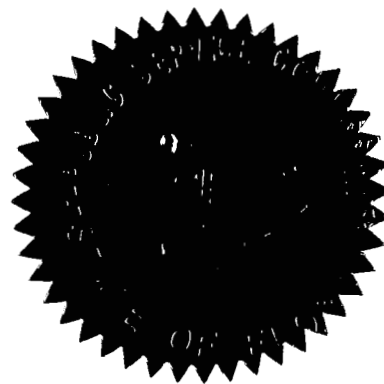


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 070003-GU

In the Matter of

PURCHASED GAS ADJUSTMENT  
(PGA) TRUE-UP.



ELECTRONIC VERSIONS OF THIS TRANSCRIPT ARE  
A CONVENIENCE COPY ONLY AND ARE NOT  
THE OFFICIAL TRANSCRIPT OF THE HEARING,  
THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

14 PROCEEDINGS: HEARING

15 BEFORE: CHAIRMAN LISA POLAK EDGAR  
 16 COMMISSIONER MATTHEW M. CARTER, II  
 17 COMMISSIONER KATRINA J. McMURRIAN  
 COMMISSIONER NANCY ARGENZIANO  
 COMMISSIONER NATHAN A. SKOP

18 DATE: Tuesday, November 6, 2007

19 TIME: Commenced at 9:45 a.m.  
 Concluded at 9:51 a.m.

20 PLACE: Betty Easley Conference Center  
 21 Room 148  
 22 4075 Esplanade Way  
 Tallahassee, Florida

23 REPORTED BY: LINDA BOLES, RPR, CRR  
 24 Official FPSC Reporter  
 (850) 413-6734

25

DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION 0338 NOV 16 5

FPSC-COMMISSION CLERK

## 1 APPEARANCES:

2 BETH KEATING, ESQUIRE, Akerman Senterfitt Law Firm,  
3 106 East College Avenue, Suite 1200, Tallahassee, Florida  
4 32301, appearing on behalf of Florida City Gas.

5 NORMAN H. HORTON, JR., ESQUIRE, Messer, Caparello &  
6 Self, P.A., Post Office Box 1876, Tallahassee, Florida  
7 32302-1876, appearing on behalf of Florida Public Utilities  
8 Company.

9 CECELIA BRADLEY, ESQUIRE, Office of the Attorney  
10 General, The Capitol PL-01, Tallahassee, Florida 32399-1050,  
11 appearing on behalf of the Citizens of the State of Florida.

12 PATRICIA A. CHRISTENSEN, ESQUIRE; STEVEN C. BURGESS,  
13 ESQUIRE; and JOSEPH A. MCGLOTHLIN, ESQUIRE, Office of Public  
14 Counsel, c/o The Florida Legislature, 111 W. Madison Street,  
15 #812, Tallahassee, Florida 32399-1400, appearing on behalf of  
16 the Citizens of the State of Florida.

17 KATHERINE E. FLEMING, ESQUIRE, FPSC General Counsel's  
18 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida  
19 32399-0850, appearing on behalf of the Florida Public Service  
20 Commission Staff.

21

22

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

## I N D E X

## WITNESSES

| NAME :   | PAGE NO. |
|--|----------|
| THOMAS KAUFMANN  |          |
| Prefiled Direct Testimony Inserted   | 10       |
| CHERYL M. MARTIN   |          |
| Prefiled Direct Testimony of Cheryl M.<br>Martin as adopted by Mehrdad Khojasteh<br>Inserted | 21       |
| MEHRDAD KHOJASTEH  |          |
| Prefiled Direct Testimony Inserted   | 23       |
| CHRISTOPHER M. SNYDER  |          |
| Prefiled Direct Testimony Inserted   | 27       |
| W. EDWARD ELLIOTT  |          |
| Prefiled Direct Testimony Inserted   | 31       |
| STUART L. SHOAF  |          |
| Prefiled Direct Testimony Inserted   | 50       |

## EXHIBITS

| NUMBER: |                                       | ID. | ADMTD. |
|---------|---------------------------------------|-----|--------|
| 1       | Comprehensive Stipulated Exhibit List | 8   | 8      |
| 2       | TK-1                                  | 8   | 8      |
| 3       | TK-2                                  | 8   | 8      |
| 4       | CM-1                                  | 8   | 8      |
| 5       | MK-1                                  | 8   | 8      |
| 6       | EE-1                                  | 8   | 8      |
| 7       | EE-2                                  | 8   | 8      |
| 8       | SLS-1                                 | 8   | 8      |
| 9       | SLS-2                                 | 8   | 8      |
| 10      | SLS-3                                 | 8   | 8      |
| 11      | SLS-4                                 | 8   | 8      |
| 12      | SLS-5                                 | 8   | 8      |
| 13      | SLS-6                                 | 8   | 8      |
| 14      | SLS-7                                 | 8   | 8      |

CERTIFICATE OF REPORTER

57

## P R O C E E D I N G S

\* \* \* \* \*

1  
2  
3 CHAIRMAN EDGAR: Call this hearing to order. Good  
4 morning. And before we get started, I'll mention that we have  
5 made some enhancements to our sound system, so bear with us as  
6 we continue to tweak it. We may need to have our staff do some  
7 registering. So if we sound either really loud or really soft,  
8 we're still working on the details.

9 And I also will apologize on a personal note. I have  
10 a cold and will be talking to you through cough drops, so bear  
11 with me as well. My thanks to our staff and to all of the  
12 parties for the work that has gone into this. As you know, we  
13 have one, two, three, four, five dockets that we will be doing,  
14 many stipulated issues. A good example of everybody working  
15 together. And with that, I will ask our staff to read the  
16 notice.

17 MS. FLEMING: Pursuant to notice issued by the  
18 Commission Clerk, this time and place has been set for a  
19 hearing in the following dockets: 070001-EI, 070002-EG,  
20 070003-GU, 070004-GU and 070007-EI.

21 CHAIRMAN EDGAR: Thank you. And I will go ahead and  
22 take appearances for all dockets. And if you would, as you  
23 tell us who you are and who you're representing, also tell us  
24 which dockets that you are involved in.

25 MR. BUTLER: Thank you, Madam Chairman. This is John

1 Butler appearing on behalf of Florida Power & Light Company in  
2 the 01, 02 and 07 dockets.

3 CHAIRMAN EDGAR: Thank you.

4 MR. BURNETT: John Burnett on behalf of Progress  
5 Energy in the 01, 02, 07, and also Gary Perko.

6 MR. BADDERS: Good morning. Russell Badders  
7 appearing on behalf of Gulf Power Company in the 01, 02 and 07  
8 docket. Also appearing with me on behalf of Gulf Power is  
9 Jeffrey A. Stone and Steven R. Griffin.

10 CHAIRMAN EDGAR: Thank you.

11 MR. HORTON: Good morning. Norman H. Horton, Jr.,  
12 appearing on behalf of Florida Public Utilities Company in the  
13 01, 02, 03 and 04 dockets, and for Indiantown Gas Company and  
14 Sebring Gas System in the 04 docket.

15 CHAIRMAN EDGAR: Thank you.

16 MR. BEASLEY: Good morning. James D. Beasley and  
17 Lee L. Willis, Ausley & McMullen, representing Tampa Electric  
18 Company in the 01, 02 and 07 dockets.

19 MS. KEATING: Good morning. Beth Keating, Akerman  
20 Senterfitt, here today on behalf of Florida City Gas in the  
21 03 docket and on behalf of Chesapeake Utilities and Florida  
22 City Gas in the 04 docket.

23 MS. CHRISTENSEN: Good morning. Patty Christensen  
24 with the Office of Public Counsel appearing in the 01, 02,  
25 03 and 07 dockets. Also appearing with me are Steve Burgess

1 and Joe McGlothlin.

2 MR. TWOMEY: Good morning. Mike Twomey on behalf of  
3 AARP in the 01 docket.

4 MAJOR WILLIAMS: Damund Williams in the 01 document  
5 representing the Federal Executive Agencies.

6 CHAIRMAN EDGAR: Thank you.

7 MR. McWHIRTER: John McWhirter, Jr., on behalf of the  
8 Florida Industrial Power Users Group appearing in 01, 02 and  
9 07.

10 CHAIRMAN EDGAR: Thank you. Any other parties?

11 MS. BRADLEY: Cecelia Bradley, Office of the Attorney  
12 General on behalf of the citizens, and we're appearing in, I  
13 think, the same ones Public Counsel did. Thank you.

14 CHAIRMAN EDGAR: Thank you. And staff.

15 MS. FLEMING: Katherine Fleming appearing on behalf  
16 of the Commission in the 02, 03 and 04 dockets.

17 MS. BROWN: Martha Carter Brown appearing on behalf  
18 of the Commission in the 07 docket.

19 MS. BENNETT: Lisa Bennett and Keino Young in the  
20 01 docket.

21 CHAIRMAN EDGAR: Thank you. Okay. And I'd note for  
22 the record that St. Joe Natural Gas Company and People's Gas  
23 have been excused from the 03 and the 04 dockets. Any other  
24 matters that we need to take up, I'll ask our staff counsel,  
25 before we go into the 03 docket?

1 MS. FLEMING: I'm not aware of any, Madam Chairman.

2 CHAIRMAN EDGAR: Okay. Then we will move right  
3 along. And for the record we are now opening the 03 docket. I  
4 have mentioned that St. Joe Natural Gas and People's Gas have  
5 been excused. My understanding is there are proposed  
6 stipulations on all issues and that all witnesses have been  
7 excused. And I will ask our staff, are there any other  
8 matters?

9 MS. FLEMING: At this time there are not. As you  
10 noted for the record, all witnesses have been excused and there  
11 are proposed stipulations on all issues.

12 Seeing that all witnesses have been excused, staff  
13 would recommend that the prefiled testimony of all witnesses in  
14 the 03 docket which are set forth on Page 4 of the Prehearing  
15 Order be inserted into the record as though read.

16 CHAIRMAN EDGAR: Any objection? Seeing no objection,  
17 the prefiled testimony for all of the witnesses in the  
18 03 docket will be entered into the record as though read.

19 MS. FLEMING: Staff would also ask that the exhibits  
20 on the attached exhibit list, Numbers 1 through 14, be marked  
21 and moved into the record.

22 CHAIRMAN EDGAR: The Comprehensive Exhibit List,  
23 Exhibit 1, and the, the exhibits that are listed 2 through 14  
24 will be entered into the record.

25 (Exhibits 1 through 14 marked for identification and



1 admitted into the record.)

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DIRECT TESTIMONY OF

3 THOMAS KAUFMANN

4 ON BEHALF OF FLORIDA CITY GAS

5 DOCKET NO. 070003-GU

6

7 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

8 A. My name is Thomas Kaufmann. My business address is  
9 Elizabethtown Gas, One Elizabethtown Plaza, Union, New  
10 Jersey 07083.

11

12 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

13 A. I am currently employed as a Manager of Rates and Tariffs and  
14 have responsibilities for Pivotal Utility Holdings, Inc's., Florida  
15 operating division .d/b/a Florida City Gas ("City Gas" or "the  
16 Company").

17

18 **Q. BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND AND**  
19 **EMPLOYMENT EXPERIENCE.**

20 A. In June 1977, I graduated from Rutgers University, Newark with  
21 a Bachelor of Arts degree in Business Administration, majoring  
22 in accounting and economics. In July 1979, I graduated from  
23 Fairleigh Dickinson University, Madison with a Masters of

1 Business Administration, majoring in finance. My professional  
2 responsibilities have encompassed financial analysis,  
3 accounting, planning, and pricing in manufacturing and energy  
4 services companies in both regulated and deregulated  
5 industries. In 1977, I was employed by Allied Chemical Corp. as  
6 a staff accountant. In 1980, I was employed by Celanese Corp.  
7 as a financial analyst. In 1981, I was employed by Suburban  
8 Propane as a Strategic Planning Analyst, promoted to Manager  
9 of Rates and Pricing in 1986 and to Director of Acquisitions and  
10 Business Analysis in 1990. In 1993, I was employed by  
11 Concurrent Computer as a Manager, Pricing Administration. In  
12 1996 I joined Pivotal Utility Holdings, Inc's., (formerly known as  
13 NUI Utilities Inc.) as a Rate Analyst, was promoted to Manager  
14 of Regulatory Support in August, 1997 and Manager of  
15 Regulatory Affairs in February, 1998, and named Manager of  
16 Rates and Tariffs in July 1998.

17

18 **Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY?**

19 A. The purpose of my testimony is to present the comparison of  
20 Actual versus Original estimate of the purchased gas adjustment  
21 cost recovery factor and true-up provision for the period January,  
22 2006 through December, 2006 for City Gas.

23

1 **Q. HAS THE COMPANY PREPARED THE FORM PRESCRIBED**  
2 **BY THIS COMMISSION FOR THIS PURPOSE?**

3 A. Yes. The Company has prepared the form prescribed by the  
4 Commission attached as Schedule A-7, and identified as Exhibit  
5 \_\_\_\_ (TK-1).

6  
7 **Q. HAS CITY GAS PREPARED A SCHEDULE WHICH SHOWS**  
8 **THE ACTUAL GAS COSTS ASSOCIATED WITH THE GAS**  
9 **ADJUSTMENT COST RECOVERY FACTOR?**

10 A. Yes. City Gas prepared Schedule A-7, attached, which  
11 describes the total fuel cost for the period in question, recovery  
12 of such cost from ratepayers through the Purchased Gas  
13 Adjustment (PGA) Cost Recovery Factor, and remaining over or  
14 under-recovery of gas cost.

15

16 **Q. WHAT WAS THE TOTAL GAS COST INCURRED BY THE**  
17 **COMPANY DURING THE TWELVE MONTHS ENDED**  
18 **DECEMBER 31, 2006?**

19 A. As shown on Schedule A-7, Line 1, the total cost of gas for the  
20 twelve months ended December 31, 2006 is \$37,939,241.

21

1 Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST  
2 RECOVERED BY THE COMPANY DURING THE TWELVE  
3 MONTHS ENDED DECEMBER 31, 2006?

4 A. The Company recovered \$38,146,907.

5

6 Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE  
7 TWELVE MONTHS ENDED DECEMBER 31, 2006?

8 A. The actual true-up amount, including adjustments, margin  
9 sharing and interest, is an over-recovery of \$760,475.

10

11 Q. CAN YOU EXPLAIN HOW YOU ARRIVED AT THAT  
12 AMOUNT?

13 A. Yes. As shown on Schedule A-7, the total fuel revenues for the  
14 period are \$38,146,907 and the total fuel cost is \$37,939,241.

15 The difference between the fuel cost and fuel recoveries is an  
16 over-recovery of \$207,666. This over-recovery is increased by  
17 an adjustment of \$442,112 for margin sharing. and the interest  
18 provision, for the over-recovery during the period, of \$110,697.

19 The sum of these, inclusive of any rounding, is an over-recovery  
20 of \$760,475.

21

1 Q. WHAT IS THE FINAL OVER/UNDER RECOVERY FOR THE  
2 JANUARY 2006 THROUGH DECEMBER 2006 PERIOD TO BE  
3 INCLUDED IN THE 2007 PROJECTION?

4 A. The final true-up amount for the period of January 2006 through  
5 December 2006 to be included in the 2008 projection is an over-  
6 recovery \$1,530,916. This is the difference between the  
7 estimated under-recovery of \$770,441 that is included in the  
8 current cost recovery factor being collected during 2007 and the  
9 actual over-recovery of \$760,475

10

11 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

12 A. Yes.

1           **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                           PREPARED DIRECT TESTIMONY OF

3   THOMAS KAUFMANN

4   ON BEHALF OF FLORIDA CITY GAS

5   DOCKET NO. 070003-GU

6   September 13, 2007

7

8   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

9   A.   My name is Thomas Kaufmann. My business address is Elizabethtown  
10       Gas, One Elizabethtown Plaza, Union, New Jersey 07083.

11 **Q.   BY WHOM ARE YOU EMPLOYED, AND IN WHAT CAPACITY?**

12 A.   I am currently employed as a Manager of Rates and Tariffs and have  
13       responsibilities for Florida City Gas ("City Gas" or "the Company").

14 **Q.   BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND AND**  
15 **EMPLOYMENT EXPERIENCE.**

16 A.   In June 1977, I graduated from Rutgers University, Newark, N.J.,  
17       with a Bachelor of Arts degree in Business Administration, majoring  
18       in accounting and economics. In July 1979, I graduated from  
19       Fairleigh Dickinson University, Madison, N.J., with a Masters of  
20       Business Administration, majoring in finance. My professional  
21       responsibilities have encompassed financial analysis, accounting,  
22       planning, and pricing in manufacturing and energy services  
23       companies in both regulated and deregulated industries. In 1977, I

1 was employed by Allied Chemical Corp. as a staff accountant. In  
2 1980, I was employed by Celanese Corp. as a financial analyst. In  
3 1981, I was employed by Suburban Propane as a Strategic  
4 Planning Analyst, promoted to Manager of Rates and Pricing in  
5 1986 and to Director of Acquisitions and Business Analysis in 1990.  
6 In 1993, I was employed by Concurrent Computer as a Manager,  
7 Pricing Administration. In 1996 I joined NUI as a Rate Analyst, was  
8 promoted to Manager of Regulatory Support in August, 1997 and  
9 Manager of Regulatory Affairs in February, 1998, and named  
10 Manager of Rates and Tariffs in July 1998.

11 **Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY.**

12 A. The purpose of my testimony is to present the revised estimate of  
13 the Company's projection of gas costs for the period August 2007  
14 through December 2007 and the Company's projection of gas costs  
15 for the period January 2008 through December 2008. In addition I  
16 will present the development of the maximum rate to be charged to  
17 customers for the period January 2008 through December 2008.

18 **Q. HAS THE COMPANY PREPARED THE FORMS AS PRESCRIBED**  
19 **BY THE COMMISSION FOR THIS PURPOSE?**

20 A. Yes. The forms prescribed by the Commission are being filed at  
21 this time. Copies are attached to my testimony as Exhibit \_\_ (TK-2).

22



1 **Q. CAN YOU EXPLAIN THE PROJECTION METHODOLOGY?**

2 A. Yes. Under this methodology, which was adopted by Order No.  
3 PSC-93-0708-FOF-GU of this Commission on May 10, 1993 and  
4 modified in Docket No. 980269-PU on June 10, 1998, gas  
5 companies are to project their gas costs each twelve months for the  
6 ensuing twelve month period ending in December. A per therm rate  
7 is developed for the weighted average cost of gas (WACOG). This  
8 rate, based on the average of the winter and summer seasons,  
9 would lead to over or under-recoveries of gas costs in the two  
10 seasons. This problem is mitigated by establishing a maximum  
11 levelized purchased gas factor based on the Company's expected  
12 winter cost of gas, thereby eliminating a large under-recovery in that  
13 season. The Company is then able to flex downward in the summer  
14 in order to match market conditions and eliminate the potential for a  
15 large over-recovery for the remainder of the period.

16 **Q. WHAT IF THE ACTUAL COST EXCEEDS THE MAXIMUM RATE**  
17 **AS PROJECTED?**

18 A. If re-projected gas costs for the remaining period exceed projected  
19 recoveries by at least 10% for the twelve month period, a mid-  
20 course correction may formally be requested by the Company.

21 **Q. WHAT HAPPENS TO THE DIFFERENCES THAT RESULT FROM**  
22 **MISESTIMATES, THAT IS, THE MISMATCHES BETWEEN**  
23 **ESTIMATED AND ACTUAL COSTS?**

1 A. The forms take this into consideration. Form E-2 calculates the  
2 projected differences using estimated figures, and form E-4  
3 calculates the final true-up using actual figures. These differences  
4 are flowed back to customers through the true-up factor included in  
5 gas costs billed in the subsequent twelve month period.

6 **Q. ARE ANY FLORIDA GAS TRANSMSSION (FGT) RATE**  
7 **CHANGES PROPOSED WHICH ARE REFLECTED IN THIS**  
8 **FILING?**

9 A. No, the FGT rates used in the preparation of this filing are those in  
10 effect on September 1, 2007

11 **Q. DOES THE CAP RATE REFLECT ANY CHANGES IN STORAGE**  
12 **COSTS?**

13 Yes, the Company has recently contracted for storage capacity with  
14 Bay Gas Storage which is expected to be operational in April of 2008.  
15 The primary purpose of this storage will be for supply reliability during  
16 the hurricane season and secondarily, as a physical hedge to  
17 mitigate/reduce winter price volatility, to the extent that the inventory  
18 remains prior to the start of the heating season. As such, FCG has  
19 included reservation charges for April through December 2008. The  
20 storage facility offers direct pipeline interconnection with Florida Gas  
21 Transmission ("FGT") in Zone 3 and is located in the southwest corner  
22 of Alabama in Mobile County. When service commences, FCG will  
23 have 150,000 dth of storage capacity coupled with 15,000 dth per day

1 of withdrawal rights and 5,000 dth per day of injection rights. Following  
2 commencement of services, reservation/demand charges, injection and  
3 withdrawal charges, injection fuel charges and applicable taxes and  
4 assessments will be included in costs to be recovered through the PGA  
5 clause. This is consistent with the treatment of storage cost recovery  
6 recently approved by the Commission in Florida Power & Light  
7 Company's Docket No. 060362-EL.

8

9 **Q. CAN YOU SUMMARIZE THE CONTENTS OF THE SCHEDULES**  
10 **SUBMITTED AS PART OF THIS FILING?**

11 A. Yes. For the projected period, January 2008 through December  
12 2008, we estimate the gas purchases for resale will be 42,828,671  
13 therms at a total cost of \$47,160,235 with a resulting WACOG of  
14 110.114 cents per therm before the application of the true-up factor  
15 and the regulatory assessment fee. The difference between the  
16 estimated actual and actual true-up for the prior period, January  
17 2006 through December 2006, is an over-recovery of \$1,530,916.  
18 The projected true-up for the current period, January 2007 through  
19 December 2007, is an under-recovery of \$1,031,912. The total true-  
20 up as shown on Schedule E-4 is an over-recovery of \$499,004 for a  
21 true-up refund factor of 1.165 cents per therm that would be applied  
22 during the projected period. This true-up factor decreases the gas  
23 cost factor during the projected period to 108.949 cents per therm

1 before the regulatory assessment fee. With the regulatory  
2 assessment fee added, the PGA factor is 109.497 cents per therm  
3 based on the average of the winter and summer seasons. City Gas,  
4 however, has chosen to establish a maximum levelized purchased  
5 gas factor based on the Company's expected winter cost of gas as  
6 follows:

7 Winter Average

|                                 |              |
|---------------------------------|--------------|
| 8 Total Cost (Line 11)          | \$27,710,480 |
| 9 Total Therm Sales (Line 27)   | 23,999,038   |
| 10 (Line 11/ Line 27)           | \$1.15465    |
| 11 True-up                      | (\$0.01165)  |
| 12 Before Regulatory Assessment | \$1.14300    |
| 13 Revenue Tax Factor           | 1.00503      |
| 14 Purchased Gas Factor         | \$1.14875    |

15 As shown above, the maximum levelized purchased gas factor  
16 based on the Company's expected winter cost of gas is 114.300  
17 cents per therm before the regulatory assessment fee and 114.875  
18 cents per therm after the regulatory assessment fee. This is the  
19 maximum gas cost factor that City Gas may charge its customers  
20 for the period January 2008 through December 2008.

