521	\$13,556,421
2 TRANSPORTATION COST	\$901,728	\$807,842	\$939,126	\$627,439	\$500,617	\$508,694	\$525,860	\$530,515	\$492,034	\$543,744	\$878,670	\$909,247	\$8,166,516
3 TOTAL COST	\$2,181,620	\$1,821,625	\$1,933,407	\$1,629,947	\$1,366,266	\$1,561,118	\$1,534,038	\$1,284,944	\$1,665,986	\$1,796,803	\$2,339,415	\$2,607,768	\$21,722,937
4 FUEL REVENUES (Net of Revenue Tax)	\$2,516,342	\$2,273,488	\$2,449,298	\$1,732,090	\$1,501,596	\$1,584,596	\$1,515,806	\$1,431,806	\$1,664,966	\$1,795,714	\$2,338,042	\$2,606,306	\$23,410,050
4a Under-recovery*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$143,726)	(\$632,577)	(\$820,400)	(\$1,724,033)
4b ADJUSTED NET FUEL REVENUES *	\$2,516,342	\$2,273,488	\$2,449,298	\$1,732,090	\$1,501,596	\$1,584,596	\$1,515,806	\$1,431,806	\$1,537,636	\$1,651,988	\$1,705,465	\$1,785,906	\$21,686,017
5 TRUE-UP COLLECTED OR (REFUNDED)	(\$153,207)	(\$153,207)	(\$153,207)	(\$153,207)	(\$153,207)	(\$153,207)	(\$153,207)	(\$153,207)	(\$153,207)	(\$153,207)	(\$153,207)	(\$153,207)	(\$1,838,484)
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	\$2,363,135	\$2,120,281	\$2,296,091	\$1,578,883	\$1,348,389	\$1,431,389	\$1,362,599	\$1,278,599	\$1,384,429	\$1,498,781	\$1,552,258	\$1,632,699	\$19,847,533
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	\$181,515	\$298,656	\$362,684	(\$51,064)	(\$17,877)	(\$129,729)	(\$171,439)	(\$6,345)	(\$281,557)	(\$298,022)	(\$787,157)	(\$975,069)	(\$1,875,404)
8 INTEREST PROVISION-THIS PERIOD (21)	(\$385)	\$302	\$1,140	\$1,709	\$1,986	\$2,255	\$2,403	\$2,659	\$2,843	\$2,773	\$2,342	\$1,426	\$21,453
8a ADJUST PRIOR MONTHS' INTEREST													
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(\$468,431)	(\$52,214)	\$461,768	\$1,080,343	\$1,229,836	\$1,467,104	\$1,596,574	\$1,719,976	\$2,009,722	\$1,969,215	\$1,912,173	\$1,365,565	(\$468,431)
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	\$153,207	\$153,207	\$153,207	\$153,207	\$153,207	\$153,207	\$153,207	\$153,207	\$153,207	\$153,207	\$153,207	\$153,207	\$1,838,484
10a ADJUSTMENTS (if applicable)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10b OSS 50% MARGIN SHARING	\$81,880	\$61,817	\$101,544	\$45,641	\$99,952	\$103,737	\$139,231	\$140,225	\$85,000	\$85,000	\$85,000	\$85,000	\$1,114,027
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a+10b)	(\$52,214)	\$461,768	\$1,080,343	\$1,229,836	\$1,467,104	\$1,596,574	\$1,719,976	\$2,009,722	\$1,969,215	\$1,912,173	\$1,365,565	\$630,129	\$630,129
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9+10a)	(\$468,431)	(\$52,214)	\$461,768	\$1,080,343	\$1,229,836	\$1,467,104	\$1,596,574	\$1,719,976	\$2,009,722	\$1,969,215	\$1,912,173	\$1,365,565	
13 ENDING TRUE-UP BEFORE INTEREST (12+10b+7-5)	(\$51,829)	\$461,466	\$1,079,203	\$1,228,127	\$1,465,118	\$1,594,319	\$1,717,573	\$2,007,063	\$1,966,372	\$1,909,400	\$1,363,223	\$628,703	
14 TOTAL (12+13)	(\$520,260)	\$409,252	\$1,540,970	\$2,308,469	\$2,694,954	\$3,061,423	\$3,314,146	\$3,727,039	\$3,976,094	\$3,878,615	\$3,275,396	\$1,994,268	
15 AVERAGE (50% OF 14)	(\$260,130)	\$204,626	\$770,485	\$1,154,236	\$1,347,477	\$1,530,712	\$1,657,073	\$1,863,520	\$1,988,047	\$1,939,308	\$1,637,698	\$997,134	
16 INTEREST RATE - FIRST DAY OF MONTH	0.01780	0.01770	0.01750	0.01800	0.01750	0.01770	0.01750	0.01730	0.01710	0.01710	0.01710	0.01710	
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	0.01770	0.01750	0.01800	0.01750	0.01770	0.01750	0.01730	0.01710	0.01710	0.01710	0.01710	0.01710	
18 TOTAL (16+17)	0.03550	0.03520	0.03550	0.03550	0.03520	0.03520	0.03480	0.03440	0.03420	0.03420	0.03420	0.03420	
19 AVERAGE (50% OF 18)	0.01775	0.01760	0.01775	0.01775	0.01760	0.01760	0.01740	0.01720	0.01710	0.01710	0.01710	0.01710	
20 MONTHLY AVERAGE (19/12 Months)	0.00148	0.00147	0.00148	0.00148	0.00147	0.00147	0.00145	0.00143	0.00143	0.00143	0.00143	0.00143	
21 INTEREST PROVISION (15x20)	(385)	302	1,140	1,709	1,986	2,255	2,403	2,659	2,843	2,773	2,342	1,426	

