ORIGINAL

Hopping Green & Sams

Attorneys and Counselors

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Writer's Direct Dial Number (850) 425-2359

October 18, 2004

BY HAND DELIVERY

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Blanca Bayó Director, Office of the Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Re: Docket No. 040003-GU

Dear Ms. Bayó:

Enclosed for filing on behalf of NUI City Gas Company of Florida ("Company") are the original and fifteen copies of the Company's Prehearing Statement in the above docket, along with a diskette containing the document in Word format.

By copy of this letter, these documents have been furnished to the parties on the attached certificate of service.

Please stamp and return the enclosed extra copy of this filing. If you have any questions regarding this filing, please give me a call at 425-2359.

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Certificate of Service

I HEREBY CERTIFY that a true and correct copy of NUI City Gas Company of Florida's Prehearing Statement has been furnished by U.S. mail to the following parties this day of October, 2004.

Katherine E. Fleming (*) Staff Attorney Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399

Mr. John T. English Florida Public Utilities P.O. Box 3395 West Palm Beach, FL 33402-3395

Norman Horton Messer Law Firm P.O. Box 1876 Tallahassee, FL 32302-1876

Jerry Melendy Sebring Gas System, Inc. 3515 U.S. Highway 27 South Sebring, FL 33870-5452

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Stuart L. Shoaf St. Joe Natural Gas Company P.O. Box 549 Port St. Joe, FL 32457

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Robert D. Vandiver(*) Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street Tallahassee, FL 32399-1400

Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

)

In Re: Purchased Gas Adjustment (PGA) True-up

Docket No. 040003-GU

Filed: October 18, 2004

CITY GAS COMPANY OF FLORIDA'S PREHEARING STATEMENT

Pursuant to the requirements of the Order on Procedure (Order No.

PSC-04-0171-PCO-GU), NUI City Gas Company of Florida ("City Gas") hereby

submits its Prehearing Statement.

A. <u>Known Witnesses</u>

City Gas intends to offer the direct testimony of Thomas Kaufmann dated May 3,

2004 and September 24, 2004, as revised on October 6, 2004.

Thomas Kaufmann Issues 1-6

B. Known Exhibits

City Gas intends to sponsor the following exhibits:

KaufmannTK-1Final Fuel Over/
Under Recovery

TK-2 (as revised 10/6/04) Schedules E-1 Winter, E-1, E-1/R

E-2, E-3, E-4, E-5

. .

C. <u>Basic Position</u>:

. .

City Gas has appropriately calculated its true-up amounts and purchased gas adjustment factor as shown in the Company's positions on Issues 1-5.

D.-F. Issues

City Gas' position on the issues identified by Staff are as follows:

- <u>Issue 1</u>: What are the appropriate final purchased gas adjustment true-up amounts for the period January 2003 through December 2003?
- City Gas: \$1,313,819 over-recovery
- <u>Issue 2</u>: What are the estimated purchased gas adjustment true-up amounts for the period January 2004 through December 2004?
- City Gas: \$1,873,845 over-recovery
- <u>Issue 3</u>: What are the total purchased gas adjustment true-up amounts to be collected during the period January 2005 through December 2005?
- <u>City Gas:</u> \$3,187,664 over-recovery
- <u>Issue 4</u>: What are the appropriate levelized purchased gas cost recovery (cap) factors for the period January 2005 through December 2005?
- City Gas: 94.952 cents/therm
- <u>Issue 5</u>: What should be the effective date of the new purchased gas adjustment charge for billing purposes?
- <u>City Gas:</u> The factors should be effective for all meter readings on or after January 1, 2005 and should apply for bills rendered for meter readings taken between January 1, 2005 and December 31, 2005.
- <u>Issue 6</u>: Should an adjustment be made to City Gas Company of Florida's True-up for gas sales and purchases made during the period 1997-2003?

<u>City Gas</u>: Agree with Staff.

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G. Stipulated Issues

City Gas is not a party to any stipulations at this time, although it believes that it should be possible to reach a stipulation on each of the above issues as they relate to City Gas.

H. Pending Motions

City Gas has no pending motions or other matters requiring attention at this time.

I. <u>Pending Confidentiality Requests</u>

City Gas has one pending confidentiality request (Doc. No. 10225-04).

J. Compliance With Order on Procedure

City Gas believes that this Prehearing Statement fully complies with the

requirements of the Order on Procedure.

K. Objections to Witness Qualifications

City Gas has no objection to the qualifications of any expert witness.

RESPECTFULLY SUBMITTED this 18th day of October, 2004.

HOPPING GREEN & SAMS

Bν P.O. Box 6526

Tallahassee, FL 32314 (850) 222-7500

Attorneys for City Gas Company of Florida