21

22 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

23 **A.** Yes, it does.

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 070003-GU  
DETERMINATION OF PURCHASED  
GAS/COST RECOVERY FACTOR

Direct Testimony of  
Cheryl M. Martin  
On Behalf of  
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. Cheryl M. Martin, 401 South Dixie Highway, West Palm  
3 Beach, FL 33401.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company as  
6 the Controller.
- 7 Q. What is the purpose of your testimony at this time?
- 8 A. To advise the Commission of the actual over/under  
9 recovery of the Purchased Gas Adjustment for the  
10 period January 1, 2006 through December 31, 2006, as  
11 compared to the true-up amount previously reported  
12 for that period which was based on eight months  
13 actual and four months estimated.

- 1 Q. Please state the actual amount of over/under recovery  
2 of the Purchased Gas Adjustment for January 1, 2006  
3 through December 31, 2006.
- 4 A. During January 2006 through December 2006, FPUC  
5 overrecovered \$5,136,260.
- 6 Q. How does this amount compare with the estimated true-  
7 up amount, which was allowed by the Commission during  
8 the November 2006 hearing?
- 9 A. As of December 31, 2006, FPUC had estimated an  
10 overrecovery of \$1,241,836.
- 11 Q. Have you prepared any exhibits at this time?
- 12 A. We prepared and pre-filed composite Exhibit CM - 1,  
13 containing Schedule A-7, Final Fuel Over/Under  
14 Recovery for the Period January 2006 through December  
15 2006.
- 16 Q. Does this conclude your testimony?
- 17 A. Yes.

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 070003-GU  
DETERMINATION OF PURCHASED  
GAS/COST RECOVERY FACTOR

Direct Testimony of  
Mehrdad Khojasteh  
On Behalf of  
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. Mehrdad Khojasteh, 401 South Dixie Highway, West  
3 Palm Beach, FL 33401.
- 4 Q. By whom are you employed?
- 5 A. I am employed by Florida Public Utilities Company.
- 6 Q. Have you previously testified in this Docket?
- 7 A. No.
- 8 Q. Mr. Khojasteh, previous testimony and an exhibit was  
9 filed by Ms. Cheryl Martin in this docket. Are you  
10 adopting that testimony and exhibit as yours?
- 11 A. Yes. I am adopting both the testimony and exhibit as  
12 revised as mine.
- 13 Q. What is the purpose of your testimony at this time?
- 14 A. I will summarize our projected gas recoveries  
15 computations which are contained in composite  
16 exhibit MK-1 which supports the January 2008 through

1 December 2008 projected purchased gas adjustments  
2 for our consolidated gas division. In addition, I  
3 will advise the Commission of the projected  
4 differences between the revenues collected and the  
5 purchased gas costs allowed in developing the  
6 levelized purchased gas adjustment for the periods  
7 January 2006 through December 2006, and January 2007  
8 through December 2007. From these periods, I will  
9 establish a "true-up" amount to be collected or  
10 refunded during January 2008 through December 2008.

11 Q. Were the schedules filed by your Company completed  
12 under your direction?

13 A. Yes.

14 Q. Which of the Staff's set of schedules has your  
15 company completed and filed?

16 A. We have prepared and previously filed True-Up  
17 schedules A-1, A-2, A-3, A-4, A-5, and A-6, in  
18 addition to filing composite exhibit MK-1 which  
19 contains Schedules E1, E-1/R, E2, E3, E4 and E5 for  
20 our consolidated gas division. These schedules  
21 support the calculation of the purchase gas  
22 adjustment factors for January 2008 through December  
23 2008.

24 Q. What is the appropriate final purchased gas  
25 adjustment true-up amount for the period



1 January 2006 through December 2006?

2 A. The final purchased gas adjustment true-up amount  
3 for the period January 2006 through December 2006 is  
4 an over-recovery of \$1,241,836.

5 Q. What is the estimated purchased gas adjustment true-  
6 up amount for the period January 2007 through  
7 December 2007?

8 A. We have estimated that we will have an over-recovery  
9 of \$2,475,583 for the period January 2007 - December  
10 2007.

11 Q. What is the total purchased gas adjustment true-up  
12 amount to be refunded during the period January 2008  
13 through December 2008?

14 A. The total net over-recovery to be refunded during  
15 the period January 2008 - December 2008 is  
16 \$3,717,419.

17 Q. What is the appropriate levelized purchased gas  
18 adjustment recovery (cap) factor for the period  
19 January 2008 through December 2008?

20 A. The 2008 Purchased Gas Cost Recovery Factor will be  
21 a maximum of 150.001¢ per therm.

22 Q. What should be the effective date of the new  
23 purchased gas adjustment charge for billing  
24 purposes?

25 A. The factor should be effective for all meter

1 readings on or after January 1, 2008, beginning with  
2 the first applicable billing cycle for the period  
3 January 2008 through December 2008.

4 Q. Does this conclude your testimony?

5 A. Yes.

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 070003-GU  
DETERMINATION OF PURCHASED  
GAS/COST RECOVERY FACTOR

Direct Testimony of  
Christopher M. Snyder  
on Behalf of  
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. Christopher M. Snyder, 401 South Dixie Highway, West  
3 Palm Beach, FL 33401.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am employed by Florida Public Utilities Company  
6 (FPU) as the Gas Logistics Manager.
- 7 Q. How long have you been employed by FPU?
- 8 A. Since July 1991.
- 9 Q. Have you previously testified before this Commission?
- 10 A. No, I have not previously testified before the  
11 Commission.
- 12 Q. What are the subject matters of your testimony in this  
13 proceeding?
- 14 A. My testimony will relate to three (3) specific  
15 matters: forecasts of gas sales, forecasts of the  
16 pipeline charges and the forecast of commodity costs  
17 of natural gas to be purchased by the Company.
- 18 Q. What is the projection period for this filing?

- 1 A. The projection period is January 2008 through December  
2 2008.
- 3 Q. Please generally describe how the forecasts of gas  
4 sales were developed for the projection period.
- 5 A. Gas sales projections were based on historical factors  
6 developed by the Company's Marketing Department.  
7 These projections were compiled and sorted to  
8 determine the total projected sales to the traditional  
9 non-transportation firm and the interruptible classes  
10 of customers for the twelve-month period of Company's  
11 Purchased Gas Cost Recovery Factor filing.
- 12 Q. Please describe how the forecasts of pipeline charges  
13 and commodity costs of gas were developed for the  
14 projection period.
- 15 A. The purchases for the gas cost projection model were  
16 based on using Marketing's projection of sales to  
17 bundled and unbundled customers. Florida Gas  
18 Transmission Company's (FGT) FTS-1, FTS-2, NNTS-1 and  
19 ITS-1 effective charges (including surcharges) and  
20 fuel rates, at the time the projections were made,  
21 were used for the entire projection period. The  
22 expected cost of natural gas purchased by FPU and  
23 delivered to FGT, for transportation to the Company  
24 and for FGT's fuel use factor, during the projection  
25 period was developed using the maximum New York

1 Mercantile Exchange (NYMEX) natural gas futures  
2 settlement prices for the historical period of June  
3 1992 through present. The forecasts of the commodity  
4 cost of gas also takes into account the average basis  
5 differential between the NYMEX projections and  
6 historic cash markets as well as premiums and  
7 discounts, by zone, for term gas supplies.

8 Q. Please describe how the forecasts of the weighted  
9 average costs of gas were developed for the projection  
10 period.

11 A. FPU's sales to traditional non-transportation firm and  
12 interruptible customers were allocated all of the  
13 monthly pipeline demand costs, less the cost of  
14 capacity temporarily relinquished to pool managers for  
15 the accounts of unbundled customers, and were  
16 allocated all of the relevant projected pipeline and  
17 supplier commodity costs. The sum of these costs were  
18 divided by the projected sales level to said customers  
19 resulting in the projected weighted average cost of  
20 gas for traditional non-transportation firm customers  
21 and interruptible customers and ultimately the  
22 Purchased Gas Cost Recovery Factor (PGCRF) shown on  
23 Schedule E-1. Capacity shortfalls, if any, would be  
24 satisfied with the most economic dispatch combination  
25 of acquired capacity relinquished by another FGT

1 shipper and/or gas and capacity repackaged and  
2 delivered by another FGT capacity holder. Obviously,  
3 if other services become available and it is more  
4 economic to dispatch supplies under those services,  
5 the Company will utilize those services as part of its  
6 portfolio.

7 Q. Does this conclude your prepared direct testimony?

8 A. Yes.

- 1 Q. Please state your name and business address.
- 2 A. My name is W. Edward Elliott. My business address  
3 is 702 N. Franklin Street, Tampa, Florida 33602.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am Manager of Gas Accounting for Peoples Gas  
6 System ("Peoples").
- 7 Q. Please summarize your educational background and  
8 professional qualifications.
- 9 A. I graduated from the University of South Florida in  
10 1972 with the degree of Bachelor of Arts in  
11 Accounting. I have over 19 years of experience in  
12 the utility field.
- 13 Q. What are your primary responsibilities in your  
14 present position with Peoples?
- 15 A. As Manager of Gas Accounting, I am responsible for  
16 recording the Company's cost of gas.
- 17 Q. Have you previously prepared testimony in  
18 regulatory proceedings?
- 19 A. I have filed prepared direct testimony in previous  
20 Purchased Gas Adjustment proceedings.
- 21 Q. Have you prepared or caused to be prepared certain  
22 schedules for use in this proceeding?
- 23 A. Yes. As Composite Exhibit EE-1, I sponsored the  
24 preparation of the following schedule with respect  
25 to the final true-up for the period January 2006

- 1 through December 2006:
- 2 A-7 -- Final fuel over/(under) recovery.
- 3 Q. What was Peoples' cost of gas to be recovered  
4 through the PGA clause for the period January 2006  
5 through December 2006?
- 6 A. As shown on Schedule A-7 in EE-1, the cost of gas  
7 purchased, adjusted for company use,  
8 was \$343,677,015.
- 9 Q. What was the amount of gas revenue collected for  
10 the period January 2006 through December 2006?
- 11 A. The amount of gas revenue collected to cover the  
12 cost of gas was \$357,245,701.
- 13 Q. What was the final true-up amount for the period  
14 January 2006 through December 2006?
- 15 A. The final true-up amount for the period, including  
16 interest and adjustments, is an overrecovery of  
17 \$14,155,657.
- 18 Q. Is this amount net of the estimated true-up for the  
19 period January 2006 through December 2006, which  
20 was included in the January 2007 through December  
21 2007 PGA factor calculation?
- 22 A. No. The final true-up net of the estimated true-up  
23 or the period January 2006 through December 2006 is  
24 an underrecovery of \$1,456,054.
- 25 Q. Is this the final underrecovery amount to be



1 included in the January 2008 through December 2008  
2 projection.

3 A. Yes.

4 Q. Does this conclude your testimony?

5 A. Yes.

1 Q. Please state your name and business address.

2

3 A. My name is W. Edward Elliott. My business address is 702  
4 N. Franklin Street, P. O. Box 2562, Tampa, Florida 33601-  
5 2562.

6

7 Q. By whom are you employed and in what capacity?

8

9 A. I am Manager of Gas Accounting for Peoples Gas System  
10 ("Peoples" or "Company"), a division of Tampa Electric  
11 Company.

12

13 Q. Please summarize your educational background and  
14 professional qualifications.

15

16 A. I graduated from the University of South Florida in 1972  
17 with the degree of Bachelor of Arts in Accounting. I  
18 have over 19 years of experience in the utility field.

19

20 Q. What are your primary responsibilities in your present  
21 position with Peoples?

22

23 A. As Manager of Gas Accounting, I am responsible for  
24 recording the Company's costs for natural gas and  
25 upstream pipeline capacity and preparing filings

1 associated with the recovery of these costs through the  
2 Purchased Gas Adjustment ("PGA").

3

4 **Q.** Have you previously testified in regulatory proceedings  
5 before this Commission?

6

7 **A.** Yes. I have submitted testimony on several occasions  
8 supporting Peoples' Purchased Gas Adjustment.

9

10 **Q.** What is the purpose of your testimony in this docket?

11

12 **A.** The purpose of my testimony is to describe generally the  
13 components of Peoples' cost of purchased gas and upstream  
14 pipeline capacity. In my testimony, I also explain how  
15 Peoples' projected weighted average cost of gas ("WACOG")  
16 for the January 2008 through December 2008 period was  
17 determined and the resulting requested maximum PGA  
18 ("Cap").

19

20 **Q.** Please summarize your testimony.

21

22 **A.** I will address the following areas:

23

24 1. How Peoples will obtain its gas supplies during  
25 the projected period.

- 1           2.   Estimates and adjustments used to determine the  
2           amount of gas to be purchased from Peoples'  
3           various available sources of supply during the  
4           projected period.
- 5           3.   Projections and assumptions used to estimate the  
6           purchase price to be paid by Peoples for such gas  
7           supplies.
- 8           4.   The components and assumptions used to develop  
9           Peoples' projected WACOG including the projected  
10          true-up balance to be collected or refunded.
- 11
- 12   **Q.**   What is the appropriate final purchased gas adjustment  
13          true-up amount for the period January 2006 through  
14          December 2006?
- 15
- 16   **A.**   The final PGA true-up amount for the year 2006 is an  
17          underrecovery of \$1,456,054.
- 18
- 19   **Q.**   What is the estimated purchased gas adjustment true-up  
20          amount for the period January 2007 through December 2007?
- 21
- 22   **A.**   The estimated PGA true-up amount for 2007 is an  
23          overrecovery of \$7,251,014.
- 24
- 25   **Q.**   What is the total purchased gas adjustment true-up amount

1 to be collected during the period January 2008 through  
2 December 2008?

3

4 **A.** The total PGA true-up amount to be refunded in 2008 is an  
5 overrecovery of \$5,794,960.

6

7 **Q.** Have you prepared or caused to be prepared certain  
8 schedules for use in this proceeding?

9

10 **A.** Yes. Composite Exhibit EE-2 was prepared by me or under  
11 my supervision.

12

13 **Q.** Please describe how Peoples will obtain its gas supplies  
14 during the projected period of January 2008 through  
15 December 2008.

16

17 **A.** All natural gas delivered through Peoples' distribution  
18 system is received through three interstate pipelines.  
19 Gas is delivered through Florida Gas Transmission Company  
20 ("FGT"), through Southern Natural Gas Company  
21 ("Southern") in Peoples' Jacksonville Division, and  
22 through Gulfstream Natural Gas System ("Gulfstream") in  
23 Peoples' Lakeland, Tampa, and Orlando Divisions.  
24 Receiving gas supply through multiple interstate  
25 pipelines provides valuable flexibility and reliability

1 to serve customers.

2

3 **Q.** In general, how does Peoples determine its sources of  
4 supply?

5

6 **A.** Peoples evaluates, selects and utilizes sources of natural  
7 gas supply on the basis of its "best value" gas  
8 acquisition strategy. For a source of supply to be  
9 identified as a "best value," it must offer the best  
10 combination of price, reliability of supply, and  
11 flexibility, consistent with Peoples' obligation as a  
12 public utility to provide safe, adequate and efficient  
13 service to the general public. Through a competitive  
14 bidding process, Peoples has a portfolio of supply sources  
15 from numerous third-party suppliers that reflect balance  
16 between cost, reliability and operational flexibility.

17

18 **Q.** Could Peoples purchase all third party supplies in  
19 advance for a long term at the lowest available fixed  
20 price in order to provide increased stability to its  
21 cost of gas?

22

23 **A.** No. Peoples' quantity requirements for system supply gas  
24 vary significantly from year to year, season to season,  
25 month to month and, in particular, from day to day. The

1 demand for gas on the Peoples system can often vary  
2 dramatically within a month from the lowest to the highest  
3 requirement of its customers. In addition, Peoples'  
4 transportation throughput will continue to increase during  
5 the projected period as approximately 166 customers per  
6 month are continuing to transfer from sales service to  
7 transportation service under the NaturalChoice program.  
8 The actual takes of gas out of the Peoples system by those  
9 same transporting customers varies significantly from day  
10 to day. Since significant portions of the total  
11 transportation volumes are received by Peoples at a  
12 uniform daily rate, Peoples is forced to increase or  
13 decrease the volumes purchased for its own system supply  
14 by significant increments in order to maintain a balance  
15 between receipts and deliveries of gas each day. As a  
16 consequence, Peoples must buy a portion of its total  
17 system requirements under swing contract arrangements, and  
18 meet extreme variations in delivered volumes by relying on  
19 swing gas, peaking gas, pipeline balancing volumes and  
20 pipeline no notice service at the prevailing rates for  
21 such services.

22  
23 **Q.** How did Peoples estimate the amount of gas to be  
24 purchased from various sources during the projected  
25 period of January 2008 through December 2008?

- 1
- 2 **A.** Peoples' projected gas purchases are based on the
- 3 Company's preliminary total throughput of therms
- 4 delivered to customers projected for 2008, including both
- 5 sales of Peoples' system supply and transportation
- 6 deliveries of third party gas purchased by end-users of
- 7 Peoples. The throughput was then adjusted for the
- 8 anticipated level of transportation service, including
- 9 the anticipated conversions under the Company's
- 10 NaturalChoice program.
- 11
- 12 **Q.** How are revenues derived from Peoples' Swing Service
- 13 Charge accounted for through the PGA?
- 14
- 15 **A.** Customers who participate in the NaturalChoice program
- 16 pay a Swing Service Charge. The Swing Service Charge
- 17 covers costs included in the PGA for balancing the
- 18 difference between marketer-supplied gas and the
- 19 customers' actual consumption. The revenues from the
- 20 Swing Service Charge are credited to the PGA to offset
- 21 this expense.
- 22
- 23 **Q.** Is Peoples seeking a change in the Swing Service Charge?
- 24
- 25 **A.** Not at this time. However, to the extent a portion of



1 the swing costs are assigned to the PGA, Peoples may seek  
2 to readdress its Swing Service Charge expenses and the  
3 allocation thereof in a subsequent docket before the  
4 Commission. This is because on November 1, 2007, Peoples  
5 will begin its eighth year of making transportation  
6 service available to all non-residential customers  
7 pursuant to Commission Order No. PSC-00-1814-TRF-GU,  
8 issued October 4, 2000. Over the past seven years, both  
9 the number of transportation customers and the volumes of  
10 natural gas tendered to Peoples for transportation have  
11 increased dramatically. This continued migration has  
12 increased the amount of natural gas the Company purchases  
13 on a swing basis to cover all customers' seasonal,  
14 weekly, and daily peaks. In addition to the increase in  
15 the quantity of natural gas supply purchased for Swing  
16 Service, the cost of natural gas supply has increased  
17 significantly since the inception of Peoples'  
18 NaturalChoice Program. Therefore, the increased expenses  
19 associated with the provision of Swing Service may need  
20 to be recalculated and allocated based on current costs  
21 and transportation service levels.

22  
23 Q. How did you estimate the purchase price to be paid by  
24 Peoples for each of its available sources of gas supply?  
25

1     **A.**    The price to be paid for natural gas is estimated based  
2            on an evaluation of historical prices for gas delivered  
3            to the FGT, Southern, and Gulfstream systems, futures  
4            contracts as reported on the New York Mercantile Exchange  
5            and forecasts of market prices for the projection period  
6            of January 2008 through December 2008.  These prices are  
7            then adjusted to reflect the potential for implied  
8            volatility and unexpected increases particularly in the  
9            monthly and daily markets for natural gas prices in the  
10           projection period.

11  
12     **Q.**    Referring to Schedules E-3 (A) through (G) of Composite  
13            Exhibit EE-2, please explain the components of these  
14            schedules and the assumptions that were made in  
15            developing the Company's projections.

16  
17     **A.**    Schedule E-3 (G) is a compilation of the monthly data  
18            that appears on Schedules E-3 (A) through (F) for the  
19            corresponding months of January 2008 through December  
20            2008.  In Schedules E-3 (A) through (F), Column (A)  
21            indicates the applicable month for all data on the page.

22            In Column (B), "FGT" indicates that the volumes  
23            are to be purchased from third party suppliers for  
24            delivery via FGT interstate pipeline transportation.  
25            "SOUTHERN" indicates that the volumes are to be

1 purchased from a third party supplier for delivery via  
2 Southern interstate pipeline transportation.  
3 "GULFSTREAM" indicates that the volumes are to be  
4 purchased from a third party supplier for delivery via  
5 Gulfstream interstate pipeline transportation. "THIRD  
6 PARTY" indicates that the volumes are to be purchased  
7 directly from various third party suppliers for  
8 delivery into FGT, Southern, or Gulfstream.

9 In Column (C), "PGS" means the purchase will be for  
10 Peoples' system supply and will become part of Peoples'  
11 total WACOG. None of the costs of gas or transportation  
12 for end-use purchases made by end-use customers of  
13 Peoples are included in Peoples' WACOG. In Column (D),  
14 purchases of pipeline transportation services from FGT  
15 under Rate Schedules FTS-1 and FTS-2 are split into two  
16 components, commodity (or "usage") and demand (or  
17 "reservation"). Both Peoples and end-users pay the usage  
18 charge based on the actual amount of gas transported.  
19 The FTS-1 and FTS-2 commodity costs shown include all  
20 related transportation charges including usage, fuel and  
21 ACA charges. The FTS-1 and FTS-2 demand component is a  
22 fixed charge based on the maximum daily quantity of FTS-1  
23 and FTS-2 firm transportation capacity reserved.  
24 Similarly, the transportation rates of Southern and  
25 Gulfstream also consist of two components, a usage charge

1 and a reservation charge. Individual Transportation  
2 Service customers reimburse Peoples or directly pay FGT  
3 for all pipeline reservation charges associated with the  
4 transportation capacity that Peoples reserves and uses on  
5 their behalf.