* Under-recovery = Monthly sales volume * (Projected Cost of Gas (Sched E/1 line 24) - anticipated PGA rate)

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY 2003 Through DECEMBER 2003

Month	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	COMMODITY COST		TOTAL PURCHASED	DEMAND COST	OTHER CHARGES ACA/GRI/FUEL	TOTAL CENTS PER THERM
						THIRD PARTY	PIPELINE				
Jan	Various	Sys/End-Use	FTS	3,306,473				3,306,473	\$1,004,837	\$2,992	30.92449
Feb	Various	Sys/End-Use	FTS	3,211,040				3,211,040	\$922,893	\$3,147	29.28325
Mar	Various	Sys/End-Use	FTS	3,654,886				3,654,886	\$1,021,775	\$3,581	28.49840
Apr	Various	Sys/End-Use	FTS	2,309,055				2,309,055	\$620,669	\$2,263	27.42178
May	Various	Sys/End-Use	FTS	2,824,146				2,824,146	\$490,174	\$2,768	17.89854
June	Various	Sys/End-Use	FTS	2,455,087				2,455,087	\$474,361	\$2,406	19.86357
July	Various	Sys/End-Use	FTS	2,644,610				2,644,610	\$490,174	\$2,592	19.07684
Aug	Various	Sys/End-Use	FTS	2,435,357				2,435,357	\$490,174	\$2,387	20.66941
SeP	Various	Sys/End-Use	FTS	2,511,171				2,511,171	\$474,361	\$2,461	19.43205
Oct	Various	Sys/End-Use	FTS	2,449,263				2,449,263	\$525,895	\$2,400	22.01356
Nov	Various	Sys/End-Use	FTS	2,483,408				2,483,408	\$861,239	\$2,434	35.22172
Dec	Various	Sys/End-Use	FTS	2,970,041				2,970,041	\$889,947	\$2,911	30.50614
TOTAL				33,254,537				33,254,537	\$8,266,499	\$32,342	25.39952

**CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD**

ESTIMATED FOR THE PROJECTED PERIOD:

JANUARY 2003

Through

DECEMBER 2003

		PRIOR PERIOD: JANUARY 01 - DECEMBER 01			CURRENT PERIOD: JAN '02 - DEC '02			
		(1) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) Col(2)-Col(1) DIFFERENCE	(4) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) Col(3) + Col(4) TOTAL TRUE-UP		
1	TOTAL THERM SALES \$ E-2 Line 6	\$30,419,712	A-2 Line 6 \$30,085,724	(\$333,988)	E-2 Line 6 \$19,847,533	\$19,513,545		
2	TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION E-2 Line 7	(\$443,534)	A-2 Line 7 (\$98,494)	\$345,040	E-2 Line 7 (\$1,875,404)	(\$1,530,364)		
2a	OSS 50% MARGIN SHARING E-2 Line 10b	\$0	A-2 Line 10b \$1,018,170	\$1,018,170	E-2 Line 10b \$1,114,027	\$2,132,197		
3	INTEREST PROVISION FOR THIS PERIOD E-2 Line 8	(\$153,176)	A-2 Line 8 (\$146,339)	\$6,837	E-2 Line 8 \$21,453	\$28,290		
4	END OF PERIOD TOTAL NET TRUE-UP L2+2a+L3	(\$596,710)	\$773,337	\$1,370,047	(\$739,924)	\$630,123		

