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September 15, 2006

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COMMISSION
CLERK

VIA HAND DELIVERY

Blanca S. Bayó, Director
Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 060003-GU – Purchased Gas Adjustment (PGA) True-Up

Dear Ms. Bayó:

Enclosed for filing in the above referenced Docket, please find an original and 15 copies of Florida City Gas's Petition and the Direct Testimony and Exhibit of Thomas Kaufman.

08485-06

08486-06

Your assistance in this matter is greatly appreciated.

Sincerely,

Beth Keating

Beth Keating
AKERMAN SENTERFITT
106 East College Avenue, Suite 1200
Tallahassee, FL 32302-1877
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Enclosures

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

08485 SEP 15 06

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 060003-GU

Filed: September 15, 2006

**PETITION BY FLORIDA CITY GAS
FOR APPROVAL OF PGA FACTOR
TO BE APPLIED FOR SERVICE RENDERED
DURING THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007**

Florida City Gas ("City Gas" or "the Company") hereby submits this petition to the Commission for Approval of a Purchased Gas Adjustment ("PGA") factor to be applied for service to be rendered during the projected period of January 1, 2007 through December 31, 2007. In support thereof, City Gas says:

1. City Gas has calculated its total net true-up amount (including interest and applicable regulatory assessment fees) for the period January 2005 through December 2005 to be an over-recovery of \$1,660,788.

2. Schedule E-4 shows the projected true-up for the current period January 2006 through December 2006 is an under-recovery of \$770,384.

3. The total true-up as shown on Schedule E-4 is an over-recovery of \$890,404.

4. Estimated therm purchases for resale during the projected period are 42,364,308.

5. Schedule E-4 presents a true-up refund factor of \$2.102 cents per therm to be applied during the projected period.

6. The total cost of gas for the projected period is \$56,316,771 as shown on Schedule E-1 line 11.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION OF REG.

7. The weighted average cost of gas (WACOG) for the projected period is 132.934 cents per therm as shown on Schedule E-1 line 40.

8. The \$2.102 cents per therm true up factor decreases the WACOG during the projected period to 130.832 cents per therm (before the regulatory assessment fees) or 131.490 cents per therm after the regulatory assessment fees as shown on Schedule E-1 lines 42 and 44 respectively. In order to avoid a large under-recovery in the winter season, City Gas has chosen to establish a maximum levelized purchased gas factor based on the Company's expected winter cost of gas. The levelized purchased gas factor based on the Company's expected winter cost of gas is 142.392 cents per therm before the regulatory assessment fees and 143.108 cents per therm after the regulatory assessment fees. This is the appropriate levelized gas cost factor (cap) for City Gas for the projected period.

9. City Gas' proposal filed herewith consists of Schedules E-1 (winter), E-1, E-1R, E-2, E-3, E-4, E-5 and the prepared Direct Testimony of Thomas Kaufmann.

WHEREFORE, Florida City Gas Company respectfully requests that the Commission enter its order approving the Company's proposed winter cost based levelized PGA true-up factor for the period January 2007 through

Docket No. 060003-GU
September 15, 2006

December 2007 of 142.392 cents per therm (before the regulatory assessment fees) or 143.108 cents per therm after the regulatory assessment fees.

RESPECTFULLY SUBMITTED this 15th day of September, 2006.



Beth Keating
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail to the following parties of record this 15th day of September, 2006:

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