6 Also in Column (D), "NO NOTICE TRANSPORTATION  
7 SERVICE" (or "NNTS") means FGT's no notice service  
8 provided to Peoples on a fixed charge basis for use when  
9 Peoples' actual use exceeds scheduled quantities. "SWING  
10 SERVICE" means the demand and commodity component of the  
11 cost of third party supplies purchased to meet Peoples  
12 "swing" requirements for supply that fluctuate on a day-  
13 to-day basis. "COMMODITY" means third party purchases of  
14 gas transported on FGT, Southern or Gulfstream and does  
15 not include any purchases of sales volumes from FGT.

16 Column (E) shows the monthly quantity in therms of  
17 gas purchased by Peoples for each category of system  
18 supply.

19 Column (F) shows the gas purchased by end-users for  
20 transportation.

21 Column (G) is the total of Columns (E) and (F) in  
22 each row.

23 Columns (H), (I), (J) and (K) show the corresponding  
24 third party supplier commodity costs, pipeline  
25 transportation commodity costs, pipeline transportation

1 reservation costs, and other charges (e.g., balancing  
2 charges), respectively. These costs are determined using  
3 the actual amounts paid by Peoples. In the case of end-  
4 user transportation, these costs are reimbursed to  
5 Peoples or paid directly to FGT. All ACA, capital  
6 surcharge and fuel charges are included in the commodity  
7 costs in Column (I)

8 and, therefore, are not shown in Column (K).

9 Column (L) in each row is the sum of Columns (H),  
10 (I), (J) and (K) divided by Column (G).

11

12 **Q.** Please explain the components of these schedules and the  
13 assumptions that were made in developing the Company's  
14 projections.

15

16 **A.** Schedule E-1 is shown in three versions. Page 1 relates  
17 to Cost of Gas Purchased, Therms Purchased, and Cents Per  
18 Therm for Combined Rate Classes, Page 2 relates to  
19 Residential Customers, and Page 3 relates to Commercial  
20 Customers.

21 The costs associated with various categories or  
22 items are shown on lines 1 through 14. Line 6 on Schedule  
23 E-1 includes legal expenses associated with various  
24 interstate pipeline dockets such as seasonal fuel filings  
25 and certification proceedings. In addition to the

1 seasonal fuel docket and on-going certification filings,  
2 one of Peoples' pipeline suppliers is scheduled to file a  
3 rate case no later than October 1, 2009. Within the late  
4 2008 time frame, Peoples will begin engaging legal  
5 counsel and consultants who will serve as representatives  
6 and expert witnesses in the associated 2009 pipeline rate  
7 case. These expenses have been included for recovery  
8 through the Purchased Gas Adjustment Clause because they  
9 are fuel related expenses. The volumes consumed for  
10 similar categories or items are shown on lines 15 through  
11 27, and the resulting effective cost per therm rate for  
12 each similar category or item is contained on lines 28  
13 through 45.

14 The data shown on Schedule E-1 are taken directly  
15 from Schedules E-3 (A) through (F) for the months of  
16 January 2008 through December 2008.

17  
18 **Q.** What information is presented on Schedule E-1/R of  
19 Composite Exhibit EE-2?

20  
21 **A.** Schedule E-1/R of Composite Exhibit EE-2 shows eight  
22 months actual and four months estimated data for the  
23 current period from January 2007 through December 2007  
24 for all combined customer classes.  
25

1   **Q.**   What information is presented on Schedule E-2 of  
2       Composite Exhibit EE-2?

3

4   **A.**   Schedule E-2 of Composite Exhibit EE-2 shows the amount  
5       of the prior period over/under recoveries of gas costs  
6       that are included in the current PGA calculation.

7

8   **Q.**   What is the purpose of Schedule E-4 of Composite Exhibit  
9       EE-2?

10

11   **A.**   Schedule E-4 of Composite Exhibit EE-2 simply shows the  
12       calculation of the estimated true-up amount for the  
13       January 2007 through December 2007 period. It is based  
14       on actual data for eight months and projected data for  
15       four months.

16

17   **Q.**   What information is contained on Schedule E-5 of  
18       Composite Exhibit EE-2?

19

20   **A.**   Schedule E-5 of Composite Exhibit EE-2 is statistical  
21       data that includes the projected therm sales and  
22       numbers of customers by customer class for the period  
23       from January 2008 through December 2008.

24

25   **Q.**   How have you incorporated the Residential PGA factor

1 the Commercial PGA factor in the derivation of the PGA  
2 cap for which the company seeks approval?  
3

4 **A.** On April 5, 1998, the Commission issued Order No. PSC-99-  
5 0634-FOF-GU as a Proposed Agency Action in Docket No.  
6 981698-GU. This Order approved Peoples Gas' request for  
7 approval of a methodology for charging separate Purchased  
8 Gas Adjustment factors for different customer classes.  
9 Under the approved methodology, separate PGA factors are  
10 derived by assigning the fixed, interstate pipeline  
11 reservation costs to each customer class according to the  
12 class' contribution to the company's peak month demand  
13 for the winter season and the summer season. Exhibit EE-  
14 2, Page 23 of 23, labeled Attachment, contains the  
15 seasonal peak allocation factors based on the most recent  
16 peak month data available, February 2007 and April 2007.  
17 These allocation factors are then applied to Schedule E-1  
18 to derive the Residential, Commercial and Combined for  
19 All Rate Classes. The WACOG for which Peoples seeks  
20 approval as the annual cap is the Residential factor of  
21 \$1.31810 per therm as shown in Schedule E-1. This annual  
22 cap will be applicable to all rate classes.  
23

24 **Q.** Does this conclude your testimony?  
25



1    **A.**    Yes, it does.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2

3 In Re: Purchased Gas Recovery )  
 4                                    )  
 4 \_\_\_\_\_ )

Docket No. 070003-GU  
 Submitted for filing  
 May 2, 2007

5

DIRECT TESTIMONY OF STUART L. SHOAF ON

6

BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.

=====

7

8 Q. Please state your name, business address, by whom  
 9 you are employed and in what capacity.

10 A. Stuart L. Shoaf, 301 Long Avenue, Port St. Joe,  
 11 Florida 32456, St. Joe Natural Gas Company in the  
 12 capacity of President and Regulatory Affairs.

13 Q. What is the purpose of your testimony?

14 A. My purpose is to discuss the final true-up for  
 15 the period January 2006 through December 2006.

16

Exhibits

17 Q. Would you please identify the Composite Exhibit which  
 18 you are sponsoring with this Testimony?

19 A. Yes. As Composite Exhibit SLS-1, I am sponsoring the  
 20 following schedule with respect to the final  
 21 true-up for period January 2006 through December 2006.  
 22 Schedule A-7 - Final Fuel Over/Under Recovery

23 Q. Was this schedule prepared under your direction  
 24 and supervision?

25 A. Yes, it was.

1                   Final True-Up January 2006 - December 2006

2     Q.     What were the total therm sales for the period January  
3           2006 through December 2006?

4     A.     Total therm sales were 1,199,251 therms.

5     Q.     What were total therm purchases for the period January  
6           2006 through December 2006?

7     A.     Total therm purchases were 1,046,350.

8     Q.     What was the cost of gas to be recovered through the  
9           PGA for the period January 2006 through December 2006?

10    A.     The cost of gas purchased for January 2006 through  
11           December 2006 was \$746,598.73.

12    Q.     What was the amount of gas revenue collected for the  
13           period January 2006 through December 2006?

14    A.     The amount of gas revenue collected to cover the cost  
15           of gas was \$951,636.19.

16    Q.     What is the total true-up provision for the period  
17           January 2006 through December 2006?

18    A.     The total true-up provision, including interest, is an  
19           over-recovery of \$219,043.15 for the period.

20    Q.     What is the amount of estimated true-up included for  
21           January 2006 thru December 2006 in the January 2007  
22           through December 2007 PGA factor calculation?

23    A.     The amount of estimated true-up for the period January  
24           thru December 2006 included in the January 2007 through  
25           December 2007 PGA factor calculation was an over-

1 recovery of \$208,831.00.

2 Q. What is the final over/under-recovery for the January  
3 through December 2006 period to be included in the  
4 January 2008 through December 2008 projection?

5 A. The final over-recovery for the current period to be  
6 included in the January 2008 through December 2008  
7 projection is \$10,212.15.

8 Q. Does this conclude your testimony?

9 A. Yes

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

In Re: Purchased Gas Recovery )  
 )  
 )  
 \_\_\_\_\_ )

Docket No. 070003-GU  
Submitted for filing  
September 17, 2007

DIRECT TESTIMONY OF STUART L. SHOAF ON  
BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.

=====

Q. Please state your name, business address, by whom  
you are employed and in what capacity.

A. Stuart L. Shoaf, 301 Long Avenue, Port St. Joe,  
Florida 32456, St. Joe Natural Gas Company in the  
capacity of President and Regulatory Affairs.

Q. What is the purpose of your testimony?

A. My purpose is to submit known and estimated gas  
costs and therm sales from January 1, 2008 through  
December 31, 2008, used in developing the maximum twelve  
month levelized purchased gas cost factor to be applied  
to customer bills from January 1, 2008 through  
December 31, 2008.

Q. Have you prepared any exhibits in conjunction with  
your testimony?

A. Yes, I have prepared and filed on Sept. 17, 2007  
Schedules E-1 through E-5.

Q. What Purchased Gas Cost Recovery Factor does

1 St. Joe Natural Gas seek approval through its  
2 petition for the period January 1, 2008 through  
3 December 31, 2008?

4 A. 97.20 cents per therm

5 Q. Does this conclude your testimony?

6 A. Yes

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 MS. FLEMING: Since the parties are proposing  
2 stipulations on all issues, staff recommends that the  
3 Commission make a bench decision on this docket. And with  
4 that, staff would recommend that the proposed stipulations  
5 1 through 6 found on Pages 5 through 7 of the Prehearing Order  
6 be approved by the Commission.

7 CHAIRMAN EDGAR: Commissioners, as you've heard, our  
8 staff is recommending a bench decision on this docket, Issues  
9 1 through 6, which have been stipulated by all the parties.  
10 Are there any questions or concerns? Seeing none, is there a  
11 motion to adopt the proposed stipulation for Issues 1  
12 through 6?

13 COMMISSIONER CARTER: So move.

14 COMMISSIONER SKOP: Second.

15 CHAIRMAN EDGAR: Seeing no questions, all in favor of  
16 the motion, say aye.

17 (Unanimous affirmative vote.)

18 Opposed? Show it adopted. Thank you.

19 Any other matters on this docket?

20 MS. FLEMING: There are none, Madam Chairman. I  
21 would just like to note for the record that the Prehearing  
22 Order -- I'm sorry. The Final Order will be issued by  
23 December 3rd.

24 CHAIRMAN EDGAR: December 3rd.

25 MS. FLEMING: Yes. I recognized that December 1st is

1 a Saturday.

2 CHAIRMAN EDGAR: Okay. The final order will be  
3 issued by December 3rd. Seeing no other questions, we can  
4 adjourn the 03 docket.

5 (Hearing adjourned at 9:51 a.m.)

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25



1 STATE OF FLORIDA )  
2 COUNTY OF LEON )

CERTIFICATE OF REPORTER

3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 16<sup>th</sup> day of November, 2007.

Linda Boles  
LINDA BOLES, RPR, CRR  
FPSC Official Commission Reporter  
(850) 413-6734

| <b>Comprehensive Exhibit List<br/>for Entry into Hearing Record</b> |   |                         |   |         |
|---|---|-------------------------|---|---------|
| Hearing I.D. #  | Witness                                 | I.D. # As Filed         | Exhibit Description   | Entered |
| <i>Staff</i>  |   |                         |   |         |
| 1   |   | Exhibit List-<br>Stip-1 | Comprehensive Stipulated<br>Exhibit List  |         |
| <i>Testimony Exhibit List</i>                                       |   |                         |   |         |
| <i>FLORIDA CITY GAS</i>   |   |                         |   |         |
| 2   | Thomas<br>Kaufmann                      | TK-1                    | Final Fuel Over/Under<br>Recovery   |         |
| 3   | Thomas<br>Kaufmann                      | TK-2                    | Schedules E-1 Winter, E-1,<br>E-1/R, E-2, E-3, E-4, E-5   |         |
| <i>FPUC</i>   |   |                         |   |         |
| 4   | Cheryl M. Martin                        | CM-1                    | Revised Schedule A-7  |         |
| 5   | Mehrdad<br>Khojasteh<br>(Adopts Martin) | MK-1                    | Schedules E-1, E-1/R, E-2,<br>E-3, E-4, and E-5   |         |
| <i>PGS</i>  |   |                         |   |         |
| 6   | W. Edward Elliott                       | EE-1                    | Calculation of final true-up<br>for January 2006 –<br>December 2006 (Schedule<br>A-7)   |         |
| 7   | W. Edward Elliott                       | EE-2                    | Calculation of estimated<br>true-up for January 2007 –<br>December 2007; total true-<br>up for January 2008 –<br>December 2008);<br>calculation of PGA factor<br>for January 2008 –<br>December 2008 (Schedules<br>E-1 through E-5) |         |
| <i>SJNG</i>   |   |                         |   |         |
| 8   | Stuart L. Shoaf                         | SLS-1                   | Final Over/Under  |         |
| 9   | Stuart L. Shoaf                         | SLS-2                   | PGA Summary of estimates<br>for the projected period.   |         |
| 10  | Stuart L. Shoaf                         | SLS-3                   | Calculation of true-up<br>amount current period (8<br>months actual, 4 months<br>estimated)   |         |

**FLORIDA PUBLIC SERVICE COMMISSION**  
DOCKET NO. 070003-64 EXHIBIT 1  
COMPANY FPSC Staff  
WITNESS Exhibit LPst-Stip-1  
DATE 11-06-07

| <b>Comprehensive Exhibit List<br/>for Entry into Hearing Record</b> |                 |                        |   |                |
|---|-----------------|------------------------|---|----------------|
| <b>Hearing I.D. #</b>   | <b>Witness</b>  | <b>I.D. # As Filed</b> | <b>Exhibit Description</b>  | <b>Entered</b> |
| 11  | Stuart L. Shoaf | SLS-4                  | Transportation purchases system supply and end use for the projected period.  |                |
| 12  | Stuart L. Shoaf | SLS-5                  | Calculation of the true-up amount for the projected period based on the prior period and current period (8 months actual, 4 months estimated) |                |
| 13  | Stuart L. Shoaf | SLS-6                  | Therm Sales and Customer Data (For the projected period)  |                |
| 14  | Stuart L. Shoaf | SLS-7                  | Reprojected PGA for Current Period (8 months actual, 4 months estimated)  |                |

**FLORIDA PUBLIC SERVICE COMMISSION**  
DOCKET NO. 0700036 EXHIBIT 2  
COMPANY Florida City Gas  
WITNESS Thomas Kaufman (TK-1)  
DATE 11-06-07

| COMPANY: FLORIDA CITY GAS |   | FINAL FUEL OVER/UNDER RECOVERY |                     | SCHEDULE A-7       |
|---------------------------|---|--------------------------------|---------------------|--------------------|
| FOR THE PERIOD:           |   | JANUARY 06                     | Through             | DECEMBER 06        |
| 1                         | TOTAL ACTUAL FUEL COST FOR THE PERIOD   |                                | <i>A-2 Line 3</i>   | \$37,939,241       |
| 2                         | TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD   |                                | <i>A-2 Line 6</i>   | \$38,146,907       |
| 3                         | ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 2- Line 1)  |                                | <i>A-2 Line 7</i>   | \$207,666          |
| 3a                        | ADJUSTMENTS   |                                | <i>A-2 Line 10a</i> | \$0                |
| 3b                        | OSS 50% MARGIN SHARING  |                                | <i>A-2 Line 10b</i> | \$442,112          |
| 4                         | INTEREST PROVISION  |                                | <i>A-2 Line 8</i>   | \$110,697          |
| 5                         | ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Lines 3 + 3a + 3b + 4)   |                                |                     | \$760,475          |
| 6                         | LESS: ESTIMATED/ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 06 Through DECEMBER 06 (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT PERIOD RECOVERY FACTOR (JAN 07 through DEC 07) |                                |                     | <u>(\$770,441)</u> |
| 7                         | FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (JAN 08 Through DEC 08) (Line 5- Line 6)  |                                |                     | <u>\$1,530,916</u> |

**PURCHASED GAS ADJUSTMENT  
COST RECOVERY CLAUSE CALCULATION**

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY 06 Through DECEMBER 06

| COST OF GAS PURCHASED                    | ACTUAL      |             |             |             |             |             |             |             |             |             |             |             | TOTAL        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
|  | JAN         | FEB         | MAR         | APR         | MAY         | JUN         | JUL         | AUG         | SEP         | OCT         | NOV         | DEC         |              |
| 1 COMMODITY (Pipeline)                   | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 2 NO NOTICE RESERVATION                  | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 3 SWING SERVICE                          | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 4 COMMODITY (Other)                      | \$5,251,361 | \$3,428,097 | \$2,421,370 | \$2,105,369 | \$2,092,814 | \$1,743,550 | \$1,675,737 | \$1,928,415 | \$1,988,683 | \$1,224,893 | \$2,735,807 | \$2,729,360 | \$29,325,456 |
| 5 DEMAND                                 | \$833,582   | \$753,660   | \$833,582   | \$606,655   | \$470,983   | \$458,221   | \$473,312   | \$473,312   | \$458,221   | \$506,587   | \$818,449   | \$845,551   | \$7,532,115  |
| 6 OTHER                                  | \$12,202    | \$14,530    | \$11,914    | \$10,337    | \$8,477     | \$9,299     | \$7,325     | \$836,200   | \$0         | \$38,913    | \$26,016    | \$106,457   | \$1,081,670  |
| <b>LESS END-USE CONTRACT</b>             | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 7 COMMODITY (Pipeline)                   | \$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          |
| 9  | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 10                                       | \$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)   | \$6,097,145 | \$4,196,287 | \$3,266,866 | \$2,722,361 | \$2,572,274 | \$2,211,070 | \$2,156,374 | \$3,237,927 | \$2,446,904 | \$1,770,393 | \$3,580,272 | \$3,681,368 | \$37,939,241 |
| 12 NET UNBILLED                          | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 13 COMPANY USE                           | (\$2,621)   | (\$1,877)   | (\$2,068)   | (\$1,575)   | (\$1,866)   | (\$1,479)   | (\$1,382)   | (\$1,364)   | (\$1,843)   | (\$1,327)   | (\$1,311)   | (\$1,300)   | (\$20,013)   |
| 14 THERM SALES REVENUES                  | \$6,380,288 | \$4,876,361 | \$4,847,111 | \$3,655,243 | \$3,444,887 | \$2,870,964 | \$2,459,542 | \$2,403,491 | \$2,388,961 | \$2,225,177 | \$2,580,478 | \$3,336,364 | \$41,468,867 |
| <b>THERMS PURCHASED</b>                  |             |             |             |             |             |             |             |             |             |             |             |             |              |
| 15 COMMODITY (Pipeline)                  | 4,287,207   | 4,032,377   | 3,397,230   | 2,767,494   | 2,789,998   | 2,805,699   | 2,744,896   | 2,672,441   | 2,692,427   | 2,866,727   | 3,761,100   | 3,313,013   | 38,130,609   |
| 16 NO NOTICE RESERVATION                 | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |
| 17 SWING SERVICE                         | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |
| 18 COMMODITY (Other)                     | 4,528,459   | 4,070,658   | 3,348,100   | 2,834,452   | 2,807,308   | 2,796,189   | 2,711,336   | 2,544,911   | 2,713,647   | 2,751,227   | 3,631,220   | 3,363,943   | 38,101,450   |
| 19 DEMAND                                | 16,244,400  | 15,161,440  | 16,785,880  | 10,769,100  | 9,193,980   | 8,897,400   | 9,193,980   | 9,193,980   | 8,897,400   | 10,035,320  | 16,244,400  | 16,785,880  | 147,403,160  |
| 20 OTHER                                 | 7,191       | 8,620       | 7,630       | 7,074       | 6,080       | 6,940       | 5,538       | 628,005     | 0           | 33,436      | 6,002       | 92,108      | 808,624      |
| <b>LESS END-USE CONTRACT</b>             | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |
| 21 COMMODITY (Pipeline)                  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |
| 22 DEMAND                                | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |
| 23                                       | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |
| 24 TOTAL PURCHASES (+17+18+20)-(21+23)   | 4,535,650   | 4,079,278   | 3,355,730   | 2,841,526   | 2,813,388   | 2,803,129   | 2,716,874   | 3,172,916   | 2,713,647   | 2,784,663   | 3,637,222   | 3,456,051   | 38,910,074   |
| 25 NET UNBILLED                          | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |
| 26 COMPANY USE                           | (1,933)     | (1,793)     | (2,030)     | (1,888)     | (1,832)     | (1,741)     | (1,804)     | (1,749)     | (2,363)     | (1,843)     | (1,820)     | (1,567)     | (22,361)     |
| 27 TOTAL THERM SALES (24-26)             | 4,492,115   | 4,028,022   | 4,452,078   | 3,346,399   | 3,149,724   | 3,117,058   | 2,872,706   | 2,798,844   | 2,796,064   | 2,818,934   | 3,220,284   | 3,679,709   | 40,771,937   |
| <b>CENTS PER THERM</b>                   |             |             |             |             |             |             |             |             |             |             |             |             |              |
| 28 COMMODITY (Pipeline) (1/15)           | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000       |
| 29 NO NOTICE RESERVATION (2/16)          | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000       |
| 30 SWING SERVICE (3/17)                  | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000      | 0.0000       |
| 31 COMMODITY (Other) (4/18)              | 1.15964     | 0.84215     | 0.72321     | 0.74278     | 0.74549     | 0.62355     | 0.61805     | 0.75775     | 0.73285     | 0.44522     | 0.75341     | 0.81136     | 0.76967      |
| 32 DEMAND (5/19)                         | 0.05132     | 0.04971     | 0.04966     | 0.05633     | 0.05123     | 0.05150     | 0.05148     | 0.05148     | 0.05150     | 0.05048     | 0.05038     | 0.05037     | 0.05110      |
| 33 OTHER (6/20)                          | 1.69684     | 1.68561     | 1.56147     | 1.46127     | 1.39424     | 1.33991     | 1.32268     | 1.33152     | 0.00000     | 1.16381     | 4.33456     | 1.15578     | 1.33767      |
| <b>LESS END-USE CONTRACT</b>             |             |             |             |             |             |             |             |             |             |             |             |             |              |
| 34 COMMODITY Pipeline (7/21)             | 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 (8/22)                         | 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 (9/23)                                | 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 (11/24)                    | 1.34427     | 1.02868     | 0.97352     | 0.95806     | 0.91430     | 0.78879     | 0.79370     | 1.02049     | 0.90170     | 0.63577     | 0.98434     | 1.06519     | 0.97505      |
| 38 NET UNBILLED (12/25)                  | 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 (13/26)                   | 1.35592     | 1.04685     | 1.01872     | 0.83510     | 1.01856     | 0.84951     | 0.76608     | 0.77987     | 0.77994     | 0.72002     | 0.72033     | 0.82961     | 0.89500      |
| 40 TOTAL THERM SALES (11/27)             | 1.35730     | 1.04177     | 0.73378     | 0.81352     | 0.81667     | 0.70935     | 0.75064     | 1.15688     | 0.87512     | 0.62804     | 1.11179     | 1.00045     | 0.93052      |
| 41 TRUE-UP (E-2)                         | 0.07572     | 0.07572     | 0.07572     | 0.07572     | 0.07572     | 0.07572     | 0.07572     | 0.07572     | 0.07572     | 0.07572     | 0.07572     | 0.07572     | 0.07572      |
| 42 TOTAL COST OF GAS (40+41)             | 1.43302     | 1.11749     | 0.80950     | 0.88924     | 0.89239     | 0.78507     | 0.82636     | 1.23260     | 0.95084     | 0.70376     | 1.18751     | 1.07617     | 1.00624      |
| 43 REVENUE TAX FACTOR                    | 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      |
| 44 PGA FACTOR ADJUSTED FOR TAXES (42x43) | 1.44023     | 1.12311     | 0.81358     | 0.89371     | 0.89688     | 0.78901     | 0.83052     | 1.23880     | 0.95563     | 0.70730     | 1.18348     | 1.08158     | 1.01130      |
| 45 PGA FACTOR ROUNDED TO NEAREST .001    | 1.440       | 1.123       | 0.814       | 0.894       | 0.897       | 0.789       | 0.831       | 1.239       | 0.956       | 0.707       | 1.193       | 1.082       | 1.011        |

