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October 12, 2007

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COMMISSION
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VIA HAND DELIVERY

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 070003-GU – Purchased Gas Adjustment (PGA) True-Up

Dear Ms. Cole:

Enclosed for filing in the above referenced Docket, please find an original and 15 copies of Florida City Gas's Prehearing Statement, as well as a copy on diskette..

** NONE WAS*

Your assistance in this matter is greatly appreciated. *RECEIVED.*

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

Docket No. 070003-GU

Filed: October 12, 2007

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

Pursuant to the requirements of the Order on Procedure, Florida City Gas hereby submits its Prehearing Statement.

A. Known Witnesses

Florida City Gas intends to offer the direct testimony of Thomas Kaufmann dated May 2, 2006 and September 13, 2006.

Thomas Kaufmann Issues 1-5

B. Known Exhibits

Florida City Gas intends to sponsor the following exhibits:

Kaufmann	TK-1	Final Fuel Over/Under Recovery
	TK-2	Schedules E-1 Winter, E-1, E-1/R, E-2, E-3, E-4, E-5

C. Basic Position

Florida 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

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

Issue 1: What are the appropriate final purchased gas adjustment true-up amounts for the period January 2006 through December 2006?

Florida City Gas: \$1,530,916 over-recovery

Issue 2: What are the estimated purchased gas adjustment true-up amounts for the period January 2007 through December 2007?

Florida City Gas: \$1,031,912 under-recovery

Issue 3: What are the total purchased gas adjustment true-up amounts to be collected during the period January 2008 through December 2008?

Florida City Gas: \$499,004 over-recovery

Issue 4: What are the appropriate levelized purchased gas cost recovery (cap) factors for the period January 2008 through December 2008?

Florida City Gas: 114.300 cents/therm (before regulatory assessment fees) or 114.875 cents/therm (after regulatory assessment fees)

Issue 5: What should be the effective date of the new purchased gas adjustment charge for billing purposes?

Florida City Gas: The factors should be effective for all meter readings on or after January 1, 2008 and should apply for bills rendered for meter readings taken between January 1, 2008 and December 31, 2008.

COMPANY SPECIFIC PURCHASED GAS ADJUSTMENT ISSUES

Florida City Gas

ISSUE 6: Are the costs for the new Bay Gas Storage appropriate for recovery?

Florida City Gas: Yes. Recovery of these costs is appropriate and consistent with Commission precedent.

G. Stipulated Issues

Florida 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 Florida City Gas.

H. Pending Motions

None at this time.

I. Pending Confidentiality Requests

Florida City Gas has no pending confidentiality requests.

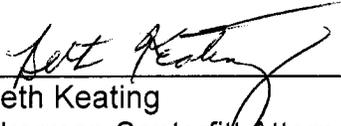
J. Compliance With Order on Procedure

Florida City Gas believes that this Prehearing Statement fully complies with the requirements of the Order on Procedure.

K. Objections to Witness Qualifications

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

RESPECTFULLY SUBMITTED this 12th day of October, 2007.



Beth Keating
Akerman Senterfit 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 12th day of October, 2007:

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 H. Horton, Jr. P.O. Box 15579 Tallahassee, FL 32317	Office of Public Counsel Charles Beck/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Florida City Gas Jay Sutton 955 East 25 th Street Hialeah, FL 33013-3498	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Paula K. Brown/Matthew Costa P.O. Box 111 Tampa, FL 33601-0111	AGL Resources Inc. Elizabeth Wade/Melvin Williams Ten Peachtree Place Location 1470 Atlanta, GA 30309
	Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399



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