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

COLUMN (1)	DATA OBTAINED FROM SCHEDULE (E-2)	<u>TOTAL TRUE-UP DOLLARS</u>	\$630,123	equals	-0.01900	\$/Therm
COLUMN (2)	DATA OBTAINED FROM SCHEDULE (A-2)	PROJECTED THERM SALES	33,170,077		(1.900)	Cents Per Therm True-Up
LINE 4 COLUMN (3)	SAME AS LINE 7 SCHEDULE (A-7)					
LINE 4 COLUMN (1)	SAME AS LINE 8 SCHEDULE (A-7)					
LINE 2 COLUMN (4)	SAME AS LINE 7 SCHEDULE (E-2)					
LINE 3 COLUMN (4)	SAME AS LINE 8 SCHEDULE (E-2)					

ESTIMATED FOR THE PROJECTED PERIOD:

JANUARY 2003 Through

DECEMBER 2003

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
THERM SALES (FIRM)													
RESIDENTIAL (RS & GS)	2,561,330	2,297,590	2,138,420	1,704,310	1,453,880	1,263,370	1,355,150	1,270,330	1,291,730	1,275,810	1,442,830	2,022,340	20,077,090
COMMERCIAL (CS, LCS & NGV)	690,406	865,756	1,481,823	570,514	1,335,755	1,158,725	1,252,323	1,130,399	1,187,023	1,148,443	966,277	873,943	12,661,387
TOTAL FIRM	3,251,736	3,163,346	3,620,243	2,274,824	2,789,635	2,422,095	2,607,473	2,400,729	2,478,753	2,424,253	2,409,107	2,896,283	32,738,477
THERM SALES (INTERRUPTIBLE)													
INTERRUPTIBLE (IP)	50,000	41,500	28,300	26,600	26,600	25,400	29,100	26,200	24,900	17,900	67,500	67,600	431,600
LARGE INTERRUPTIBLE (IL)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERRUPTIBLE	50,000	41,500	28,300	26,600	26,600	25,400	29,100	26,200	24,900	17,900	67,500	67,600	431,600
TOTAL THERM SALES	3,301,736	3,204,846	3,648,543	2,301,424	2,816,235	2,447,495	2,636,573	2,426,929	2,503,653	2,442,153	2,476,607	2,963,883	33,170,077
NUMBER OF CUSTOMERS (FIRM)													
RESIDENTIAL (RS & GS)	98,098	97,909	97,782	97,752	97,739	97,895	98,426	98,494	98,832	99,012	99,392	99,400	98,394
COMMERCIAL (CS, LCS & NGV)	3,495	3,459	3,447	3,416	3,379	3,363	3,325	3,308	3,328	3,311	3,328	3,313	3,373
TOTAL FIRM	101,593	101,368	101,229	101,168	101,118	101,258	101,751	101,802	102,160	102,323	102,720	102,713	101,767
NUMBER OF CUSTOMERS (INT.)													
INTERRUPTIBLE (IP)	3	3	3	3	3	3	3	3	3	3	3	3	3
LARGE INTERRUPTIBLE (IL)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERRUPTIBLE	3	3	3	3	3	3	3	3	3	3	3	3	3
TOTAL CUSTOMERS	101,596	101,371	101,232	101,171	101,121	101,261	101,754	101,805	102,163	102,326	102,723	102,716	101,770
THERM USE PER CUSTOMER													
RESIDENTIAL (RS & GS)	26	23	22	17	15	13	14	13	13	13	15	20	204
COMMERCIAL (CS, LCS & NGV)	198	250	430	167	395	345	377	342	357	347	290	264	3,754
INTERRUPTIBLE (IP)	16,667	13,833	9,433	8,867	8,867	8,467	9,700	8,733	8,300	5,967	22,500	22,533	143,867
LARGE INTERRUPTIBLE (IL)	0	0	0	0	0	0	0	0	0	0	0	0	0

TRANSPORTATION CUSTOMER INFORMATION

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Therms	7,531,129	6,758,177	7,138,489	6,985,172	6,362,712	6,065,751	6,257,509	6,009,416	6,176,156	7,560,896	7,926,017	8,860,223	83,631,647
Number Of Customers	1,971	2,009	2,046	2,091	2,128	2,166	2,203	2,240	2,241	2,262	2,283	2,303	2,162
Therms per Customer	3,821	3,364	3,489	3,341	2,990	2,800	2,840	2,683	2,756	3,343	3,472	3,847	38,683