FOR THE CURRENT PERIOD:

JANUARY 06 Through DECEMBER 06

|  | JAN           | FEB           | MAR         | APR         | MAY         | JUN         | JUL         | AUG           | SEP         | OCT         | NOV           | DEC         | TOTAL PERIOD  |
|--|---------------|---------------|-------------|-------------|-------------|-------------|-------------|---------------|-------------|-------------|---------------|-------------|---------------|
| <b>TRUE-UP CALCULATION</b>                                   |               |               |             |             |             |             |             |               |             |             |               |             |               |
| 1 PURCHASED GAS COST   | \$5,263,563   | \$3,442,627   | \$2,433,284 | \$2,115,706 | \$2,101,291 | \$1,752,849 | \$1,683,062 | \$2,764,615   | \$1,988,683 | \$1,263,806 | \$2,761,823   | \$2,835,817 | \$30,407,126  |
| 2 TRANSPORTATION COST  | \$833,582     | \$753,660     | \$833,582   | \$606,655   | \$470,983   | \$458,221   | \$473,312   | \$473,312     | \$458,221   | \$506,587   | \$818,449     | \$845,551   | \$7,532,115   |
| 3 TOTAL COST   | \$6,097,145   | \$4,196,287   | \$3,266,866 | \$2,722,361 | \$2,572,274 | \$2,211,070 | \$2,156,374 | \$3,237,927   | \$2,446,904 | \$1,770,393 | \$3,580,272   | \$3,681,368 | \$37,939,241  |
| 4 FUEL REVENUES (Net of Revenue Tax)                         | \$6,380,288   | \$4,876,361   | \$4,847,111 | \$3,655,243 | \$3,444,887 | \$2,870,964 | \$2,459,542 | \$2,403,491   | \$2,388,961 | \$2,225,177 | \$2,580,478   | \$3,336,364 | \$41,468,867  |
| 4a Under-recovery  | \$0           | \$0           | \$0         | \$0         | \$0         | \$0         | \$0         | \$0           | \$0         | \$0         | \$0           | \$0         | \$0           |
| 4b ADJUSTED NET FUEL REVENUES *                              | \$6,380,288   | \$4,876,361   | \$4,847,111 | \$3,655,243 | \$3,444,887 | \$2,870,964 | \$2,459,542 | \$2,403,491   | \$2,388,961 | \$2,225,177 | \$2,580,478   | \$3,336,364 | \$41,468,867  |
| 5 TRUE-UP (COLLECTED) OR REFUNDED                            | (\$276,831)   | (\$276,831)   | (\$276,831) | (\$276,831) | (\$276,831) | (\$276,831) | (\$276,831) | (\$276,831)   | (\$276,831) | (\$276,831) | (\$276,831)   | (\$276,819) | (\$3,321,960) |
| 6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5) | \$6,103,457   | \$4,599,530   | \$4,570,280 | \$3,378,412 | \$3,168,056 | \$2,594,133 | \$2,182,711 | \$2,126,660   | \$2,112,130 | \$1,948,346 | \$2,303,647   | \$3,059,545 | \$38,146,907  |
| 7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)          | \$6,312       | \$403,243     | \$1,303,414 | \$656,051   | \$595,782   | \$383,063   | \$26,337    | (\$1,111,267) | (\$334,774) | \$177,953   | (\$1,276,625) | (\$621,823) | \$207,666     |
| 8 INTEREST PROVISION-THIS PERIOD (21)                        | (\$5,577)     | (\$3,934)     | \$320       | \$5,439     | \$10,245    | \$14,871    | \$17,595    | \$16,456      | \$14,421    | \$15,355    | \$14,194      | \$11,312    | \$110,697     |
| 8a ADJUST PRIOR MONTHS' INTEREST                             |               |               |             |             |             |             |             |               |             |             |               |             | \$0           |
| 9 BEGINNING OF PERIOD TRUE-UP AND INTEREST                   | (\$1,661,171) | (\$1,383,605) | (\$707,465) | \$873,100   | \$1,811,421 | \$3,136,391 | \$3,811,156 | \$4,131,919   | \$3,313,939 | \$3,270,417 | \$3,740,556   | \$2,754,956 | (\$1,661,171) |
| 10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)       | \$276,831     | \$276,831     | \$276,831   | \$276,831   | \$276,831   | \$276,831   | \$276,831   | \$276,831     | \$276,831   | \$276,831   | \$276,831     | \$276,819   | \$3,321,960   |
| 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         | \$442,112   | \$0         | \$0         | \$0           | \$0         | \$0         | \$0           | \$0         | \$442,112     |
| 11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a+10b)         | (\$1,383,605) | (\$707,465)   | \$873,100   | \$1,811,421 | \$3,136,391 | \$3,811,156 | \$4,131,919 | \$3,313,939   | \$3,270,417 | \$3,740,556 | \$2,754,956   | \$2,421,264 | \$2,421,264   |
| <b>INTEREST PROVISION</b>                                    |               |               |             |             |             |             |             |               |             |             |               |             |               |
| 12 BEGINNING TRUE-UP AND INTEREST PROVISION (9+10a)          | (\$1,661,171) | (\$1,383,605) | (\$707,465) | \$873,100   | \$1,811,421 | \$3,136,391 | \$3,811,156 | \$4,131,919   | \$3,313,939 | \$3,270,417 | \$3,740,556   | \$2,754,956 |               |
| 13 ENDING TRUE-UP BEFORE INTEREST (12+10b+7-5)               | (\$1,378,028) | (\$703,531)   | \$872,780   | \$1,805,982 | \$3,126,146 | \$3,796,285 | \$4,114,324 | \$3,297,483   | \$3,255,996 | \$3,725,201 | \$2,740,762   | \$2,409,952 |               |
| 14 TOTAL (12+13)   | (\$3,039,199) | (\$2,087,136) | \$165,314   | \$2,679,081 | \$4,937,567 | \$6,932,676 | \$7,925,479 | \$7,429,402   | \$6,569,935 | \$6,995,618 | \$6,481,318   | \$5,164,908 |               |
| 15 AVERAGE (50% OF 14)                                       | (\$1,519,600) | (\$1,043,568) | \$82,657    | \$1,339,542 | \$2,468,784 | \$3,466,338 | \$3,962,740 | \$3,714,701   | \$3,284,968 | \$3,497,809 | \$3,240,659   | \$2,582,454 |               |
| 16 INTEREST RATE - FIRST DAY OF MONTH                        | 0.04300       | 0.04510       | 0.04530     | 0.04780     | 0.04960     | 0.05010     | 0.05290     | 0.05360       | 0.05290     | 0.05260     | 0.05270       | 0.05250     |               |
| 17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH             | 0.04510       | 0.04530       | 0.04780     | 0.04960     | 0.05010     | 0.05290     | 0.05360     | 0.05270       | 0.05260     | 0.05270     | 0.05250       | 0.05260     |               |
| 18 TOTAL (16+17)   | 0.08810       | 0.09040       | 0.09310     | 0.09740     | 0.09970     | 0.10300     | 0.10650     | 0.10630       | 0.10530     | 0.10530     | 0.10520       | 0.10510     |               |
| 19 AVERAGE (50% OF 18)                                       | 0.04405       | 0.04520       | 0.04655     | 0.04870     | 0.04985     | 0.05150     | 0.05325     | 0.05315       | 0.05265     | 0.05265     | 0.05260       | 0.05255     |               |
| 20 MONTHLY AVERAGE (19/12 Months)                            | 0.00367       | 0.00377       | 0.00388     | 0.00406     | 0.00415     | 0.00429     | 0.00444     | 0.00443       | 0.00439     | 0.00439     | 0.00438       | 0.00438     |               |
| 21 INTEREST PROVISION (15x20)                                | (\$5,577)     | (\$3,934)     | \$320       | \$5,439     | \$10,245    | \$14,871    | \$17,595    | \$16,456      | \$14,421    | \$15,355    | \$14,194      | \$11,311    |               |

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY 06 Through DECEMBER 06

| MONTH        | PURCHASED FROM | PURCHASED FOR | SCH TYPE | SYSTEM SUPPLY | END USE | COMMODITY COST  |             |            | DEMAND COST | OTHER CHARGES ACA/GRI/FUEL | TOTAL CENTS PER THERM |
|--------------|----------------|---------------|----------|---------------|---------|-----------------|-------------|------------|-------------|----------------------------|-----------------------|
|              |                |               |          |               |         | TOTAL PURCHASED | THIRD PARTY | PIPELINE   |             |                            |                       |
| JAN          | Various        | Sys/End-Use   | FTS      | 4,528,459     |         | 4,528,459       |             | (\$7,472)  | \$833,582   | \$7,472                    | 18.40763              |
| FEB          | Various        | Sys/End-Use   | FTS      | 4,070,658     |         | 4,070,658       |             | (\$6,717)  | \$753,660   | \$6,717                    | 18.51445              |
| MAR          | Various        | Sys/End-Use   | FTS      | 3,348,100     |         | 3,348,100       |             | (\$5,524)  | \$833,582   | \$5,524                    | 24.89717              |
| APR          | Various        | Sys/End-Use   | FTS      | 2,834,452     |         | 2,834,452       |             | (\$4,677)  | \$606,655   | \$4,677                    | 21.40290              |
| MAY          | Various        | Sys/End-Use   | FTS      | 2,807,308     |         | 2,807,308       |             | (\$4,632)  | \$470,983   | \$4,632                    | 16.77703              |
| JUN          | Various        | Sys/End-Use   | FTS      | 2,796,189     |         | 2,796,189       |             | (\$4,614)  | \$458,221   | \$4,614                    | 16.38734              |
| JUL          | Various        | Sys/End-Use   | FTS      | 2,711,336     |         | 2,711,336       |             | (\$4,474)  | \$473,312   | \$4,474                    | 17.45678              |
| AUG          | Various        | Sys/End-Use   | FTS      | 2,544,911     |         | 2,544,911       |             | (\$4,199)  | \$473,312   | \$4,199                    | 18.59837              |
| SEP          | Various        | Sys/End-Use   | FTS      | 2,713,647     |         | 2,713,647       |             | (\$4,478)  | \$458,221   | \$4,478                    | 16.88580              |
| OCT          | Various        | Sys/End-Use   | FTS      | 2,751,227     |         | 2,751,227       |             | (\$4,540)  | \$506,587   | \$4,540                    | 18.41313              |
| NOV          | Various        | Sys/End-Use   | FTS      | 3,631,220     |         | 3,631,220       |             | (\$5,992)  | \$818,449   | \$5,992                    | 22.53923              |
| DEC          | Various        | Sys/End-Use   | FTS      | 3,363,943     |         | 3,363,943       |             | (\$5,551)  | \$845,551   | \$5,551                    | 25.13571              |
| <b>TOTAL</b> |                |               |          | 38,101,450    |         | 38,101,450      |             | (\$62,867) | \$7,532,115 | \$62,867                   | 19.76858              |



ESTIMATED FOR THE PROJECTED PERIOD:

JANUARY 06 Through DECEMBER 06

|    |  | PRIOR PERIOD: JANUARY - DECEMBER  |                         |                              | CURRENT PERIOD: Jan 07 - Dec 07                           |                                 | Over / (Under) Recovered |
|----|--|---|-------------------------|------------------------------|---|---------------------------------|--------------------------|
|    |  | (1) JAN '06 - DEC '06 SEVEN MONTHS ACTUAL PLUS FIVE MONTHS REVISED ESTIMATE | (2) ACTUAL              | (3) Col(2)-Col(1) DIFFERENCE | (4) SEVEN MONTHS ACTUAL PLUS FIVE MONTHS REVISED ESTIMATE | (5) Col(3)+Col(4) TOTAL TRUE-UP |                          |
| 1  | TOTAL THERM SALES \$ E-2 Line 6                                      | \$39,708,118  | A-2 Line 6 \$38,146,907 | (\$1,561,211)                | E-2 Line 6  | (\$1,561,211)                   |                          |
| 2  | TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION E-2 Line 7 | (\$1,329,066)   | A-2 Line 7 \$207,666    | \$1,536,732                  | E-2 Line 7  | \$1,536,732                     |                          |
| 2a | ADJUSTMENTS E-2 Line 10a   | \$0   | A-2 Line 10a \$0        | \$0                          | E-2 Line 10a  | \$0                             |                          |
| 2b | OSS 50% MARGIN SHARING E-2 Line 10b                                  | \$442,112   | A-2 Line 10b \$442,112  | \$0                          | E-2 Line 10b  | \$0                             |                          |
| 3  | INTEREST PROVISION FOR THIS PERIOD E-2 Line 8                        | \$116,513   | A-2 Line 8 \$110,697    | (\$5,816)                    | E-2 Line 8  | (\$5,816)                       |                          |
| 4  | END OF PERIOD TOTAL NET TRUE-UP L2+L2a+L2b+L3                        | (\$770,441)   | \$760,475               | \$1,530,916                  | \$0   | \$1,530,916                     |                          |

NOTE: EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

|                   |                                   |                       |                    |        |                                   |
|-------------------|-----------------------------------|-----------------------|--------------------|--------|-----------------------------------|
| COLUMN (1)        | DATA OBTAINED FROM SCHEDULE (E-2) | TOTAL TRUE-UP DOLLARS | <u>\$1,530,916</u> | equals | <u>True-up, charge / (credit)</u> |
| COLUMN (2)        | DATA OBTAINED FROM SCHEDULE (A-2) | PROJECTED THERM SALES | 40,771,937         |        | (\$0.03755) \$/Therm              |
| LINE 4 COLUMN (3) | SAME AS LINE 7 SCHEDULE (A-7)     |                       |                    |        | (\$3.755) Therm True-Up           |
| LINE 4 COLUMN (1) | SAME AS LINE 8 SCHEDULE (A-7)     |                       |                    |        |                                   |
| LINE 2 COLUMN (4) | SAME AS LINE 7 SCHEDULE (E-2)     |                       |                    |        |                                   |
| LINE 3 COLUMN (4) | SAME AS LINE 8 SCHEDULE (E-2)     |                       |                    |        |                                   |

ESTIMATED FOR THE PROJECTED PERIOD: APRIL 98 Through MARCH 99

|                                    | APR   | MAY       | JUN       | JUL       | AUG       | SEP       | OCT       | NOV       | DEC       | JAN       | FEB       | MAR       | TOTAL      |
|------------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| <b>THERM SALES (FIRM)</b>          |   |           |           |           |           |           |           |           |           |           |           |           |            |
|                                    | NOT USED IN APRIL TRUE UP, USED IN SEPTEMBER CAP FILING |           |           |           |           |           |           |           |           |           |           |           |            |
| RESIDENTIAL (RS & GS)              | 1,859,590   | 1,526,490 | 1,453,110 | 1,432,060 | 1,346,960 | 1,355,130 | 1,426,500 | 1,532,190 | 2,009,320 | 2,960,310 | 2,754,360 | 2,394,050 | 22,050,070 |
| COMMERCIAL (CS, LCS & NGV)         | 4,028,420   | 3,899,420 | 3,817,780 | 3,995,110 | 3,920,230 | 3,871,450 | 4,135,240 | 4,171,440 | 4,080,090 | 4,928,640 | 4,563,480 | 4,705,270 | 50,116,570 |
| TOTAL FIRM                         | 5,888,010   | 5,425,910 | 5,270,890 | 5,427,170 | 5,267,190 | 5,226,580 | 5,561,740 | 5,703,630 | 6,089,410 | 7,888,950 | 7,317,840 | 7,099,320 | 72,166,640 |
| <b>THERM SALES (INTERRUPTIBLE)</b> |   |           |           |           |           |           |           |           |           |           |           |           |            |
| INTERRUPTIBLE (IP)                 | 270,100   | 258,600   | 212,800   | 228,300   | 220,600   | 211,000   | 235,500   | 237,700   | 278,800   | 242,300   | 302,200   | 221,400   | 2,919,300  |
| LARGE INTERRUPTIBLE (IL)           | 159,400   | 124,600   | 60,700    | 123,300   | 127,400   | 115,600   | 142,500   | 117,500   | 155,100   | 115,900   | 175,800   | 132,300   | 1,550,100  |
| TOTAL INTERRUPTIBLE                | 429,500   | 383,200   | 273,500   | 351,600   | 348,000   | 326,600   | 378,000   | 355,200   | 433,900   | 358,200   | 478,000   | 353,700   | 4,469,400  |
| TOTAL THERM SALES                  | 6,317,510   | 5,809,110 | 5,544,390 | 5,778,770 | 5,615,190 | 5,553,180 | 5,939,740 | 6,058,830 | 6,523,310 | 8,247,150 | 7,795,840 | 7,453,020 | 76,636,040 |
| <b>NUMBER OF CUSTOMERS (FIRM)</b>  |   |           |           |           |           |           |           |           |           |           |           |           |            |
| RESIDENTIAL (RS & GS)              | 94,955  | 94,644    | 94,534    | 94,645    | 94,705    | 94,895    | 95,188    | 95,656    | 96,246    | 96,606    | 96,818    | 97,016    | 95,492     |
| COMMERCIAL (CS, LCS & NGV)         | 5,188   | 5,229     | 5,277     | 5,319     | 5,365     | 5,414     | 5,461     | 5,517     | 5,574     | 5,630     | 5,680     | 5,727     | 5,448      |
| TOTAL FIRM                         | 100,143   | 99,873    | 99,811    | 99,964    | 100,070   | 100,309   | 100,649   | 101,173   | 101,820   | 102,236   | 102,498   | 102,743   | 100,941    |
| <b>NUMBER OF CUSTOMERS (INT.)</b>  |   |           |           |           |           |           |           |           |           |           |           |           |            |
| INTERRUPTIBLE (IP)                 | 10  | 10        | 10        | 10        | 10        | 10        | 10        | 10        | 10        | 10        | 10        | 10        | 10         |
| LARGE INTERRUPTIBLE (IL)           | 1   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1          |
| TOTAL INTERRUPTIBLE                | 11  | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 11         |
| TOTAL CUSTOMERS                    | 100,154   | 99,884    | 99,822    | 99,975    | 100,081   | 100,320   | 100,660   | 101,184   | 101,831   | 102,247   | 102,509   | 102,754   | 100,952    |
| <b>THERM USE PER CUSTOMER</b>      |   |           |           |           |           |           |           |           |           |           |           |           |            |
| RESIDENTIAL (RS & GS)              | 20  | 16        | 15        | 15        | 14        | 14        | 15        | 16        | 21        | 31        | 28        | 25        | 231        |
| COMMERCIAL (CS, LCS & NGV)         | 776   | 746       | 723       | 751       | 731       | 715       | 757       | 756       | 732       | 875       | 803       | 822       | 9,198      |
| INTERRUPTIBLE (IP)                 | 27,010  | 25,860    | 21,280    | 22,830    | 22,060    | 21,100    | 23,550    | 23,770    | 27,880    | 24,230    | 30,220    | 22,140    | 291,930    |
| LARGE INTERRUPTIBLE (IL)           | 159,400   | 124,600   | 60,700    | 123,300   | 127,400   | 115,600   | 142,500   | 117,500   | 155,100   | 115,900   | 175,800   | 132,300   | 1,550,100  |

COMPANY:  
FLORIDA CITY GAS

SCHEDULE E-1  
(REVISED FORM 9/22/00)

