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September 27, 2006

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

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COMMISSION
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Re: Docket No. 060004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Bayó:

Enclosed for filing in the above referenced Docket, please find an original and 15 copies of Florida City Gas's Preliminary Statement of Issues and Positions.

Your assistance in this matter is greatly appreciated.

Sincerely,

Beth Keating
AKERMAN SENTERFITT
106 East College Avenue, Suite 1200
Tallahassee, FL 32302-1877
Phone: (850) 224-9634
Fax: (850) 222-0103

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas)
Conservation Cost Recovery)
Clause)
_____)

Docket No. 060004-GU
Filed: September 27, 2006

FLORIDA CITY GAS
PRELIMINARY STATEMENT OF ISSUES AND POSITIONS

The following is the preliminary statement of issues and positions filed on behalf of Florida City Gas, a division of Pivotal Utility Holdings, Inc.:

1. What is the final end-of-period true-up amount for the period January 2005 through December 2005?

Florida City Gas: An over-recovery of \$1,192,546.

2. What are the appropriate conservation cost recovery factors for the period January 2007 through December 2007?

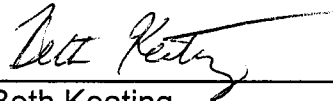
Florida City Gas: The appropriate factors are:

<u>Rate Class</u>	<u>Factor</u>
GS-1, GS-100, GS-220 (Sales & Transportation)	\$0.04574
GS-600 (Sales & Transportation)	\$0.02637
GS-1200 (Sales & Transportation)	\$0.01425
GS-6k (Sales & Transportation)	\$0.01185
GS-25000 (Sales & Transportation)	\$0.01180
GS-60000 (Sales & Transportation)	\$0.01155
Gas Lights	\$0.02329
GS-120000 (Sales & Transportation)	\$0.00811
GS-250000 (Sales & Transportation)	\$0.00765

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

Florida City Gas: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2007 through December 2007. Billing cycles may start before January 1, 2007 and the last cycle may be read after December 31, 2007, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

RESPECTFULLY SUBMITTED this 27th day of September, 2006.



Beth Keating
Akerman Senterfitt Attorneys at Law
106 East College Avenue, Suite 1200
Tallahassee, FL 32301
(850) 224-9634

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 27th day of September, 2006:

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Macfarlane Ferguson Law Firm
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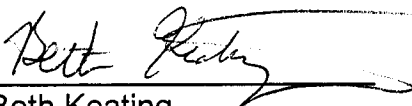
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