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Hopping Green & Sams

Attorneys and Counselors

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COMMISSION
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October 18, 2004

BY HAND DELIVERY

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

Re: Docket No. 040004-GU

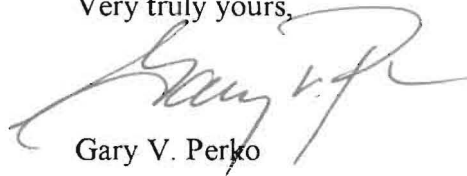
Dear Ms. Bayó:

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.

Very truly yours,



Gary V. Perko

- CMP _____
- COM 5
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- EGR _____
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- MMS _____
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- SCR _____
- SEC 1
- OTH _____

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Enclosures
cc: Certificate of Service

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of City Gas Company of Florida's Prehearing Statement in Docket No. 040004-GU has been furnished by U.S. Mail or hand delivery (*) to the following parties of record this 18th day of October, 2004.

Martha Brown (*)
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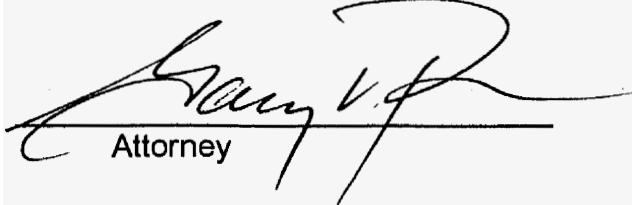
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Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery) Docket No. 040004-GU
Clause)
_____) Filed: October 18, 2004

**CITY GAS COMPANY OF FLORIDA'S
PREHEARING STATEMENT**

Pursuant to the requirements of the Order on Procedure (Order No. PSC-04-0291-PCO-GU), NUI City Gas Company of Florida ("City Gas") hereby submits its Prehearing Statement.

A. Known Witnesses

City Gas intends to offer the direct testimony of Gloria Lopez filed on May 15, 2003 and September 26, 2003.

Gloria Lopez

Issues 1-3

B. Known Exhibits

City Gas intends to sponsor the following exhibits:

Lopez	GL-1	Schedules CT-1, CT-2 and CT-3
Lopez	GL-2	Schedules C-1, C-2, C-3, C-5

C. Basic Position

The Company's true-up amounts and conservation cost recovery factors as shown in Issues 1 through 3 are appropriate and should be approved.

D.-F. Issues

1. What is the final end-of-period true-up amount for the period January 2003 through December 2003?

City Gas: An over-recovery of \$552,829.

2. What are the appropriate conservation cost recovery factors for the period January 2005 through December 2005?

City Gas: The appropriate factors are:

<u>Rate Class</u>	<u>Factor</u>
GS-1, GS-100, GS-220 (Sales & Transportation)	\$0.09302
GS-600 (Sales & Transportation)	\$0.04997
GS-1200 (Sales & Transportation)	\$0.03071
GS-6k (Sales & Transportation)	\$0.02520
GS-25000 (Sales & Transportation)	\$0.02487
GS-60000 (Sales & Transportation)	\$0.02432
Gas Lights	\$0.04966
GS-120000 (Sales & Transportation)	\$0.01789
GS-250000 (Sales & Transportation)	\$0.01640

3. What should be the effective date of the conservation cost recovery factors for billing purposes?

City Gas: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January, 2005, through December, 2005. Billing cycles may start before January 1, 2005, and the last cycle may be read after December 31, 2005, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

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. Pending Confidentiality Requests

City Gas has no pending confidentiality requests.

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

By: 

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(850) 425-2313

Attorneys for City Gas Company of Florida