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: \$1.14875 PGA CAP w/ assessment  
2008 Winter Months

| COST OF GAS PURCHASED                  | PROJECTION  |             |             |             |             |             |              |
|--|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
|  | OCT         | NOV         | DEC         | JAN         | FEB         | MAR         | TOTAL        |
| 1 COMMODITY (Pipeline)                 | \$17,616    | \$18,000    | \$24,177    | \$26,916    | \$24,717    | \$22,968    | \$134,395    |
| 2 NO NOTICE RESERVATION                | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 3 SWING SERVICE                        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 4 COMMODITY (Other)                    | \$2,861,814 | \$3,070,833 | \$4,326,741 | \$4,445,157 | \$4,088,603 | \$3,721,471 | \$22,514,618 |
| 5 DEMAND                               | \$542,108   | \$858,517   | \$885,959   | \$852,219   | \$769,746   | \$852,219   | \$4,760,768  |
| 6 OTHER                                | \$43,253    | \$47,492    | \$60,968    | \$45,893    | \$51,781    | \$51,312    | \$300,699    |
| <b>LESS END-USE CONTRACT</b>           | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 7 COMMODITY (Pipeline)                 | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 8 DEMAND                               | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 9                                      | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 10                                     | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10) | \$3,464,791 | \$3,994,841 | \$5,297,845 | \$5,370,185 | \$4,934,847 | \$4,647,970 | \$27,710,480 |
| 12 NET UNBILLED                        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |
| 13 COMPANY USE                         | (\$2,201)   | (\$2,484)   | (\$2,453)   | (\$2,234)   | (\$2,235)   | (\$2,265)   | (\$13,873)   |
| 14 THERM SALES REVENUES                | \$3,462,590 | \$3,992,357 | \$5,295,392 | \$5,367,951 | \$4,932,612 | \$4,645,705 | \$27,696,607 |

| THERMS PURCHASED                       |            |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|------------|
| 15 COMMODITY (Pipeline)                | 3,145,759  | 3,214,291  | 4,317,362  | 4,806,425  | 4,413,794  | 4,101,406  | 23,999,038 |
| 16 NO NOTICE RESERVATION               | -          | -          | -          | -          | -          | -          | -          |
| 17 SWING SERVICE                       | -          | -          | -          | -          | -          | -          | -          |
| 18 COMMODITY (Other)                   | 3,114,459  | 3,180,991  | 4,275,562  | 4,773,425  | 4,376,394  | 4,063,806  | 23,784,638 |
| 19 DEMAND                              | 10,035,320 | 16,244,400 | 16,785,880 | 16,785,880 | 15,161,440 | 16,785,880 | 91,798,800 |
| 20 OTHER                               | 33,300     | 35,300     | 43,800     | 35,000     | 39,400     | 39,600     | 226,400    |
| <b>LESS END-USE CONTRACT</b>           | -          | -          | -          | -          | -          | -          | -          |
| 21 COMMODITY (Pipeline)                | -          | -          | -          | -          | -          | -          | -          |
| 22 DEMAND                              | -          | -          | -          | -          | -          | -          | -          |
| 23                                     | -          | -          | -          | -          | -          | -          | -          |
| 24 TOTAL PURCHASES (+17+18+20)-(21+23) | 3,147,759  | 3,216,291  | 4,319,362  | 4,808,425  | 4,415,794  | 4,103,406  | 24,011,038 |
| 25 NET UNBILLED                        | -          | -          | -          | -          | -          | -          | -          |
| 26 COMPANY USE                         | (2,000)    | (2,000)    | (2,000)    | (2,000)    | (2,000)    | (2,000)    | (12,000)   |
| 27 TOTAL THERM SALES (24-26)           | 3,145,759  | 3,214,291  | 4,317,362  | 4,806,425  | 4,413,794  | 4,101,406  | 23,999,038 |

| CENTS PER THERM                          |           |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 28 COMMODITY (Pipeline) (1/15)           | 0.00560   | 0.00560   | 0.00560   | 0.00560   | 0.00560   | 0.00560   | 0.00560   |
| 29 NO NOTICE RESERVATION (2/16)          | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   |
| 30 SWING SERVICE (3/17)                  | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   |
| 31 COMMODITY (Other) (4/18)              | \$0.91888 | \$0.96537 | \$1.01197 | 0.93123   | 0.93424   | 0.91576   | 0.94660   |
| 32 DEMAND (5/19)                         | \$0.05402 | \$0.05285 | \$0.05278 | 0.05077   | 0.05077   | 0.05077   | 0.05186   |
| 33 OTHER (6/20)                          | \$1.29888 | \$1.34537 | \$1.39197 | 1.31123   | 1.31424   | 1.29576   | 1.32817   |
| <b>LESS END-USE CONTRACT</b>             | -         | -         | -         | -         | -         | -         | -         |
| 34 COMMODITY Pipeline (7/21)             | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   |
| 35 DEMAND (8/22)                         | 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   |
| 37 TOTAL COST (11/24)                    | 1.10072   | 1.24206   | 1.22653   | 1.11683   | 1.11754   | 1.13271   | 1.15407   |
| 38 NET UNBILLED (12/25)                  | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   |
| 39 COMPANY USE (13/26)                   | 1.10072   | 1.24206   | 1.22653   | 1.11683   | 1.11754   | 1.13271   | 1.15407   |
| 40 TOTAL THERM SALES (11/27)             | 1.10142   | 1.24284   | 1.22710   | 1.11729   | 1.11805   | 1.13326   | 1.15465   |
| 41 TRUE-UP (E-2)                         | (0.01165) | (0.01165) | (0.01165) | (0.01165) | (0.01165) | (0.01165) | (0.01165) |
| 42 TOTAL COST OF GAS (40+41)             | 1.08977   | 1.23119   | 1.21545   | 1.10564   | 1.10640   | 1.12161   | 1.14300   |
| 43 REVENUE TAX FACTOR                    | 1.00503   | 1.00503   | 1.00503   | 1.00503   | 1.00503   | 1.00503   | 1.00503   |
| 44 PGA FACTOR ADJUSTED FOR TAXES (42x43) | 1.09525   | 1.23738   | 1.22156   | 1.11120   | 1.11197   | 1.12725   | 1.14875   |
| 45 PGA FACTOR ROUNDED TO NEAREST .001    | 1.095     | 1.237     | 1.222     | 1.111     | 1.112     | 1.127     | 1.149     |

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 070003-GW EXHIBIT 3

COMPANY Florida City Gas

WITNESS Thomas Kaufman (TK-2)

DATE 11-06-09

Exhibit (TK-2)  
1 of 8

| COMPANY:                                    |                                       | PURCHASED GAS ADJUSTMENT           |             |             |             |             |             |             |             |             |             |             | SCHEDULE E-1           |              |
|---|---------------------------------------|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------------|--------------|
| FLORIDA CITY GAS                            |                                       | COST RECOVERY CLAUSE CALCULATION   |             |             |             |             |             |             |             |             |             |             | (REVISED FORM 9/24/00) |              |
| ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: |                                       | JANUARY 2008 Through DECEMBER 2008 |             |             |             |             |             |             |             |             |             |             |                        |              |
|   |                                       | PROJECTION                         |             |             |             |             |             |             |             |             |             |             |                        |              |
| COST OF GAS PURCHASED                       |                                       | JAN                                | FEB         | MAR         | APR         | MAY         | JUN         | JUL         | AUG         | SEP         | OCT         | NOV         | DEC                    | TOTAL        |
| 1   | COMMODITY (Pipeline)                  | \$26,916                           | \$24,717    | \$22,968    | \$20,357    | \$16,979    | \$17,190    | \$16,987    | \$16,534    | \$17,400    | \$17,616    | \$18,000    | \$24,177               | \$239,841    |
| 2   | INTRA-DAY SUPPLY RESERVATION          | \$0                                | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0                    | \$0          |
| 3   | SWING SERVICE                         | \$0                                | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0                    | \$0          |
| 4   | COMMODITY (Other)                     | \$4,445,157                        | \$4,088,603 | \$3,721,471 | \$3,150,653 | \$2,631,922 | \$2,690,346 | \$2,683,358 | \$2,637,813 | \$2,785,100 | \$2,861,814 | \$3,070,833 | \$4,326,741            | \$39,093,811 |
| 5   | DEMAND                                | \$852,219                          | \$769,746   | \$852,219   | \$636,454   | \$507,967   | \$492,649   | \$507,967   | \$507,967   | \$492,649   | \$542,108   | \$858,517   | \$885,959              | \$7,906,422  |
| 6   | OTHER                                 | \$45,893                           | \$51,781    | \$51,312    | \$52,133    | \$41,483    | \$40,228    | \$44,731    | \$35,749    | \$45,139    | \$43,253    | \$47,492    | \$60,968               | \$560,162    |
| <b>LESS END-USE CONTRACT</b>                |                                       |                                    |             |             |             |             |             |             |             |             |             |             |                        | \$0 1846     |
| 7   | COMMODITY (Pipeline)                  | \$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          |
| 9   | Margin Sharing                        | \$0                                | \$0         | \$0         | \$0         | \$640,000   | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0                    | \$640,000    |
| 10  |                                       |                                    |             |             |             |             |             |             |             |             |             |             |                        | \$0          |
| 11  | TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)   | \$5,370,185                        | \$4,934,847 | \$4,647,970 | \$3,859,598 | \$2,558,350 | \$3,240,413 | \$3,253,043 | \$3,198,064 | \$3,340,288 | \$3,464,791 | \$3,994,841 | \$5,297,845            | \$47,160,235 |
| 12  | NET UNBILLED                          | \$0                                | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0                    | \$0          |
| 13  | COMPANY USE                           | (\$2,234)                          | (\$2,235)   | (\$2,265)   | (\$2,122)   | (\$1,687)   | (\$2,110)   | (\$2,143)   | (\$2,165)   | (\$2,149)   | (\$2,201)   | (\$2,484)   | (\$2,453)              | (\$26,249)   |
| 14  | THERM SALES REVENUES                  | \$5,367,951                        | \$4,932,612 | \$4,645,705 | \$3,857,475 | \$2,556,664 | \$3,238,303 | \$3,250,899 | \$3,195,899 | \$3,338,139 | \$3,462,590 | \$3,992,357 | \$5,295,392            | \$47,133,987 |
| <b>THERMS PURCHASED</b>                     |                                       |                                    |             |             |             |             |             |             |             |             |             |             |                        |              |
| 15  | COMMODITY (Pipeline SCH ES L-6)       | 4,806,425                          | 4,413,794   | 4,101,406   | 3,635,233   | 3,031,880   | 3,069,602   | 3,033,344   | 2,952,446   | 3,107,127   | 3,145,759   | 3,214,291   | 4,317,362              | 42,828,671   |
| 16  | INTRA-DAY SUPPLY RESERVATION          | 0                                  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                      | 0            |
| 17  | SWING SERVICE                         | 0                                  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                      | 0            |
| 18  | COMMODITY (Other L15-L19-L26)         | 4,773,425                          | 4,376,394   | 4,063,806   | 3,595,733   | 3,000,880   | 3,039,802   | 3,000,244   | 2,926,546   | 3,074,027   | 3,114,459   | 3,180,991   | 4,275,562              | 42,421,871   |
| 19  | DEMAND                                | 16,785,880                         | 15,161,440  | 16,785,880  | 10,769,100  | 9,193,980   | 8,897,400   | 9,193,980   | 9,193,980   | 8,897,400   | 10,035,320  | 16,244,400  | 16,785,880             | 147,944,640  |
| 20  | OTHER                                 | 35,000                             | 39,400      | 39,600      | 41,500      | 33,000      | 31,800      | 35,100      | 27,900      | 35,100      | 33,300      | 35,300      | 43,800                 | 430,800      |
| <b>LESS END-USE CONTRACT</b>                |                                       |                                    |             |             |             |             |             |             |             |             |             |             |                        |              |
| 21  | COMMODITY (Pipeline)                  | 0                                  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                      | 0            |
| 22  | DEMAND                                | 0                                  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                      | 0            |
| 23  |                                       | 0                                  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                      | 0            |
| 24  | TOTAL PURCHASES (+17+18+20)-(21+23)   | 4,808,425                          | 4,415,794   | 4,103,406   | 3,637,233   | 3,033,880   | 3,071,602   | 3,035,344   | 2,954,446   | 3,109,127   | 3,147,759   | 3,216,291   | 4,319,362              | 42,852,671   |
| 25  | NET UNBILLED                          | 0                                  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                      | 0            |
| 26  | COMPANY USE                           | (2,000)                            | (2,000)     | (2,000)     | (2,000)     | (2,000)     | (2,000)     | (2,000)     | (2,000)     | (2,000)     | (2,000)     | (2,000)     | (2,000)                | (24,000)     |
| 27  | TOTAL THERM SALES (24-26)             | 4,806,425                          | 4,413,794   | 4,101,406   | 3,635,233   | 3,031,880   | 3,069,602   | 3,033,344   | 2,952,446   | 3,107,127   | 3,145,759   | 3,214,291   | 4,317,362              | 42,828,671   |
| <b>CENTS PER THERM</b>                      |                                       |                                    |             |             |             |             |             |             |             |             |             |             |                        |              |
| 28  | COMMODITY (Pipeline) (1/15)           | 0.00560                            | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560                | 0.00560      |
| 29  | INTRA-DAY SUPPLY RESERVATION (2/16)   | 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 (3/17)                  | 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      |
| 31  | COMMODITY (Other) (4/18)              | 0.93123                            | 0.93424     | 0.91576     | 0.87622     | 0.87705     | 0.88504     | 0.89438     | 0.90134     | 0.90601     | 0.91888     | 0.96537     | 1.01197                | 0.92155      |
| 32  | DEMAND (5/19)                         | 0.05077                            | 0.05077     | 0.05077     | 0.05910     | 0.05525     | 0.05537     | 0.05525     | 0.05525     | 0.05537     | 0.05402     | 0.05285     | 0.05278                | 0.05344      |
| 33  | OTHER (6/20)                          | 1.31123                            | 1.31424     | 1.29576     | 1.25622     | 1.25705     | 1.26504     | 1.27438     | 1.28134     | 1.28601     | 1.29888     | 1.34537     | 1.39197                | 1.30028      |
| <b>LESS END-USE CONTRACT</b>                |                                       |                                    |             |             |             |             |             |             |             |             |             |             |                        |              |
| 34  | COMMODITY Pipeline (7/21)             | 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 (8/22)                         | 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      |
| 37  | TOTAL COST (11/24)                    | 1.11683                            | 1.11754     | 1.13271     | 1.06114     | 0.84326     | 1.05496     | 1.07172     | 1.08246     | 1.07435     | 1.10072     | 1.24206     | 1.22653                | 1.10652      |
| 38  | NET UNBILLED (12/25)                  | 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 (13/26)                   | 1.11683                            | 1.11754     | 1.13271     | 1.06114     | 0.84326     | 1.05496     | 1.07172     | 1.08246     | 1.07435     | 1.10072     | 1.24206     | 1.22653                | 1.10052      |
| 40  | TOTAL THERM SALES (11/29)             | 1.11729                            | 1.11805     | 1.13326     | 1.06172     | 0.84382     | 1.05565     | 1.07243     | 1.08319     | 1.07504     | 1.10142     | 1.24284     | 1.22710                | 1.10114      |
| 41  | TRUE-UP (E-2)                         | (0.01165)                          | (0.01165)   | (0.01165)   | (0.01165)   | (0.01165)   | (0.01165)   | (0.01165)   | (0.01165)   | (0.01165)   | (0.01165)   | (0.01165)   | (0.01165)              | (0.01165)    |
| 42  | TOTAL COST OF GAS (40+41)             | 1.10564                            | 1.10640     | 1.12161     | 1.05007     | 0.83217     | 1.04399     | 1.06078     | 1.07154     | 1.06339     | 1.08977     | 1.23119     | 1.21545                | 1.08949      |
| 43  | REVENUE TAX FACTOR                    | 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      |
| 44  | PGA FACTOR ADJUSTED FOR TAXES (42x43) | 1.11120                            | 1.11197     | 1.12725     | 1.05535     | 0.83635     | 1.04925     | 1.06611     | 1.07893     | 1.06874     | 1.09525     | 1.23738     | 1.22156                | 1.09497      |
| 45  | PGA FACTOR ROUNDED TO NEAREST .001    | 1.111                              | 1.112       | 1.127       | 1.055       | 0.836       | 1.049       | 1.066       | 1.077       | 1.069       | 1.095       | 1.237       | 1.222                  | 1.095        |

COMPANY:  
FLORIDA CITY GAS

PURCHASED GAS ADJUSTMENT  
COST RECOVERY CLAUSE CALCULATION

SCHEDULE E-1/R  
(REVISED FORM 9/24/00)

REVISED ESTIMATE FOR THE PROJECTED PERIOD: JANUARY 2007 Through DECEMBER 2007

| COST OF GAS PURCHASED                    | ACTUAL      |             |             |             |             |             |             | REVISED PROJECTION |             |             |             |             | TOTAL        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|-------------|-------------|-------------|-------------|--------------|
|  | JAN         | FEB         | MAR         | APR         | MAY         | JUN         | JUL         | AUG                | SEP         | OCT         | NOV         | DEC         |              |
| 1 COMMODITY (Pipeline)                   | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$15,284           | \$16,172    | \$15,945    | \$17,312    | \$20,606    | \$85,318     |
| 2 NO NOTICE RESERVATION                  | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0                | \$0         | \$0         | \$0         | \$0         | \$0          |
| 3 SWING SERVICE                          | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0                | \$0         | \$0         | \$0         | \$0         | \$0          |
| 4 COMMODITY (Other)                      | \$2,558,748 | \$3,150,192 | \$3,219,237 | \$2,194,776 | \$2,134,753 | \$2,657,024 | \$2,163,136 | \$1,724,011        | \$1,665,137 | \$1,693,943 | \$2,275,114 | \$3,053,774 | \$28,489,845 |
| 5 DEMAND                                 | \$845,551   | \$764,245   | \$845,551   | \$608,102   | \$479,619   | \$464,321   | \$479,619   | \$458,928          | \$474,225   | \$508,389   | \$824,728   | \$852,219   | \$7,605,498  |
| 6 OTHER                                  | \$52,156    | \$42,739    | \$48,247    | \$85,594    | \$58,822    | \$9,272     | \$80,669    | \$28,408           | \$33,826    | \$32,700    | \$39,693    | \$53,432    | \$565,558    |
| <b>LESS END-USE CONTRACT</b>             | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0                | \$0         | \$0         | \$0         | \$0         | \$0          |
| 7 COMMODITY (Pipeline)                   | \$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          |
| 9  | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0                | \$0         | \$0         | \$0         | \$0         | \$0          |
| 10                                       | \$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)   | \$3,456,455 | \$3,957,176 | \$4,113,035 | \$2,888,472 | \$2,673,194 | \$3,130,617 | \$2,723,424 | \$2,226,631        | \$2,189,361 | \$2,250,977 | \$3,156,847 | \$3,980,032 | \$36,746,219 |
| 12 NET UNBILLED                          | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0                | \$0         | \$0         | \$0         | \$0         | \$0          |
| 13 COMPANY USE (\$445)                   |             | \$0         | \$0         | \$0         | \$0         | \$0         | (\$7,800)   | (\$1,633)          | (\$1,517)   | (\$1,582)   | (\$2,044)   | (\$2,164)   | (\$17,186)   |
| 14 THERM SALES REVENUES                  | \$3,108,146 | \$3,875,908 | \$4,334,732 | \$3,547,935 | \$3,046,043 | \$2,907,082 | \$2,217,746 | \$2,224,998        | \$2,187,843 | \$2,249,394 | \$3,154,803 | \$3,977,867 | 36,832,498   |
| <b>THERMS PURCHASED</b>                  |             |             |             |             |             |             |             |                    |             |             |             |             |              |
| 15 COMMODITY (Pipeline)                  | 3,701,500   | 3,817,560   | 4,192,290   | 2,970,670   | 2,751,160   | 3,284,760   | 2,729,530   | 2,729,265          | 2,887,779   | 2,847,252   | 3,091,441   | 3,679,592   | 38,682,799   |
| 16 NO NOTICE RESERVATION                 | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                  | 0           | 0           | 0           | 0           | 0            |
| 17 SWING SERVICE                         | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                  | 0           | 0           | 0           | 0           | 0            |
| 18 COMMODITY (Other)                     | 3,701,500   | 3,693,241   | 4,224,510   | 2,726,410   | 2,687,070   | 3,268,140   | 2,716,860   | 2,701,365          | 2,852,679   | 2,813,952   | 3,056,141   | 3,635,792   | 38,077,660   |
| 19 DEMAND                                | 16,244,400  | 15,161,440  | 16,785,880  | 10,769,100  | 9,193,980   | 8,897,400   | 9,193,980   | 8,897,400          | 9,193,980   | 10,035,320  | 16,244,400  | 16,785,880  | 147,403,160  |
| 20 OTHER                                 | 43,776      | 35,047      | 39,391      | 39,563      | 41,538      | 6,796       | 58,012      | 27,900             | 35,100      | 33,300      | 35,300      | 43,800      | 439,523      |
| <b>LESS END-USE CONTRACT</b>             | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                  | 0           | 0           | 0           | 0           | 0            |
| 21 COMMODITY (Pipeline)                  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                  | 0           | 0           | 0           | 0           | 0            |
| 22 DEMAND                                | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                  | 0           | 0           | 0           | 0           | 0            |
| 23                                       | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                  | 0           | 0           | 0           | 0           | 0            |
| 24 TOTAL PURCHASES (17+18+20)-(21+23)    | 3,745,276   | 3,728,288   | 4,263,901   | 2,765,973   | 2,728,608   | 3,274,936   | 2,774,872   | 2,729,265          | 2,887,779   | 2,847,252   | 3,091,441   | 3,679,592   | 38,517,183   |
| 25 NET UNBILLED                          | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0                  | 0           | 0           | 0           | 0           | 0            |
| 26 COMPANY USE (480)                     |             | 0           | 0           | 0           | 0           | 0           | 0           | (2,000)            | (2,000)     | (2,000)     | (2,000)     | (2,000)     | (10,480)     |
| 27 TOTAL THERM SALES (24-26)             | 3,444,398   | 4,276,658   | 4,448,518   | 3,643,750   | 3,129,281   | 2,986,152   | 2,635,848   | 2,727,265          | 2,885,779   | 2,845,252   | 3,089,441   | 3,677,592   | 39,789,934   |
| <b>CENTS PER THERM</b>                   |             |             |             |             |             |             |             |                    |             |             |             |             |              |
| 28 COMMODITY (Pipeline) (1/15)           | 0.00000     | 0.00000     | 0.00000     | 0.00000     | 0.00000     | 0.00000     | 0.00000     | 0.00560            | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00221      |
| 29 NO NOTICE RESERVATION (2/16)          | 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 (3/17)                  | 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      |
| 31 COMMODITY (Other) (4/18)              | 0.69127     | 0.85296     | 0.76204     | 0.80501     | 0.79445     | 0.81301     | 0.79619     | 0.63820            | 0.58371     | 0.60198     | 0.74444     | 0.83992     | 0.74820      |
| 32 DEMAND (5/19)                         | 0.05205     | 0.05041     | 0.05037     | 0.05647     | 0.05217     | 0.05219     | 0.05217     | 0.05158            | 0.05158     | 0.05066     | 0.05077     | 0.05077     | 0.05160      |
| 33 OTHER (6/20)                          | 1.19143     | 1.21948     | 1.22482     | 2.16349     | 1.41610     | 1.36433     | 1.39056     | 1.01820            | 0.96371     | 0.98198     | 1.12444     | 1.21992     | 1.28675      |
| <b>LESS END-USE CONTRACT</b>             |             |             |             |             |             |             |             |                    |             |             |             |             |              |
| 34 COMMODITY Pipeline (7/21)             | 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 (8/22)                         | 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 (9/23)                                | 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 (11/24)                    | 0.92288     | 1.06139     | 0.96462     | 1.04429     | 0.97969     | 0.95593     | 0.98146     | 0.81584            | 0.75815     | 0.79058     | 1.02116     | 1.08165     | 0.95402      |
| 38 NET UNBILLED (12/25)                  | 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 (13/26)                   | 0.92708     | 0.00000     | 0.00000     | 0.00000     | 0.00000     | 0.00000     | 0.00000     | 0.81643            | 0.75867     | 0.79113     | 1.02182     | 1.08224     | 0.93985      |
| 40 TOTAL THERM SALES (11/27)             | 1.00350     | 0.92530     | 0.92459     | 0.79272     | 0.85425     | 1.04838     | 1.03322     | 0.81643            | 0.75867     | 0.79113     | 1.02182     | 1.08224     | 0.92351      |
| 41 TRUE-UP (E-2)                         | (0.02102)   | (0.02102)   | (0.02102)   | (0.02102)   | (0.02102)   | (0.02102)   | (0.02102)   | (0.02102)          | (0.02102)   | (0.02102)   | (0.02102)   | (0.02102)   | (0.02102)    |
| 42 TOTAL COST OF GAS (40+41)             | 0.98248     | 0.90428     | 0.90357     | 0.77170     | 0.83323     | 1.02736     | 0.79541     | 0.73765            | 0.77011     | 0.77011     | 1.00080     | 1.06122     | 0.90249      |
| 43 REVENUE TAX FACTOR                    | 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      |
| 44 PGA FACTOR ADJUSTED FOR TAXES (42x43) | 0.98742     | 0.90882     | 0.90811     | 0.77558     | 0.83742     | 1.03253     | 1.01730     | 0.79941            | 0.74136     | 0.77399     | 1.00583     | 1.06656     | 0.90702      |
| 45 PGA FACTOR ROUNDED TO NEAREST .001    | 0.987       | 0.909       | 0.908       | 0.776       | 0.837       | 1.033       | 1.017       | 0.799              | 0.741       | 0.774       | 1.006       | 1.067       | 0.907        |

