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October 10, 2005

VIA HAND DELIVERY

Ms. Blanca Bayo
Director, Office of Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 050003-GU

Dear Ms. Bayo:

Enclosed for filing in this docket are the original and fifteen copies of:

1. Petition of Florida City Gas for Approval of Mid-Course Correction in Purchased Gas Adjustment Cap; and
2. Attachment A Schedules E-1 and E-2 Without Midcourse Correction, and Attachment B Schedules E-1 and E-2 With Midcourse Correction.

Also enclosed is a CD containing the petition and attachments in Adobe Acrobat 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 224-9634.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill L. Bryant Jr.", enclosed in a large, loopy oval scribble.

Bill L. Bryant Jr.

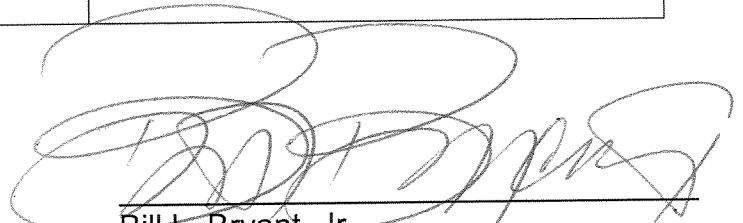
Enclosures

cc: Wayne Makin
Melvin Williams
Thomas Kaufmann

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by U.S. Mail or hand delivery to the following parties of record this 10th day of October, 2005:

Florida Public Utilities Company John T. English/Cheryl Martin P.O. Box 3395 West Palm Beach, FL 33402-3395	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Messer Law Firm Norman Horton, Jr./Floyd R. Self P.O. Box 1876 Tallahassee, FL 32302-1876	Office of Public Counsel Harold McLean/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
People Gas System Ms. Angela L. Llewellyn Regulatory Affairs P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Matthew Costa P.O. Box 111 Tampa, FL 33601-0111	AGL Resources Inc. Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Charles A. Rawson, III 955 East 25 th Street Hialeah, FL 33013-3498	Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399



Bill L. Bryant, Jr.
Akerman Senterfitt Attorneys at Law
106 East College Avenue, Suite 1200
Tallahassee, FL 32301
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GU, issued by this Commission on December 1, 2004, assigned Florida City Gas a levelized purchased gas cost cap (also referred to as the PGA factor) for the period January 2005 through December 2005 of 94.952 cents per therm.

4. In Order No. PSC-93-0708-FOF-GU, issued May 10, 1993 in Docket No. 930003-GU, the Commission determined that a utility may at its option, formally request a mid-course correction if re-projected expenses for the remaining period significantly exceed projected revenues for the period, when using the Commission-approved cap.

5. As indicated by the Schedules E-1 and E-2 Without Midcourse Correction (attached hereto as Appendix A), the Company projects that expenses for the period January 2005 through December 2005, will exceed revenues by approximately twenty six percent (26%). At current gas prices the Company projects that its expenses for the period will exceed its revenues for the same period by \$9,462,952.

6. The reason the Company's expenses exceed revenues by twenty six percent (26%) is the significantly increased global demand for energy and the more recent impact on supply from the Hurricanes. These conditions have caused an unanticipated increase in gas costs on a national basis, since the Company's cap was approved by the Commission in December 2004. Furthermore, market conditions indicate that natural gas prices will not experience any meaningful decrease in the coming months given the demand anticipated during the upcoming winter months and the slow pace of the Gulf supply of natural gas coming back on line.

7. Florida City Gas requests that the Commission approve an increase in its PGA cap from 94.952 cents per therm to 164.027 cents per therm which is the same rate as the Company submitted for its 2006 Cap factor. While this rate will not eliminate its underrecovery as shown on Schedule E-2 (With Midcourse Correction) page 2 of 2 of Attachment B, it will allow the Company to better manage its PGA rate into 2006 as well as accommodate market uncertainty over the remainder of 2005. Further, the revised PGA cap will provide customers with the appropriate price signals to make adjustments

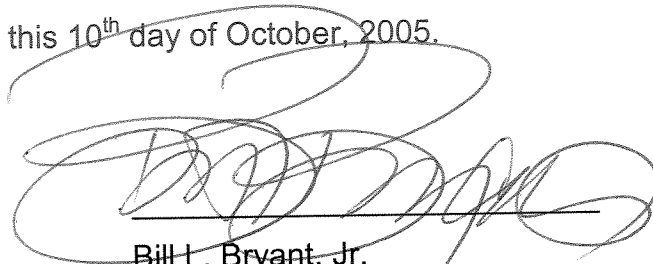
in their usage levels while affording the Company the opportunity to recover incurred and anticipated costs from increased natural gas prices.