Exhibit (TK-2)  
3 of 8

CALCULATION OF TRUE-UP AMOUNT

FOR THE CURRENT PERIOD:

JANUARY 2007 Through DECEMBER 2007

\$0.815

(\$0.7576)

|  | ACTUAL      |             |             |             |             |             | REVISED PROJECTIONS |             |             |             |             |               | TOTAL PERIOD  |
|--|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|-------------|-------------|-------------|-------------|---------------|---------------|
|  | JAN         | FEB         | MAR         | APR         | MAY         | JUN         | JUL                 | AUG         | SEP         | OCT         | NOV         | DEC           |               |
| <b>TRUE-UP CALCULATION</b>   |             |             |             |             |             |             |                     |             |             |             |             |               |               |
| 1 PURCHASED GAS COST   | \$2,610,904 | \$3,192,931 | \$3,267,484 | \$2,280,370 | \$2,193,575 | \$2,666,296 | \$2,243,805         | \$1,752,419 | \$1,698,963 | \$1,726,643 | \$2,314,806 | \$3,107,207   | \$29,055,403  |
| 2 TRANSPORTATION COST  | \$845,551   | \$764,245   | \$845,551   | \$608,102   | \$479,619   | \$464,321   | \$479,619           | \$474,212   | \$490,397   | \$524,334   | \$842,040   | \$872,825     | \$7,690,816   |
| 3 TOTAL COST   | \$3,456,455 | \$3,957,176 | \$4,113,035 | \$2,888,472 | \$2,673,194 | \$3,130,617 | \$2,723,424         | \$2,226,631 | \$2,189,361 | \$2,250,977 | \$3,156,847 | \$3,980,032   | \$36,746,219  |
| 4 FUEL REVENUES (Net of Revenue Tax)   | \$3,108,146 | \$3,875,908 | \$4,334,732 | \$3,547,935 | \$3,046,043 | \$2,907,082 | \$2,217,746         | \$2,224,998 | \$2,187,843 | \$2,249,394 | \$3,154,803 | \$3,977,867   | \$36,832,498  |
| 4a Under-recovery*   | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0                 | (\$150,756) | \$6,869     | (\$256,318) | (\$990,794) | (\$1,402,153) | (\$2,793,153) |
| 4b ADJUSTED NET FUEL REVENUES *  | \$3,108,146 | \$3,875,908 | \$4,334,732 | \$3,547,935 | \$3,046,043 | \$2,907,082 | \$2,217,746         | \$2,074,241 | \$2,194,712 | \$1,993,076 | \$2,164,009 | \$2,575,714   | \$34,039,345  |
| 5 TRUE-UP (COLLECTED) OR REFUNDED  | \$74,196    | \$74,196    | \$74,196    | \$74,196    | \$74,196    | \$74,196    | \$74,196            | \$74,196    | \$74,196    | \$74,196    | \$74,196    | \$74,196      | \$890,347     |
| 6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)   | \$3,182,342 | \$3,950,104 | \$4,408,928 | \$3,622,131 | \$3,120,239 | \$2,981,278 | \$2,291,942         | \$2,148,437 | \$2,268,908 | \$2,067,272 | \$2,238,204 | \$2,649,910   | \$34,929,692  |
| 7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)  | (\$274,113) | (\$7,072)   | \$295,893   | \$733,659   | \$447,045   | (\$149,339) | (\$431,482)         | (\$78,194)  | \$79,547    | (\$183,705) | (\$918,642) | (\$1,330,122) | (\$1,816,527) |
| 8 INTEREST PROVISION-THIS PERIOD (21)  | \$9,842     | \$8,945     | \$9,290     | \$11,262    | \$14,977    | \$16,813    | \$15,286            | \$13,941    | \$13,679    | \$13,183    | \$10,490    | \$5,262       | \$142,969     |
| 8a ADJUST PRIOR MONTHS' INTEREST   |             |             |             |             |             |             |                     |             |             |             |             |               |               |
| 9 BEGINNING OF PERIOD TRUE-UP AND INTEREST   | \$2,421,264 | \$2,082,797 | \$2,010,474 | \$2,241,461 | \$2,912,186 | \$3,941,658 | \$3,734,936         | \$3,244,544 | \$3,106,095 | \$3,125,126 | \$2,880,408 | \$1,898,060   | \$2,421,264   |
| 10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)   | (\$74,196)  | (\$74,196)  | (\$74,196)  | (\$74,196)  | (\$74,196)  | (\$74,196)  | (\$74,196)          | (\$74,196)  | (\$74,196)  | (\$74,196)  | (\$74,196)  | (\$74,196)    | (\$890,347)   |
| 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         | \$641,646   | \$0         | \$0                 | \$0         | \$0         | \$0         | \$0         | \$0           | \$641,646     |
| 11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a+10b)   | \$2,082,797 | \$2,010,474 | \$2,241,461 | \$2,912,186 | \$3,941,658 | \$3,734,936 | \$3,244,544         | \$3,106,095 | \$3,125,126 | \$2,880,408 | \$1,898,060 | \$499,005     | \$499,005     |
| <b>INTEREST PROVISION</b>  |             |             |             |             |             |             |                     |             |             |             |             |               |               |
| 12 BEGINNING TRUE-UP AND INTEREST PROVISION (9+10a)  | \$2,421,264 | \$2,082,797 | \$2,010,474 | \$2,241,461 | \$2,912,186 | \$3,941,658 | \$3,734,936         | \$3,244,544 | \$3,106,095 | \$3,125,126 | \$2,880,408 | \$1,898,060   |               |
| 13 ENDING TRUE-UP BEFORE INTEREST (12+10b+7-5)   | \$2,072,955 | \$2,001,529 | \$2,232,171 | \$2,900,924 | \$3,926,681 | \$3,718,123 | \$3,229,258         | \$3,092,155 | \$3,111,447 | \$2,867,225 | \$1,887,571 | \$493,743     |               |
| 14 TOTAL (12+13)   | \$4,494,219 | \$4,084,326 | \$4,242,644 | \$5,142,384 | \$6,838,867 | \$7,659,781 | \$6,964,193         | \$6,336,699 | \$6,217,542 | \$5,992,351 | \$4,767,979 | \$2,391,803   |               |
| 15 AVERAGE (50% OF 14)   | \$2,247,110 | \$2,042,163 | \$2,121,322 | \$2,571,193 | \$3,419,434 | \$3,829,891 | \$3,482,097         | \$3,168,349 | \$3,108,771 | \$2,996,175 | \$2,383,989 | \$1,195,901   |               |
| 16 INTEREST RATE - FIRST DAY OF MONTH  | 0.05260     | 0.05260     | 0.05260     | 0.05260     | 0.05260     | 0.05260     | 0.05260             | 0.05280     | 0.05280     | 0.05280     | 0.05280     | 0.05280       |               |
| 17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH   | 0.05260     | 0.05260     | 0.05260     | 0.05260     | 0.05260     | 0.05260     | 0.05280             | 0.05280     | 0.05280     | 0.05280     | 0.05280     | 0.05280       |               |
| 18 TOTAL (16+17)   | 0.10520     | 0.10520     | 0.10520     | 0.10520     | 0.10520     | 0.10520     | 0.10540             | 0.10560     | 0.10560     | 0.10560     | 0.10560     | 0.10560       |               |
| 19 AVERAGE (50% OF 18)   | 0.05260     | 0.05260     | 0.05260     | 0.05260     | 0.05260     | 0.05260     | 0.05270             | 0.05280     | 0.05280     | 0.05280     | 0.05280     | 0.05280       |               |
| 20 MONTHLY AVERAGE (19/12 Months)  | 0.00438     | 0.00438     | 0.00438     | 0.00438     | 0.00438     | 0.00438     | 0.00439             | 0.00440     | 0.00440     | 0.00440     | 0.00440     | 0.00440       |               |
| 21 INTEREST PROVISION (15x20)  | 9,842       | 8,945       | 9,290       | 11,262      | 14,977      | 16,813      | 15,286              | 13,941      | 13,679      | 13,183      | 10,490      | 5,262         |               |
| * Under-recovery equals the Monthly sales volume on Sch E1/R times the difference of the Projected Cost of Gas on Sch E-1/R less the anticipated PGA rate. |             |             |             |             |             |             |                     |             |             |             |             |               |               |

COMPANY:  
FLORIDA CITY GAS

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

SCHEDULE E-3  
(REVISED FORM 9/24/99)

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY 2008 Through DECEMBER 2008

| Month        | PURCHASED FROM | PURCHASED FOR | SCH TYPE | SYSTEM SUPPLY | END USE | COMMODITY COST  |             |           | DEMAND COST | OTHER CHARGES ACA/GRI/FUEL | TOTAL CENTS PER THERM |
|--------------|----------------|---------------|----------|---------------|---------|-----------------|-------------|-----------|-------------|----------------------------|-----------------------|
|              |                |               |          |               |         | TOTAL PURCHASED | THIRD PARTY | PIPELINE  |             |                            |                       |
| Jan          | Various        | Sys/End-Use   | FTS      | 4,773,425     |         | 4,773,425       |             | \$22,053  | \$852,219   | \$4,863                    | 18.41728              |
| Feb          | Various        | Sys/End-Use   | FTS      | 4,376,394     |         | 4,376,394       |             | \$20,219  | \$769,746   | \$4,498                    | 18.15338              |
| Mar          | Various        | Sys/End-Use   | FTS      | 4,063,806     |         | 4,063,806       |             | \$18,775  | \$852,219   | \$4,193                    | 21.53614              |
| Apr          | Various        | Sys/End-Use   | FTS      | 3,595,733     |         | 3,595,733       |             | \$16,612  | \$636,454   | \$3,745                    | 18.26640              |
| May          | Various        | Sys/End-Use   | FTS      | 3,000,880     |         | 3,000,880       |             | \$13,864  | \$507,967   | \$3,114                    | 17.49307              |
| June         | Various        | Sys/End-Use   | FTS      | 3,039,802     |         | 3,039,802       |             | \$14,044  | \$492,649   | \$3,146                    | 16.77211              |
| July         | Various        | Sys/End-Use   | FTS      | 3,000,244     |         | 3,000,244       |             | \$13,861  | \$507,967   | \$3,126                    | 17.49705              |
| Aug          | Various        | Sys/End-Use   | FTS      | 2,926,546     |         | 2,926,546       |             | \$13,521  | \$507,967   | \$3,013                    | 17.92219              |
| SeP          | Various        | Sys/End-Use   | FTS      | 3,074,027     |         | 3,074,027       |             | \$14,202  | \$492,649   | \$3,198                    | 16.59221              |
| Oct          | Various        | Sys/End-Use   | FTS      | 3,114,459     |         | 3,114,459       |             | \$14,389  | \$542,108   | \$3,227                    | 17.97179              |
| Nov          | Various        | Sys/End-Use   | FTS      | 3,180,991     |         | 3,180,991       |             | \$14,696  | \$858,517   | \$3,304                    | 27.55483              |
| Dec          | Various        | Sys/End-Use   | FTS      | 4,275,562     |         | 4,275,562       |             | \$19,753  | \$885,959   | \$4,424                    | 21.28693              |
| <b>TOTAL</b> |                |               |          | 42,421,871    |         | 42,421,871      |             | \$195,989 | \$7,906,422 | \$43,852                   | 19.20298              |

Exhibit \_\_\_\_\_ (TK-2)  
5 of 8

COMPANY:  
FLORIDA CITY GAS

CALCULATION OF TRUE-UP AMOUNT  
PROJECTED PERIOD

SCHEDULE E-4  
(REVISED FORM 9/24/99)

ESTIMATED FOR THE PROJECTED PERIOD:

JANUARY 2008

Through

DECEMBER 2008

|    |   | PRIOR PERIOD: JANUARY 06 - DECEMBER 06                             |                         |                                    | CURRENT PERIOD: JAN '07 - DEC '07                                  |  |  |  |
|----|---|--|-------------------------|------------------------------------|--|--|--|--|
|    |   | (1)<br>SEVEN MONTHS ACTUAL<br>PLUS FIVE<br>MONTHS REVISED ESTIMATE | (2)<br>ACTUAL           | (3)<br>Col(2)-Col(1)<br>DIFFERENCE | (4)<br>SEVEN MONTHS ACTUAL<br>PLUS FIVE MONTHS<br>REVISED ESTIMATE | (5)<br>Col(3)+Col(4)<br>TOTAL<br>TRUE-UP |  |  |
| 1  | TOTAL THERM SALES \$ E-2 Line 6   | \$39,708,118   | A-2 Line 6 \$38,146,907 | (\$1,561,211)                      | E-2 Line 6 \$34,929,692  | \$33,368,481                             |  |  |
| 2  | TRUE-UP PROVISION FOR THIS PERIOD<br>OVER (UNDER) COLLECTION E-2 Line 7 | (\$1,329,066)  | A-2 Line 7 \$207,666    | \$1,536,732                        | E-2 Line 7 (\$1,816,527)   | (\$279,795)                              |  |  |
| 2a | ADJUSTMENTS * E-2 Line 10a  | \$0  | A-2 Line 10b \$0        | \$0                                | E-2 Line 10a \$0   | \$0                                      |  |  |
| 2a | OSS 50% MARGIN SHARING E-2 Line 10b                                     | \$442,112  | A-2 Line 10b \$442,112  | \$0                                | E-2 Line 10b \$641,646   | \$641,646                                |  |  |
| 3  | INTEREST PROVISION FOR THIS PERIOD E-2 Line 8                           | \$116,513  | A-2 Line 8 \$110,697    | (\$5,816)                          | E-2 Line 8 \$142,969   | \$137,153                                |  |  |
| 4  | END OF PERIOD TOTAL NET TRUE-UP L2+2a+L3                                | (\$770,441)  | \$760,475               | \$1,530,916                        | (\$1,031,912)  | \$499,004                                |  |  |

NOTE: EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

|                   |                                   |                              |                                 |        |                                   |
|-------------------|-----------------------------------|------------------------------|---------------------------------|--------|-----------------------------------|
| COLUMN (1)        | DATA OBTAINED FROM SCHEDULE (E-2) | <u>TOTAL TRUE-UP DOLLARS</u> | <u>Over / (Under) Recovered</u> |        | <u>True-up, charge / (credit)</u> |
| COLUMN (2)        | DATA OBTAINED FROM SCHEDULE (A-2) | PROJECTED THERM SALES        | \$499,004                       | equals | (\$0.01165) \$/Therm              |
| LINE 4 COLUMN (3) | SAME AS LINE 7 SCHEDULE (A-7)     |                              | 42,828,671                      |        | (\$1.165) Cents Per Therm         |
| LINE 4 COLUMN (1) | SAME AS LINE 8 SCHEDULE (A-7)     |                              |                                 |        |                                   |
| LINE 2 COLUMN (4) | SAME AS LINE 7 SCHEDULE (E-2)     |                              |                                 |        |                                   |
| LINE 3 COLUMN (4) | SAME AS LINE 8 SCHEDULE (E-2)     |                              |                                 |        |                                   |

\* Audit Adjustment

Exhibit \_\_\_\_\_ (TK-2)  
6 of 8



ESTIMATED FOR THE PROJECTED PERIOD: **JANUARY 2008** through **DECEMBER 2008** (REVISED FORM 9/03)