8. A residential customer with monthly consumption of 20 therms would incur an additional gas cost of \$13.82 per month if natural gas costs require the PGA to increase to the proposed new cap.

9. The Company requests an effective date beginning with meter readings as of November 1, 2005. This treatment is warranted given the magnitude of the projected underrecovery. See Order No. PSC-97-0021-FOF-EI, issued in Docket No. 970001-EI on January 6, 1997. Because of the need to reduce the projected underrecovery of expenses, it is necessary that the increased cap be approved for application to ratepayers' bills beginning immediately.

WHEREFORE, Florida City Gas respectfully requests that the Commission enter its order approving an increase in Florida City Gas' maximum PGA cap rate.

RESPECTFULLY SUBMITTED this 10th day of October, 2005.



Bill L. Bryant, Jr.
Akerman Senterfitt Attorneys at Law
106 East College Avenue, Suite 1200
Tallahassee, FL 32301
(850) 224-9634

COMPANY: FLORIDA CITY GAS

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

Attachment A
Schedule E-1
Without Midcourse Correction

JANUARY 05 Through DECEMBER 05

	ACT												EST	EST	EST	EST	EST	EST	TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC							
COST OF GAS PURCHASED																			
1 COMMODITY (Pipeline)	\$42,364	\$34,691	\$35,943	\$2,811	\$0	\$12,936	\$14,203	\$13,977	\$21,941	\$21,495	\$22,763	\$28,668	\$251,182	\$0	\$0	\$0	\$0	\$0	
2 NO NOTICE RESERVATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3 SWING SERVICE	\$0	\$0	\$261,718	\$545	\$2,329	\$4,658	\$0	\$0	\$0	\$0	\$0	\$0	\$269,250	\$0	\$0	\$0	\$0	\$0	
4 COMMODITY (Other)	\$2,649,938	\$2,375,967	\$2,454,062	\$1,840,224	\$2,324,820	\$1,742,236	\$2,163,292	\$2,583,703	\$4,597,414	\$4,935,655	\$6,475,364	\$6,475,364	\$37,553,424	\$4,935,655	\$6,475,364	\$6,475,364	\$6,475,364	\$6,475,364	
5 DEMAND	\$884,547	\$799,230	\$884,547	\$622,499	\$494,562	\$478,703	\$494,562	\$466,692	\$466,692	\$466,692	\$466,692	\$466,692	\$7,695,124	\$466,692	\$466,692	\$466,692	\$466,692	\$466,692	
6 OTHER	\$7,660	\$9,537	\$7,993	\$9,008	\$7,537	\$7,958	\$6,595	\$6,242	\$9,194	\$9,540	\$11,644	\$12,585	\$105,493	\$9,540	\$11,644	\$12,585	\$105,493	\$105,493	
LESS END-USE CONTRACT																			
7 COMMODITY (Pipeline)	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	
9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10 Second Prior Month Purchase Adj. (Optional)	\$0	\$0	\$0	\$0	\$0	\$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)	\$3,584,499	\$3,219,425	\$3,643,663	\$2,475,087	\$2,829,248	\$2,246,491	\$2,678,652	\$3,070,614	\$5,771,398	\$6,122,287	\$7,344,664	\$7,344,664	\$45,874,473	\$5,771,398	\$7,344,664	\$7,344,664	\$7,344,664	\$7,344,664	
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
13 COMPANY USE	(\$1,417)	(\$1,095)	(\$1,531)	(\$1,155)	(\$1,315)	(\$1,458)	(\$1,615)	(\$1,556)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$19,142)	(\$2,000)	(\$2,000)	(\$2,000)	(\$19,142)	(\$19,142)	
14 THERM SALES REVENUES	\$3,443,564	\$3,385,765	\$3,396,945	\$3,627,070	\$2,688,347	\$2,438,204	\$2,305,123	\$2,200,819	\$2,989,400	\$2,928,473	\$3,101,345	\$3,906,466	\$36,411,521	\$2,928,473	\$3,101,345	\$3,906,466	\$36,411,521	\$36,411,521	
THERMS PURCHASED																			
15 COMMODITY (Pipeline)	4,582,781	4,172,131	4,040,631	2,878,401	3,527,151	2,533,163	2,795,645	2,725,272	3,166,156	3,101,668	3,284,645	4,136,833	40,944,377	3,101,668	3,284,645	4,136,833	40,944,377	40,944,377	
16 NO NOTICE RESERVATION	-	-	196,440	-	-	-	-	-	-	-	-	-	196,440	-	-	-	-	196,440	
17 SWING SERVICE	4,656,261	3,902,721	3,934,411	2,322,581	3,697,961	2,550,523	2,807,995	2,933,512	3,159,856	3,095,588	3,277,545	4,129,433	40,468,367	3,095,588	3,277,545	4,129,433	40,468,367	40,468,367	