|   | JAN              | FEB              | MAR              | APR              | MAY              | JUN              | JUL              | AUG              | SEP              | OCT              | NOV              | DEC              | TOTAL             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| <b>THERM SALES (FIRM)</b>                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| 1 RESIDENTIAL                               | 2,641,782        | 2,322,899        | 2,122,859        | 1,731,030        | 1,306,089        | 1,280,600        | 1,262,436        | 1,212,052        | 1,292,749        | 1,244,530        | 1,406,086        | 1,985,381        | 19,808,493        |
| 2 GAS LIGHTS                                | 1,900            | 1,900            | 1,900            | 1,900            | 1,900            | 1,900            | 1,900            | 1,900            | 1,900            | 1,900            | 1,900            | 1,900            | 22,800            |
| 3 COMMERCIAL                                | 2,102,342        | 2,037,496        | 1,924,447        | 1,859,203        | 1,679,991        | 1,743,302        | 1,726,308        | 1,698,095        | 1,772,678        | 1,874,030        | 1,781,005        | 2,304,781        | 22,503,678        |
| 4 LARGE COMMERCIAL                          | 60,100           | 51,200           | 51,900           | 42,800           | 43,600           | 43,500           | 42,400           | 40,100           | 39,500           | 25,000           | 25,000           | 25,000           | 490,100           |
| 5 NATURAL GAS VEHICLES                      | 300              | 300              | 300              | 300              | 300              | 300              | 300              | 300              | 300              | 300              | 300              | 300              | 3,600             |
| <b>6 TOTAL FIRM</b>                         | <b>4,806,425</b> | <b>4,413,794</b> | <b>4,101,406</b> | <b>3,635,233</b> | <b>3,031,880</b> | <b>3,069,602</b> | <b>3,033,344</b> | <b>2,952,446</b> | <b>3,107,127</b> | <b>3,145,759</b> | <b>3,214,291</b> | <b>4,317,362</b> | <b>42,828,671</b> |
| <b>THERM SALES (INTERRUPTIBLE)</b>          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| 7 INTERRUPTIBLE PREFERRED                   | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 8 INTERRUPTIBLE LARGE VOLUME                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| <b>9 TOTAL INTERRUPTIBLE</b>                | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>          |
| <b>THERM TRANSPORTED</b>                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| 10 COMMERCIAL TRANSP.                       | 1,865,400        | 1,740,800        | 1,878,400        | 1,765,300        | 1,847,000        | 1,689,100        | 1,732,700        | 1,600,300        | 1,456,600        | 1,472,100        | 1,640,000        | 1,713,100        | 20,400,800        |
| 11 SMALL COMMERCIAL TRANSP. FIRM            | 1,991,670        | 1,827,070        | 1,845,030        | 1,831,110        | 1,653,470        | 1,703,660        | 1,664,500        | 1,581,900        | 1,705,960        | 1,628,850        | 1,618,150        | 1,780,150        | 20,831,520        |
| 12 SMALL COMMERCIAL TR - INTER.             | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 13 SMALL COMMERCIAL TRANSP - NGV            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,500            | 1,500            | 1,500            | 1,000            | 1,000            | 1,000            | 1,000            | 13,500            |
| 14 INTERRUPTIBLE TRANSP.                    | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 15 CONTRACT INTERRUPT. TRANSP.              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 16 INTERRUPT. LG. VOL. TRANSP.              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 17 CONTR. INTERR. LG. VOL. TRANSP.          | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 18 SPECIAL CONTRACT TRANSP.                 | 780,700          | 756,800          | 850,400          | 803,800          | 846,100          | 839,500          | 847,200          | 717,000          | 1,599,300        | 545,700          | 704,800          | 759,400          | 10,050,700        |
| <b>19 TOTAL TRANSPORTATION</b>              | <b>4,638,770</b> | <b>4,325,670</b> | <b>4,574,830</b> | <b>4,401,210</b> | <b>4,347,570</b> | <b>4,233,760</b> | <b>4,245,900</b> | <b>3,900,700</b> | <b>4,762,860</b> | <b>3,647,650</b> | <b>3,963,950</b> | <b>4,253,650</b> | <b>51,296,520</b> |
| <b>TOTAL THERMS SALES &amp; TRANSP.</b>     | <b>9,446,196</b> | <b>8,739,464</b> | <b>8,676,236</b> | <b>8,036,443</b> | <b>7,379,450</b> | <b>7,303,362</b> | <b>7,279,244</b> | <b>6,853,146</b> | <b>7,869,987</b> | <b>6,793,409</b> | <b>7,178,241</b> | <b>8,571,012</b> | <b>94,126,191</b> |
| <b>NUMBER OF CUSTOMERS (FIRM)</b>           |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| 20 RESIDENTIAL                              | 99,096           | 99,229           | 99,054           | 98,885           | 98,651           | 98,605           | 98,559           | 98,509           | 98,598           | 98,784           | 99,340           | 99,696           | 98,917            |
| 21 GAS LIGHTS                               | 221              | 221              | 221              | 221              | 221              | 221              | 221              | 221              | 221              | 221              | 221              | 221              | 221               |
| 22 COMMERCIAL                               | 4,167            | 4,176            | 4,194            | 4,209            | 4,225            | 4,247            | 4,261            | 4,276            | 4,294            | 4,304            | 4,323            | 4,343            | 4,252             |
| 23 LARGE COMMERCIAL                         | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                 |
| 24 NATURAL GAS VEHICLES                     | 1                | 1                | 1                | 1                | 1                | 1                | 1                | 1                | 1                | 1                | 1                | 1                | 12                |
| <b>25 TOTAL FIRM</b>                        | <b>103,488</b>   | <b>103,629</b>   | <b>103,473</b>   | <b>103,319</b>   | <b>103,101</b>   | <b>103,078</b>   | <b>103,045</b>   | <b>103,010</b>   | <b>103,116</b>   | <b>103,313</b>   | <b>103,888</b>   | <b>104,264</b>   | <b>103,405</b>    |
| <b>NUMBER OF CUSTOMERS (INTERRUPTIBLE)</b>  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| 26 INTERRUPTIBLE PREFERRED                  | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 27 INTERRUPTIBLE LARGE VOLUME               | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| <b>28 TOTAL INTERRUPTIBLE</b>               | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>          |
| <b>NUMBER OF CUSTOMERS (TRANSPORTATION)</b> |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| 29 COMMERCIAL TRANSP.                       | 67               | 67               | 67               | 67               | 67               | 67               | 67               | 67               | 67               | 67               | 67               | 67               | 67                |
| 30 SMALL COMMERCIAL TRANSP. FIRM            | 1,497            | 1,495            | 1,496            | 1,497            | 1,497            | 1,499            | 1,498            | 1,497            | 1,498            | 1,495            | 1,497            | 1,498            | 1,497             |
| 31 SMALL COMMERCIAL TR - INTER.             | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 32 SMALL COMMERCIAL TRANSP - NGV            | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                 |
| 33 INTERRUPTIBLE TRANSP.                    | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 34 CONTRACT INTERRUPT. TRANSP.              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 35 INTERRUPT. LG. VOL. TRANSP.              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 36 CONTR. INTERR. LG. VOL. TRANSP.          | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |
| 37 SPECIAL CONTRACT TRANSP.                 | 10               | 10               | 10               | 10               | 10               | 10               | 10               | 10               | 10               | 10               | 10               | 10               | 10                |
| <b>38 TOTAL TRANSPORTATION</b>              | <b>1,577</b>     | <b>1,575</b>     | <b>1,576</b>     | <b>1,577</b>     | <b>1,577</b>     | <b>1,579</b>     | <b>1,578</b>     | <b>1,577</b>     | <b>1,578</b>     | <b>1,575</b>     | <b>1,577</b>     | <b>1,578</b>     | <b>1,577</b>      |
| <b>TOTAL CUSTOMERS</b>                      | <b>105,066</b>   | <b>105,205</b>   | <b>105,049</b>   | <b>104,896</b>   | <b>104,679</b>   | <b>104,657</b>   | <b>104,623</b>   | <b>104,587</b>   | <b>104,694</b>   | <b>104,888</b>   | <b>105,466</b>   | <b>105,841</b>   | <b>104,982</b>    |

|                                     |     |                                      |     |     |     |     |         |               |     |     |     |                            |             |  |
|-------------------------------------|-----|--------------------------------------|-----|-----|-----|-----|---------|---------------|-----|-----|-----|----------------------------|-------------|--|
| COMPANY:                            |     | <b>THERM SALES AND CUSTOMER DATA</b> |     |     |     |     |         |               |     |     |     | <b>SCHEDULE E-6</b>        |             |  |
| FLORIDA CITY GAS                    |     |                                      |     |     |     |     |         |               |     |     |     | <b>(REVISED FORM 9/03)</b> |             |  |
| ESTIMATED FOR THE PROJECTED PERIOD: |     | JANUARY 2008                         |     |     |     |     | through | DECEMBER 2008 |     |     |     |                            | Page 2 of 2 |  |
|                                     | JAN | FEB                                  | MAR | APR | MAY | JUN | JUL     | AUG           | SEP | OCT | NOV | DEC                        | TOTAL       |  |

**THERM USE PER CUSTOMER**

|                                    |        |        |        |        |        |        |        |        |         |        |        |        |           |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|-----------|
| 39 RESIDENTIAL                     | 27     | 23     | 21     | 18     | 13     | 13     | 13     | 12     | 13      | 13     | 14     | 20     | 200       |
| 40 GAS LIGHTS                      | 9      | 9      | 9      | 9      | 9      | 9      | 9      | 9      | 9       | 9      | 9      | 9      | 103       |
| 41 COMMERCIAL                      | 505    | 488    | 459    | 442    | 398    | 410    | 405    | 397    | 413     | 435    | 412    | 531    | 5,293     |
| 42 LARGE COMMERCIAL                | 20,033 | 17,067 | 17,300 | 14,267 | 14,533 | 14,500 | 14,133 | 13,367 | 13,167  | 8,333  | 8,333  | 8,333  | 163,367   |
| 43 NATURAL GAS VEHICLES            | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300    | 300     | 300    | 300    | 300    | 300       |
| 44 INTERRUPTIBLE PREFERRED         |        |        |        |        |        |        |        |        |         |        |        |        |           |
| 45 INTERRUPTIBLE LARGE VOLUME      |        |        |        |        |        |        |        |        |         |        |        |        |           |
| 46 COMMERCIAL TRANSP.              | 27,842 | 25,982 | 28,036 | 26,348 | 27,567 | 25,210 | 25,861 | 23,885 | 21,740  | 21,972 | 24,478 | 25,569 | 304,490   |
| 47 SMALL COMMERCIAL TRANSP. FIRM   | 1,330  | 1,222  | 1,233  | 1,223  | 1,104  | 1,136  | 1,111  | 1,056  | 1,139   | 1,090  | 1,081  | 1,189  | 13,914    |
| 48 SMALL COMMERCIAL TR - INTER.    | -      | -      | -      | -      | -      | -      | -      | -      | -       | -      | -      | -      | -         |
| 49 SMALL COMMERCIAL TRANSP - NGV   | 333    | 333    | 333    | 333    | 333    | 500    | 500    | 500    | 333     | 333    | 333    | 333    | 4,500     |
| 50 INTERRUPTIBLE TRANSP.           | -      | -      | -      | -      | -      | -      | -      | -      | -       | -      | -      | -      | -         |
| 51 CONTRACT INTERRUPT. TRANSP.     | -      | -      | -      | -      | -      | -      | -      | -      | -       | -      | -      | -      | -         |
| 52 INTERRUPT. LG. VOL. TRANSP.     | -      | -      | -      | -      | -      | -      | -      | -      | -       | -      | -      | -      | -         |
| 53 CONTR. INTERR. LG. VOL. TRANSP. | -      | -      | -      | -      | -      | -      | -      | -      | -       | -      | -      | -      | -         |
| 54 SPECIAL CONTRACT                | 78,070 | 75,680 | 85,040 | 80,380 | 84,610 | 83,950 | 84,720 | 71,700 | 159,930 | 54,570 | 70,480 | 75,940 | 1,005,070 |

**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 13<sup>th</sup> day of September, 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<sup>th</sup> 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

  
\_\_\_\_\_  
Beth Keating  
Akerman Senterfitt Attorneys at Law  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32301  
(850) 224-9634  
beth.keating@akerman.com

|   |                                       |                     |
|---|---------------------------------------|---------------------|
| <b>COMPANY:</b><br><b><u>FLORIDA PUBLIC UTILITIES COMPANY</u></b> | <b>FINAL FUEL OVER/UNDER RECOVERY</b> | <b>SCHEDULE A-7</b> |
| <b>FOR THE PERIOD: JANUARY 2006 THROUGH DECEMBER 2006</b>         |                                       |                     |

|    |   |                     |            |
|----|---|---------------------|------------|
| 1. | TOTAL ACTUAL FUEL COST FOR THE PERIOD   | A-2, LINE 3         | 35,203,400 |
| 2. | FUEL REVENUES APPLICABLE TO THE PERIOD  | A-2, LINE 6         | 40,194,498 |
| 3. | OVER/(UNDER) RECOVERY FOR THE PERIOD  | LINE 2 - LINE 1     | 4,991,098  |
| 4. | INTEREST PROVISION FOR THE PERIOD   | A-2, LINE 8         | 145,162    |
| 5. | TOTAL OVER/(UNDER) RECOVERY FOR THE PERIOD  | LINE 3 + LINE 4     | 5,136,260  |
| 6. | LESS: ESTIMATED OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006, WHICH WAS INCLUDED IN THE CURRENT JANUARY 2007 THROUGH DECEMBER 2007 PERIOD: | E-4, LINE 4, COL. 4 | 3,894,424  |
| 7. | FINAL 2006 FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED JANUARY 2008 THROUGH DECEMBER 2008 PERIOD   | LINE 5 - LINE 6     | 1,241,836  |

**FLORIDA PUBLIC SERVICE COMMISSION**  
**DOCKET NO. 070003-GU EXHIBIT 4**  
**COMPANY FPUC**  
**WITNESS Cheryl M. Martin (CM-1)**  
**DATE 11-06-07**

Exhibit \_\_\_\_\_  
Docket No. 070003-GU  
Florida Public Utilities Company  
(CM-1) REVISED

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070003-G EXHIBIT 5

COMPANY FPLC

WITNESS Mehrdad Khojasteh (adopts Martin) (MK-1)

DATE 11-06-07

| COMPANY:                         |   | PURCHASED GAS ADJUSTMENT<br>COST RECOVERY CLAUSE CALCULATION          |           |           |           |           |           |           |           |           |           |           | SCHEDULE E-1 |            |
|----------------------------------|---|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|------------|
| FLORIDA PUBLIC UTILITIES COMPANY |   | ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2008 THROUGH DECEMBER 2008 |           |           |           |           |           |           |           |           |           |           |              |            |
|                                  |   | PROJECTED   | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED | TOTAL        |            |
|                                  |   | JAN   | FEB       | MAR       | APR       | MAY       | JUN       | JUL       | AUG       | SEP       | OCT       | NOV       | DEC          |            |
| <b>COST OF GAS PURCHASED</b>     |   |   |           |           |           |           |           |           |           |           |           |           |              |            |
| 1                                | COMMODITY (Pipeline)                                      | 21,428  | 20,841    | 18,724    | 15,125    | 37,282    | 27,359    | 18,755    | 15,031    | 25,024    | 14,374    | 13,973    | 17,114       | 245,030    |
| 2                                | NO NOTICE SERVICE   | 9,207   | 6,584     | 6,061     | 4,054     | 1,719     | 1,663     | 1,703     | 1,703     | 1,634     | 3,222     | 5,242     | 7,289        | 50,081     |
| 3                                | SWING SERVICE   | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| 4                                | COMMODITY (Other)   | 7,744,358   | 7,388,111 | 7,028,990 | 6,028,660 | 5,128,407 | 4,754,879 | 4,268,277 | 4,179,257 | 4,294,793 | 4,554,759 | 5,704,836 | 6,603,000    | 67,678,327 |
| 5                                | DEMAND  | 509,204   | 457,125   | 493,704   | 435,578   | 160,515   | 155,337   | 147,944   | 147,944   | 143,172   | 164,882   | 477,776   | 499,904      | 3,793,085  |
| 6                                | OTHER   | 1,410   | 1,350     | 1,275     | 1,095     | 945       | 870       | 780       | 765       | 780       | 825       | 1,035     | 1,200        | 12,330     |
| LESS END-USE CONTRACT:           |   |   |           |           |           |           |           |           |           |           |           |           |              |            |
| 7                                | COMMODITY (Pipeline)                                      | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| 8                                | DEMAND  | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| 9                                | COMMODITY (Other)   | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| 10                               | Second Prior Month Purchase Adj. (OPTIONAL)               | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| 11                               | TOTAL COST <small>(+1+2+3+4+5+6+10)-(7+8+9)</small>       | 8,285,607   | 7,874,011 | 7,548,754 | 6,484,512 | 5,328,868 | 4,940,108 | 4,437,459 | 4,344,700 | 4,465,403 | 4,738,062 | 6,202,862 | 7,128,507    | 71,778,853 |
| 12                               | NET UNBILLED  | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| 13                               | COMPANY USE   | 9,400   | 9,000     | 8,500     | 7,300     | 6,300     | 5,800     | 5,200     | 5,100     | 5,200     | 5,500     | 6,900     | 8,000        | 82,200     |
| 14                               | TOTAL THERM SALES   | 8,276,197   | 7,865,011 | 7,540,254 | 6,477,212 | 5,322,568 | 4,934,308 | 4,432,259 | 4,339,600 | 4,460,203 | 4,732,562 | 6,195,962 | 7,120,507    | 71,696,653 |
| <b>THERMS PURCHASED</b>          |   |   |           |           |           |           |           |           |           |           |           |           |              |            |
| 15                               | COMMODITY (Pipeline)                                      | 5,227,410   | 4,986,980 | 4,744,540 | 4,069,320 | 3,462,230 | 3,209,780 | 2,881,190 | 2,821,080 | 2,899,210 | 3,074,530 | 3,850,930 | 4,457,030    | 45,684,230 |
| 16                               | NO NOTICE SERVICE   | 1,860,000   | 1,330,000 | 1,224,500 | 819,000   | 347,200   | 336,000   | 344,100   | 344,100   | 330,000   | 651,000   | 1,059,000 | 1,472,500    | 10,117,400 |
| 17                               | SWING SERVICE   | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| 18                               | COMMODITY (Other)   | 5,227,410   | 4,986,980 | 4,744,540 | 4,069,320 | 3,462,230 | 3,209,780 | 2,881,190 | 2,821,080 | 2,899,210 | 3,074,530 | 3,850,930 | 4,457,030    | 45,684,230 |
| 19                               | DEMAND  | 8,832,210   | 7,697,480 | 7,282,210 | 5,983,800 | 3,097,830 | 2,997,900 | 2,787,830 | 2,787,830 | 2,697,900 | 3,139,370 | 7,047,300 | 7,902,210    | 62,253,870 |
| 20                               | OTHER   | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| LESS END-USE CONTRACT:           |   |   |           |           |           |           |           |           |           |           |           |           |              |            |
| 21                               | COMMODITY (Pipeline)                                      | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| 22                               | DEMAND  | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| 23                               | COMMODITY (Other)   | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| 24                               | TOTAL PURCHASES <small>(+17+18+20)-(21+23)</small>        | 5,227,410   | 4,986,980 | 4,744,540 | 4,069,320 | 3,462,230 | 3,209,780 | 2,881,190 | 2,821,080 | 2,899,210 | 3,074,530 | 3,850,930 | 4,457,030    | 45,684,230 |
| 25                               | NET UNBILLED  | -   | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -            | -          |
| 26                               | COMPANY USE   | 9,410   | 8,980     | 8,540     | 7,320     | 6,230     | 5,780     | 5,190     | 5,080     | 5,210     | 5,530     | 6,930     | 8,030        | 82,230     |
| 27                               | TOTAL THERM SALES <small>(For Estimated, 24 - 26)</small> | 5,218,000   | 4,978,000 | 4,736,000 | 4,062,000 | 3,456,000 | 3,204,000 | 2,876,000 | 2,816,000 | 2,894,000 | 3,069,000 | 3,844,000 | 4,449,000    | 45,602,000 |
| <b>CENTS PER THERM</b>           |   |   |           |           |           |           |           |           |           |           |           |           |              |            |
| 28                               | COMMODITY (Pipeline) <small>(1/15)</small>                | 0.410   | 0.418     | 0.395     | 0.372     | 1.077     | 0.852     | 0.651     | 0.533     | 0.863     | 0.468     | 0.363     | 0.384        | 0.536      |
| 29                               | NO NOTICE SERVICE <small>(2/16)</small>                   | 0.495   | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495        | 0.495      |
| 30                               | SWING SERVICE <small>(3/17)</small>                       | 0.000   | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000        | 0.000      |
| 31                               | COMMODITY (Other) <small>(4/18)</small>                   | 148.149   | 148.148   | 148.149   | 148.149   | 148.124   | 148.137   | 148.143   | 148.144   | 148.137   | 148.145   | 148.142   | 148.148      | 148.144    |
| 32                               | DEMAND <small>(5/19)</small>                              | 5.765   | 5.939     | 6.780     | 7.279     | 5.182     | 5.182     | 5.307     | 5.307     | 5.307     | 5.252     | 6.780     | 6.326        | 6.093      |
| 33                               | OTHER <small>(6/20)</small>                               | 0.000   | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000        | 0.000      |
| LESS END-USE CONTRACT:           |   |   |           |           |           |           |           |           |           |           |           |           |              |            |
| 34                               | COMMODITY Pipeline <small>(7/21)</small>                  | 0.000   | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000        | 0.000      |
| 35                               | DEMAND <small>(8/22)</small>                              | 0.000   | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000        | 0.000      |
| 36                               | COMMODITY Other <small>(9/23)</small>                     | 0.000   | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000        | 0.000      |
| 37                               | TOTAL COST OF PURCHASES <small>(11/24)</small>            | 158.503   | 157.891   | 159.104   | 159.351   | 153.914   | 153.908   | 154.015   | 154.008   | 154.021   | 154.107   | 161.074   | 159.939      | 157.120    |
| 38                               | NET UNBILLED <small>(12/25)</small>                       | 0.000   | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000        | 0.000      |
| 39                               | COMPANY USE <small>(13/26)</small>                        | 99.894  | 100.223   | 99.532    | 99.727    | 101.124   | 100.346   | 100.193   | 100.394   | 99.808    | 99.458    | 99.567    | 99.626       | 99.964     |
| 40                               | TOTAL COST OF THERM SOLD <small>(11/27)</small>           | 158.789   | 158.176   | 159.391   | 159.638   | 154.192   | 154.186   | 154.293   | 154.286   | 154.299   | 154.385   | 161.365   | 160.227      | 157.403    |
| 41                               | TRUE-UP (REFUND)/RECOVER <small>(E-4)</small>             | (8.152)   | (8.152)   | (8.152)   | (8.152)   | (8.152)   | (8.152)   | (8.152)   | (8.152)   | (8.152)   | (8.152)   | (8.152)   | (8.152)      | (8.152)    |
| 42                               | TOTAL COST OF GAS <small>(40+41)</small>                  | 150.637   | 150.024   | 151.239   | 151.486   | 146.040   | 146.034   | 146.141   | 146.134   | 146.147   | 146.233   | 153.213   | 152.075      | 149.251    |
| 43                               | REVENUE TAX FACTOR  | 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    |
| 44                               | PGA FACTOR ADJUSTED FOR TAXES <small>(42+43)</small>      | 151.39389   | 150.77807 | 151.99890 | 152.24762 | 146.77363 | 146.76746 | 146.87509 | 146.86655 | 146.88104 | 146.96737 | 153.98267 | 152.83935    | 150.00085  |
| 45                               | PGA FACTOR <small>(ROUNDED TO NEAREST .001)</small>       | 151.394   | 150.778   | 151.999   | 152.248   | 146.774   | 146.767   | 146.875   | 146.869   | 146.881   | 146.967   | 153.983   | 152.839      | 150.001    |