18 COMMODITY (Other)	18,262,100	16,494,800	18,262,100	11,527,800	9,977,350	9,655,500	9,193,980	9,193,980	8,897,400	10,035,320	16,244,400	16,785,980	155,313,980	10,035,320	16,244,400	16,785,980	155,313,980	155,313,980	
19 DEMAND	7,446	8,773	7,291	7,896	6,523	6,980	5,752	5,328	6,300	6,100	7,100	7,400	82,899	6,100	7,100	7,400	82,899	82,899	
20 OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LESS END-USE CONTRACT																			
21 COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	0	
22 DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	0	
23	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	0	
24 TOTAL PURCHASES (+17+18+20)-(21+23)	4,663,707	3,911,494	4,138,142	2,330,477	3,704,484	2,557,513	2,813,747	2,938,840	3,166,156	3,101,668	3,284,645	4,136,833	40,747,706	3,101,668	3,284,645	4,136,833	40,747,706	40,747,706	
25 NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	0	
26 COMPANY USE	(1,629)	(1,259)	(1,639)	(1,229)	(1,399)	(1,767)	(1,845)	(1,778)	(2,000)	(2,000)	(2,000)	(2,000)	(20,545)	(2,000)	(2,000)	(2,000)	(20,545)	(20,545)	
27 TOTAL THERM SALES (24-26)	4,337,514	4,262,722	4,242,024	4,192,132	3,113,588	3,254,317	2,880,939	2,751,006	3,164,156	3,099,668	3,282,645	4,134,833	42,715,544	3,099,668	3,282,645	4,134,833	42,715,544	42,715,544	
CENTS PER THERM																			
28 COMMODITY (Pipeline)	0.00924	0.00831	0.00875	0.00898	0.00900	0.00511	0.00508	0.00513	0.00693	0.00693	0.00693	0.00693	0.00613	0.00693	0.00693	0.00693	0.00613	0.00613	
29 NO NOTICE RESERVATION	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	0.00000	0.00000	0.00000	0.00000	0.00000	
30 SWING SERVICE	0.00000	0.00000	1.33231	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.37065	0.00000	0.00000	0.00000	1.37065	1.37065	
31 COMMODITY (Other)	0.56911	0.60880	0.62374	0.79232	0.62868	0.68309	0.77040	0.88075	1.07940	1.48516	1.50590	1.56810	0.92797	1.48516	1.50590	1.56810	0.92797	0.92797	
32 DEMAND	0.04844	0.04845	0.04844	0.05400	0.04957	0.04958	0.04957	0.05076	0.05019	0.04921	0.04933	0.04933	0.04955	0.04933	0.04933	0.04933	0.04955	0.04955	
33 OTHER	1.02874	1.08709	1.09628	1.14083	1.15545	1.13848	1.14656	1.17155	1.45940	1.56390	1.63999	1.70064	1.27255	1.56390	1.63999	1.70064	1.27255	1.27255	
LESS END-USE CONTRACT																			
34 COMMODITY Pipeline	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	0.00000	0.00000	0.00000	0.00000	0.00000	
35 DEMAND	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	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	0.00000	0.00000	0.00000	0.00000	0.00000	
37 TOTAL COST	0.86986	0.86974	0.86984	0.93979	0.93996	0.82513	0.87534	0.87514	1.22890	1.65258	1.75815	1.77629	1.07395	1.65258	1.75815	1.77629	1.07395	1.07395	
38 NET UNBILLED	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	0.00000	0.00000	0.00000	0.00000	0.00000	
39 COMPANY USE	0.82639	0.75525	0.85894	0.99041	0.90868	0.69031	0.75297	0.75161	1.11618	1.65258	1.75815	1.77629	1.07395	1.65258	1.75815	1.77629	1.07395	1.07395	
40 TOTAL THERM SALES	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	(0.07516)	
41 TRUE-UP	0.75123	0.68009	0.78378	0.51525	0.83362	0.61515	0.85462	0.85462	1.15374	1.65258	1.75815	1.77629	1.07395	1.65258	1.75815	1.77629	1.07395	1.07395	
42 TOTAL COST OF GAS	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	1.00503	1.00503	1.00503	1.00503	1.00503	
43 REVENUE TAX FACTOR	0.75501	0.68351	0.78772	0.51784	0.83771	0.61824	0.85892	0.85892	1.15954	1.69146	1.70969	1.710	1.00381	1.69146	1.70969	1.710	1.00381	1.00381	
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.755	0.684	0.788	0.518	0.838	0.618	0.859	0.859	1.160	1.585	1.691	1.710	1.00381	1.585	1.691	1.710	1.00381	1.00381	
45 PGA FACTOR ROUNDED TO NEAREST .001																			

Attachment B
Schedule E-2
With Midcourse Correction

COMPANY: FLORIDA CITY GAS

CALCULATION OF TRUE-UP AMOUNT

FOR THE CURRENT PERIOD: JANUARY 05 Through DECEMBER 05

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	PERIOD
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	\$2,657,598	\$3,385,504	\$2,462,055	\$1,849,232	\$2,332,357	\$1,750,194	\$2,169,887	\$2,589,945	\$3,419,943	\$4,606,954	\$4,947,299	\$6,487,949	\$37,656,917
2 TRANSPORTATION COST	\$226,901	\$833,921	\$1,181,608	\$525,855	\$495,991	\$496,297	\$508,765	\$480,669	\$465,502	\$515,333	\$624,089	\$552,715	\$3,215,556
3 TOTAL COST	\$3,584,499	\$3,219,425	\$3,643,663	\$2,475,087	\$2,829,248	\$2,246,491	\$2,678,652	\$3,070,614	\$3,885,445	\$5,122,287	\$5,571,398	\$7,040,664	\$45,874,473
4 FUEL REVENUES (Net of Revenue Tax)	\$3,443,564	\$3,385,765	\$3,396,945	\$3,627,070	\$2,688,347	\$2,438,204	\$2,305,123	\$2,200,819	\$2,989,400	\$2,928,473	\$5,357,474	\$6,749,296	\$41,509,480
4a Under-recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4b ADJUSTED NET FUEL REVENUES *	\$3,443,564	\$3,385,765	\$3,396,945	\$3,627,070	\$2,688,347	\$2,438,204	\$2,305,123	\$2,200,819	\$2,989,400	\$2,928,473	\$5,357,474	\$6,749,296	\$41,509,480
5 TRUE-UP (COLLECTED) OR REFUNDED	\$265,639	\$265,639	\$265,639	\$265,639	\$265,639	\$265,639	\$265,639	\$265,639	\$265,639	\$265,639	\$265,639	\$265,639	\$3,187,664
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	\$3,709,203	\$3,651,404	\$3,662,584	\$3,892,709	\$2,953,986	\$2,703,843	\$2,570,762	\$2,466,458	\$3,255,039	\$3,194,112	\$5,623,113	\$7,013,931	\$44,697,144
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	\$124,704	\$431,979	\$18,921	\$1,417,622	\$124,738	\$457,352	(\$107,890)	(\$804,156)	(\$633,406)	(\$1,928,175)	(\$148,265)	(\$330,733)	(\$1,177,329)
8 INTEREST PROVISION-THIS PERIOD (21)	\$6,535	\$6,997	\$7,279	\$8,835	\$10,573	\$11,171	\$11,583	\$10,448	\$8,083	\$3,422	(\$518)	(\$2,051)	\$82,357
8a ADJUST PRIOR MONTHS' INTEREST	\$3,305,618	\$3,171,218	\$3,344,555	\$3,105,116	\$4,265,934	\$4,135,606	\$4,338,490	\$3,976,544	\$3,117,197	\$2,226,235	\$35,843	(\$378,599)	\$3,305,618
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(\$265,639)	(\$265,639)	(\$265,639)	(\$265,639)	(\$265,639)	(\$265,639)	(\$265,639)	(\$265,639)	(\$265,639)	(\$265,639)	(\$265,639)	(\$265,639)	(\$3,187,664)
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10a ADJUSTMENTS (if applicable)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10b OSS 50% MARGIN SHARING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a+10b)	\$3,171,218	\$3,344,555	\$3,105,116	\$4,265,934	\$4,135,606	\$4,338,490	\$3,976,544	\$3,117,197	\$2,226,235	\$35,843	(\$378,599)	(\$974,967)	(\$977,018)
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (8+10a)	\$3,305,618	\$3,171,218	\$3,344,555	\$3,105,116	\$4,265,934	\$4,135,606	\$4,338,490	\$3,976,544	\$3,117,197	\$2,226,235	\$35,843	(\$378,599)	\$3,305,618
13 ENDING TRUE-UP BEFORE INTEREST (12+10b+7-5)	\$3,164,683	\$3,337,558	\$3,097,837	\$4,257,099	\$4,125,033	\$4,327,319	\$3,964,961	\$3,106,749	\$2,218,152	\$32,421	(\$378,081)	(\$974,967)	\$3,305,618
14 TOTAL (12+13)	\$6,470,301	\$6,506,776	\$6,442,391	\$7,362,214	\$8,390,967	\$8,462,925	\$8,303,451	\$7,083,293	\$5,335,349	\$2,258,656	(\$342,238)	(\$1,353,566)	\$6,601,236
15 AVERAGE (50% OF 14)	\$3,235,151	\$3,253,388	\$3,221,196	\$3,681,108	\$4,195,484	\$4,231,463	\$4,151,726	\$3,541,647	\$2,667,675	\$1,129,328	(\$171,119)	(\$676,783)	\$3,300,618
16 INTEREST RATE - FIRST DAY OF MONTH	0.02340	0.02500	0.02850	0.02780	0.02380	0.02060	0.03270	0.03430	0.03640	0.03640	0.03640	0.03640	0.03640
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	0.02500	0.02650	0.02780	0.02980	0.03060	0.03270	0.03430	0.03640	0.03840	0.03840	0.03840	0.03840	0.03840
18 TOTAL (16+17)	0.04840	0.05150	0.05430	0.05760	0.06040	0.06330	0.06700	0.07070	0.07280	0.07280	0.07280	0.07280	0.07280
19 AVERAGE (50% OF 18)	0.02420	0.02575	0.02715	0.02880	0.03020	0.03165	0.03350	0.03535	0.03640	0.03640	0.03640	0.03640	0.03640
20 MONTHLY AVERAGE (19/12 Months)	0.00202	0.00215	0.00226	0.00240	0.00252	0.00264	0.00279	0.00295	0.00303	0.00303	0.00303	0.00303	0.00303
21 INTEREST PROVISION (15x20)	\$5,535	\$5,997	\$7,279	\$8,835	\$10,573	\$11,171	\$11,583	\$10,448	\$8,083	\$3,422	(\$518)	(\$2,051)	(\$977,018)