| COMPANY:                         |  | PURCHASED GAS ADJUSTMENT<br>COST RECOVERY CLAUSE CALCULATION                         |           |           |           |           |           |           |           |           |           |           | SCHEDULE E-1/R |            |
|----------------------------------|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------|------------|
| FLORIDA PUBLIC UTILITIES COMPANY |  | ACTUAL JANUARY 2007 THROUGH JULY 2007<br>ESTIMATED AUGUST 2007 THROUGH DECEMBER 2007 |           |           |           |           |           |           |           |           |           |           |                |            |
|                                  |  | ACTUAL   | ACTUAL    | ACTUAL    | ACTUAL    | ACTUAL    | ACTUAL    | ACTUAL    | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED      | TOTAL      |
|                                  |  | JAN  | FEB       | MAR       | APR       | MAY       | JUN       | JUL       | AUG       | SEP       | OCT       | NOV       | DEC            |            |
| <b>COST OF GAS PURCHASED</b>     |  |  |           |           |           |           |           |           |           |           |           |           |                |            |
| 1                                | COMMODITY (Pipeline)   | 23,000   | 23,267    | 25,218    | 23,912    | 19,850    | 18,224    | 17,795    | (1,022)   | (828)     | (1,174)   | (5,500)   | (5,112)        | 137,630    |
| 2                                | NO NOTICE SERVICE  | 9,207  | 6,584     | 6,061     | 4,054     | 1,719     | 1,663     | 1,703     | 1,703     | 1,634     | 3,222     | 5,242     | 7,289          | 50,081     |
| 3                                | SWING SERVICE  | -  | -         | -         | (46,837)  | -         | -         | -         | -         | -         | -         | -         | -              | (46,837)   |
| 4                                | COMMODITY (Other)  | 2,715,817  | 3,359,234 | 3,157,733 | 2,632,953 | 2,019,994 | 2,098,990 | 1,931,205 | 3,903,096 | 4,148,519 | 4,011,021 | 4,997,139 | 6,480,023      | 41,455,723 |
| 5                                | DEMAND   | 496,919  | 444,596   | 442,965   | 420,293   | 147,181   | 142,292   | 149,112   | 161,922   | 156,698   | 178,167   | 455,513   | 490,537        | 3,686,195  |
| 6                                | OTHER  | 591  | 110,751   | 103,598   | 550       | 725       | 743       | 868       | 705       | 765       | 735       | 915       | 1,185          | 222,130    |
| <b>LESS END-USE CONTRACT:</b>    |  |  |           |           |           |           |           |           |           |           |           |           |                |            |
| 7                                | COMMODITY (Pipeline)   | -  | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -              | -          |
| 8                                | DEMAND   | -  | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -              | -          |
| 9                                | COMMODITY (Other)  | -  | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -              | -          |
| 10                               | Second Prior Month Purchase Adj. (OPTIONAL)                      | -  | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -              | -          |
| 11                               | <b>TOTAL COST</b> <small>(+1+2+3+4+5+6+10)-(7+8+9)</small>       | 3,245,535  | 3,944,431 | 3,735,575 | 3,034,925 | 2,189,469 | 2,261,911 | 2,100,683 | 4,066,404 | 4,306,788 | 4,191,971 | 5,453,309 | 6,973,922      | 45,504,922 |
| 12                               | NET UNBILLED   | -  | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -              | -          |
| 13                               | COMPANY USE  | 4,812  | 4,162     | 4,554     | 4,009     | 5,073     | 5,115     | 5,431     | 4,700     | 5,100     | 4,900     | 6,100     | 7,900          | 61,855     |
| 14                               | <b>TOTAL THERM SALES</b>   | 3,541,703  | 3,358,846 | 3,741,284 | 3,023,367 | 2,450,490 | 2,364,127 | 1,935,497 | 4,060,999 | 4,300,923 | 4,186,336 | 5,446,294 | 6,964,837      | 45,374,704 |
| <b>THERMS PURCHASED</b>          |  |  |           |           |           |           |           |           |           |           |           |           |                |            |
| 15                               | COMMODITY (Pipeline)   | 4,289,207  | 4,362,470 | 4,209,146 | 3,495,622 | 2,668,973 | 2,470,841 | 2,422,401 | 2,644,760 | 2,811,060 | 2,717,890 | 3,386,090 | 4,390,900      | 39,869,360 |
| 16                               | NO NOTICE SERVICE  | 1,860,000  | 1,330,000 | 1,224,500 | 819,000   | 347,200   | 336,000   | 344,100   | 344,100   | 330,000   | 651,000   | 1,059,000 | 1,472,500      | 10,117,400 |
| 17                               | SWING SERVICE  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0              | 0          |
| 18                               | COMMODITY (Other)  | 4,237,220  | 4,139,240 | 4,147,150 | 2,931,040 | 3,179,610 | 2,399,450 | 2,330,400 | 2,644,760 | 2,811,060 | 2,717,890 | 3,386,090 | 4,390,900      | 39,314,810 |
| 19                               | DEMAND   | 8,862,280  | 7,721,280 | 7,297,400 | 5,950,200 | 2,744,120 | 2,652,300 | 2,782,560 | 3,161,690 | 3,059,700 | 3,504,550 | 5,208,300 | 7,365,910      | 60,310,290 |
| 20                               | OTHER  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0              | 0          |
| <b>LESS END-USE CONTRACT:</b>    |  |  |           |           |           |           |           |           |           |           |           |           |                |            |
| 21                               | COMMODITY (Pipeline)   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0              | 0          |
| 22                               | DEMAND   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0              | 0          |
| 23                               | COMMODITY (Other)  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0              | 0          |
| 24                               | <b>TOTAL PURCHASES</b> <small>(+17+18+20)-(21+23)</small>        | 4,237,220  | 4,139,240 | 4,147,150 | 2,931,040 | 3,179,610 | 2,399,450 | 2,330,400 | 2,644,760 | 2,811,060 | 2,717,890 | 3,386,090 | 4,390,900      | 39,314,810 |
| 25                               | NET UNBILLED   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0              | 0          |
| 26                               | COMPANY USE  | 6,045  | 5,228     | 5,721     | 5,036     | 6,373     | 6,426     | 7,278     | 4,760     | 5,060     | 4,890     | 6,090     | 7,900          | 70,807     |
| 27                               | <b>TOTAL THERM SALES</b> <small>(For Estimated, 24 - 26)</small> | 6,363,382  | 6,140,767 | 6,663,180 | 5,601,468 | 4,800,736 | 4,673,896 | 4,280,378 | 2,640,000 | 2,806,000 | 2,713,000 | 3,380,000 | 4,383,000      | 39,244,003 |
| <b>CENTS PER THERM</b>           |  |  |           |           |           |           |           |           |           |           |           |           |                |            |
| 28                               | COMMODITY (Pipeline) <small>(1/15)</small>                       | 0.536  | 0.533     | 0.599     | 0.684     | 0.744     | 0.738     | 0.735     | (0.039)   | (0.029)   | (0.043)   | (0.162)   | (0.116)        | 0.345      |
| 29                               | NO NOTICE SERVICE <small>(2/16)</small>                          | 0.495  | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495     | 0.495          | 0.495      |
| 30                               | SWING SERVICE <small>(3/17)</small>                              | 0.000  | 0.000     | 0.000     | #DIV/0!   | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000          | #DIV/0!    |
| 31                               | COMMODITY (Other) <small>(4/18)</small>                          | 64.094   | 81.156    | 76.142    | 89.830    | 63.530    | 87.478    | 82.870    | 147.578   | 147.578   | 147.578   | 147.578   | 147.578        | 105.446    |
| 32                               | DEMAND <small>(5/19)</small>                                     | 5.607  | 5.758     | 6.070     | 7.064     | 5.364     | 5.365     | 5.359     | 5.121     | 5.121     | 5.084     | 8.746     | 6.660          | 6.112      |
| 33                               | OTHER <small>(6/20)</small>                                      | -  | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -              | -          |
| <b>LESS END-USE CONTRACT:</b>    |  |  |           |           |           |           |           |           |           |           |           |           |                |            |
| 34                               | COMMODITY Pipeline <small>(7/21)</small>                         | 0.000  | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000          | 0.000      |
| 35                               | DEMAND <small>(8/22)</small>                                     | 0.000  | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000          | 0.000      |
| 36                               | COMMODITY Other <small>(9/23)</small>                            | 0.000  | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000          | 0.000      |
| 37                               | <b>TOTAL COST OF PURCHASES</b> <small>(11/24)</small>            | 76.596   | 95.294    | 90.076    | 103.544   | 68.860    | 94.268    | 90.143    | 153.753   | 153.209   | 154.236   | 161.050   | 158.827        | 115.745    |
| 38                               | NET UNBILLED <small>(12/25)</small>                              | 0.000  | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     | 0.000          | 0.000      |
| 39                               | COMPANY USE <small>(13/26)</small>                               | 79.600   | 79.600    | 79.600    | 79.600    | 79.600    | 79.600    | 74.625    | 98.739    | 100.791   | 100.204   | 100.164   | 100.000        | 87.357     |
| 40                               | <b>TOTAL COST OF THERM SOLD</b> <small>(11/27)</small>           | 51.003   | 64.234    | 56.063    | 54.181    | 45.607    | 48.395    | 49.077    | 154.030   | 153.485   | 154.514   | 161.341   | 159.113        | 115.954    |
| 41                               | TRUE-UP <small>(E-4)</small>                                     | (5.532)  | (5.532)   | (5.532)   | (5.532)   | (5.532)   | (5.532)   | (5.532)   | (5.532)   | (5.532)   | (5.532)   | (5.532)   | (5.532)        | (5.532)    |
| 42                               | <b>TOTAL COST OF GAS</b> <small>(40+41)</small>                  | 45.471   | 58.702    | 50.531    | 48.649    | 40.075    | 42.863    | 43.545    | 148.498   | 147.953   | 148.982   | 155.809   | 153.581        | 110.422    |
| 43                               | REVENUE TAX FACTOR   | 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    |
| 44                               | <b>PGA FACTOR ADJUSTED FOR TAXES</b> <small>(42+43)</small>      | 45.69979   | 58.99650  | 50.78486  | 48.89335  | 40.27631  | 43.07794  | 43.76385  | 149.24466 | 148.69642 | 149.73086 | 156.59144 | 154.35273      | 110.97669  |
| 45                               | <b>PGA FACTOR</b> <small>ROUNDED TO NEAREST .001</small>         | 45.700   | 58.996    | 50.785    | 48.893    | 40.276    | 43.078    | 43.764    | 149.245   | 148.696   | 149.731   | 156.591   | 154.353        | 110.977    |

**COMPANY:**  
**FLORIDA PUBLIC UTILITIES COMPANY**

**PURCHASED GAS ADJUSTMENT  
CALCULATION OF TRUE-UP AMOUNT  
ACTUAL JANUARY 2007 THROUGH JULY 2007  
ESTIMATED AUGUST 2007 THROUGH DECEMBER 2007**

**SCHEDULE E-2**

|   | ----- ACTUAL ----- |              | ----- ACTUAL ----- |              | ----- ACTUAL ----- |              | ----- ACTUAL ----- |              | ----- PROJECTED ----- |              | ----- PROJECTED ----- |              | ----- PROJECTED ----- |  | TOTAL |
|---|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|-----------------------|--------------|-----------------------|--------------|-----------------------|--|-------|
|   | JAN                | FEB          | MAR                | APR          | MAY                | JUN          | JUL                | AUG          | SEP                   | OCT          | NOV                   | DEC          |                       |  |       |
| <b>TRUE-UP CALCULATION</b>  |                    |              |                    |              |                    |              |                    |              |                       |              |                       |              |                       |  |       |
| 1 PURCHASED GAS COST  | 2,715,817.09       | 3,359,233.78 | 3,157,732.79       | 2,632,952.98 | 2,019,993.53       | 2,098,989.67 | 1,931,204.73       | 3,903,096.00 | 4,148,519.00          | 4,011,021.00 | 4,997,139.00          | 6,480,023.00 | 41,455,722.57         |  |       |
| 2 TRANSPORTATION COST   | 529,717.43         | 585,197.25   | 577,841.98         | 401,972.03   | 169,475.01         | 162,921.36   | 169,478.04         | 163,308.00   | 158,269.00            | 180,950.00   | 456,170.00            | 493,899.00   | 4,049,199.10          |  |       |
| 3 TOTAL   | 3,245,534.52       | 3,944,431.03 | 3,735,574.77       | 3,034,925.01 | 2,189,468.54       | 2,261,911.03 | 2,100,682.77       | 4,066,404.00 | 4,306,788.00          | 4,191,971.00 | 5,453,309.00          | 6,973,922.00 | 45,504,921.67         |  |       |
| 4 FUEL REVENUES (NET OF REVENUE TAX)  | 3,541,703.12       | 3,358,846.41 | 3,741,283.72       | 3,023,367.26 | 2,450,490.35       | 2,364,127.22 | 1,935,497.28       | 4,060,999.00 | 4,300,923.00          | 4,186,336.00 | 5,446,294.00          | 6,964,837.00 | 45,374,704.36         |  |       |
| 5 TRUE-UP - (COLLECTED) OR REFUNDED   | 201,182.00         | 201,182.00   | 201,182.00         | 201,182.00   | 201,182.00         | 201,182.00   | 201,182.00         | 201,182.00   | 201,182.00            | 201,182.00   | 201,182.00            | 201,182.00   | 2,414,184.00          |  |       |
| 6 FUEL REVENUE APPLICABLE TO PERIOD <small>Add Lines 4 + 5</small>              | 3,742,885.12       | 3,560,028.41 | 3,942,465.72       | 3,224,549.26 | 2,651,672.35       | 2,565,309.22 | 2,136,679.28       | 4,262,181.00 | 4,502,105.00          | 4,387,518.00 | 5,647,476.00          | 7,166,019.00 | 47,788,888.36         |  |       |
| 7 TRUE-UP - OVER(UNDER) - THIS PERIOD <small>Line 6 - Line 3</small>            | 497,350.60         | (384,402.62) | 206,890.95         | 189,624.25   | 462,203.81         | 303,398.19   | 35,996.51          | 195,777.00   | 195,317.00            | 195,547.00   | 194,167.00            | 192,097.00   | 2,283,966.69          |  |       |
| 8 INTEREST PROVISION - THIS PERIOD <small>Line 21</small>                       | 16,690.51          | 16,113.52    | 14,913.25          | 14,965.80    | 15,578.15          | 16,473.79    | 16,376.73          | 16,013.52    | 16,058.84             | 16,103.85    | 16,146.55             | 16,181.91    | 191,616.42            |  |       |
| 9 BEGINNING OF PERIOD TRUE-UP AND INTEREST                                      | 3,656,021.00       | 3,968,880.11 | 3,399,409.01       | 3,420,031.21 | 3,423,439.26       | 3,700,039.22 | 3,818,729.20       | 3,669,920.44 | 3,680,528.96          | 3,690,722.80 | 3,701,191.65          | 3,710,323.20 | 3,656,021.00          |  |       |
| 10 TRUE-UP COLLECTED OR (REFUNDED) <small>Reverse of Line 5</small>             | (201,182.00)       | (201,182.00) | (201,182.00)       | (201,182.00) | (201,182.00)       | (201,182.00) | (201,182.00)       | (201,182.00) | (201,182.00)          | (201,182.00) | (201,182.00)          | (201,182.00) | (2,414,184.00)        |  |       |
| 10a FLEX RATE REFUND (if applicable)  |                    |              |                    |              |                    |              |                    |              |                       |              |                       |              |                       |  |       |
| 11 TOTAL ESTIMATED/ACTUAL TRUE-UP <small>Add Lines 7 + 8 + 9 + 10 + 10a</small> | 3,968,880.11       | 3,399,409.01 | 3,420,031.21       | 3,423,439.26 | 3,700,039.22       | 3,818,729.20 | 3,669,920.44       | 3,680,528.96 | 3,690,722.80          | 3,701,191.65 | 3,710,323.20          | 3,717,420.11 | 3,717,419.11          |  |       |
| <b>INTEREST PROVISION</b>   |                    |              |                    |              |                    |              |                    |              |                       |              |                       |              |                       |  |       |
| 12 BEGINNING TRUE-UP <small>Line 9</small>                                      | 3,656,021          | 3,968,880.11 | 3,399,409          | 3,420,031    | 3,423,439          | 3,700,039    | 3,818,729          | 3,669,920    | 3,680,529             | 3,690,723    | 3,701,192             | 3,710,323    | 3,656,021             |  |       |
| 13 ENDING TRUE-UP BEFORE INTEREST <small>Add Lines 12 + 7 + 5</small>           | 3,952,190          | 3,383,295.49 | 3,405,118          | 3,408,473    | 3,684,461          | 3,802,255    | 3,653,544          | 3,664,515    | 3,674,664             | 3,685,088    | 3,694,177             | 3,701,238    | 3,525,804             |  |       |
| 14 TOTAL (12+13) <small>Add Lines 12 + 13</small>                               | 7,608,211          | 7,352,175.60 | 6,804,527          | 6,828,505    | 7,107,900          | 7,502,295    | 7,472,273          | 7,334,436    | 7,355,193             | 7,375,811    | 7,395,368             | 7,411,561    | 7,181,825             |  |       |
| 15 AVERAGE <small>50% of Line 14</small>  | 3,804,105.00       | 3,676,088.00 | 3,402,263.00       | 3,414,252.00 | 3,553,950.00       | 3,751,147.00 | 3,736,136.46       | 3,667,217.94 | 3,677,596.46          | 3,687,905.30 | 3,697,684.15          | 3,705,780.70 | 3,590,912.35          |  |       |
| 16 INTEREST RATE - FIRST DAY OF MONTH   | 5.27%              | 5.26%        | 5.26%              | 5.26%        | 5.26%              | 5.26%        | 5.28%              | 5.24%        | 5.24%                 | 5.24%        | 5.24%                 | 5.24%        | 5.24%                 |  |       |
| 17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH                                | 5.26%              | 5.26%        | 5.26%              | 5.26%        | 5.26%              | 5.28%        | 5.24%              | 5.24%        | 5.24%                 | 5.24%        | 5.24%                 | 5.24%        | 5.24%                 |  |       |
| 18 TOTAL <small>Add Lines 16 + 17</small>                                       | 10.53%             | 10.52%       | 10.52%             | 10.52%       | 10.52%             | 10.54%       | 10.52%             | 10.48%       | 10.48%                | 10.48%       | 10.48%                | 10.48%       | 10.48%                |  |       |
| 19 AVERAGE <small>50% of Line 18</small>  | 5.265%             | 5.260%       | 5.260%             | 5.260%       | 5.260%             | 5.270%       | 5.260%             | 5.240%       | 5.240%                | 5.240%       | 5.240%                | 5.240%       | 5.240%                |  |       |
| 20 MONTHLY AVERAGE <small>Line 19 / 12 mos</small>                              | 0.43875%           | 0.43833%     | 0.43833%           | 0.43833%     | 0.43833%           | 0.43917%     | 0.43833%           | 0.43667%     | 0.43667%              | 0.43667%     | 0.43667%              | 0.43667%     | 0.43667%              |  |       |
| 21 INTEREST PROVISION <small>Line 15 x Line 20</small>                          | 16,690.51          | 16,113.52    | 14,913.25          | 14,965.80    | 15,578.15          | 16,473.79    | 16,376.73          | 16,013.52    | 16,058.84             | 16,103.85    | 16,146.55             | 16,181.91    | 191,616.42            |  |       |



| COMPANY:<br><b>FLORIDA PUBLIC UTILITIES COMPANY</b>                          |                |               | <b>PURCHASED GAS ADJUSTMENT<br/>TRANSPORTATION PURCHASES<br/>SYSTEM SUPPLY AND END USE</b> |                     |               |                       |                   |                |                  | <b>SCHEDULE E-3</b>        |                       |  |
|--|----------------|---------------|--|---------------------|---------------|-----------------------|-------------------|----------------|------------------|----------------------------|-----------------------|--|
| <b>ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2008 THROUGH DECEMBER 2008</b> |                |               |  |                     |               |                       |                   |                |                  |                            |                       |  |
| MONTH  | PURCHASED FROM | PURCHASED FOR | SCH TYPE   | UNITS SYSTEM SUPPLY | UNITS END USE | UNITS TOTAL PURCHASED | COMMODITY COST    |                | DEMAND COST      | OTHER CHARGES ACA/GRV/FUEL | TOTAL CENTS PER THERM |  |
|  |                |               |  |                     |               |                       | THIRD PARTY       | PIPELINE       |                  |                            |                       |  |
| JANUARY  | VARIOUS        | SYS SUPPLY    | N/A  | 5,227,410           | 0             | 5,227,410             | 7,744,358         | 22,838         | 518,411          | INCLUDED IN COST           | 158.50                |  |
| FEBRUARY   | VARIOUS        | SYS SUPPLY    | N/A  | 4,986,980           | 0             | 4,986,980             | 7,388,111         | 22,191         | 463,709          | INCLUDED IN COST           | 157.89                |  |
| MARCH  | VARIOUS        | SYS SUPPLY    | N/A  | 4,744,540           | 0             | 4,744,540             | 7,028,990         | 19,999         | 499,765          | INCLUDED IN COST           | 159.10                |  |
| APRIL  | VARIOUS        | SYS SUPPLY    | N/A  | 4,069,320           | 0             | 4,069,320             | 6,028,660         | 16,220         | 439,632          | INCLUDED IN COST           | 159.35                |  |
| MAY  | VARIOUS        | SYS SUPPLY    | N/A  | 3,462,230           | 0             | 3,462,230             | 5,128,407         | 38,227         | 162,234          | INCLUDED IN COST           | 153.91                |  |
| JUNE   | VARIOUS        | SYS SUPPLY    | N/A  | 3,209,780           | 0             | 3,209,780             | 4,754,879         | 28,229         | 157,000          | INCLUDED IN COST           | 153.91                |  |
| JULY   | VARIOUS        | SYS SUPPLY    | N/A  | 2,881,190           | 0             | 2,881,190             | 4,268,277         | 19,535         | 149,647          | INCLUDED IN COST           | 154.01                |  |
| AUGUST   | VARIOUS        | SYS SUPPLY    | N/A  | 2,821,080           | 0             | 2,821,080             | 4,179,257         | 15,796         | 149,647          | INCLUDED IN COST           | 154.01                |  |
| SEPTEMBER  | VARIOUS        | SYS SUPPLY    | N/A  | 2,899,210           | 0             | 2,899,210             | 4,294,793         | 25,804         | 144,806          | INCLUDED IN COST           | 154.02                |  |
| OCTOBER  | VARIOUS        | SYS SUPPLY    | N/A  | 3,074,530           | 0             | 3,074,530             | 4,554,759         | 15,199         | 168,104          | INCLUDED IN COST           | 154.11                |  |
| NOVEMBER   | VARIOUS        | SYS SUPPLY    | N/A  | 3,850,930           | 0             | 3,850,930             | 5,704,836         | 15,008         | 483,018          | INCLUDED IN COST           | 161.07                |  |
| DECEMBER   | VARIOUS        | SYS SUPPLY    | N/A  | 4,457,030           | 0             | 4,457,030             | 6,603,000         | 18,314         | 507,193          | INCLUDED IN COST           | 159.94                |  |
| <b>TOTAL</b>   |                |               |  | <b>45,684,230</b>   | <b>0</b>      | <b>45,684,230</b>     | <b>67,678,327</b> | <b>257,360</b> | <b>3,843,166</b> |                            | <b>157.12</b>         |  |

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

SCHEDULE E-4

PURCHASED GAS ADJUSTMENT  
 CALCULATION OF TRUE-UP AMOUNT  
 ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2008 THROUGH DECEMBER 2008

|  | PRIOR PERIOD: JANUARY 2006 THROUGH DECEMBER 2006     |               |                         | CURRENT PERIOD:<br>JANUARY 2007<br>THROUGH<br>DECEMBER 2007 | (5)<br><br>(3)+(4)<br>COMBINED TOTAL<br>TRUE-UP |
|--|--|---------------|-------------------------|---|---|
|  | (1)  | (2)           | (3)                     | (4)   |   |
|  | SEVEN MONTHS ACTUAL<br>PLUS FOUR MONTHS<br>PROJECTED | ACTUAL        | (2) - (1)<br>DIFFERENCE | SEVEN MONTHS ACTUAL<br>PLUS FIVE MONTHS<br>PROJECTED        |   |
| 1 TOTAL THERM SALES (\$)   | \$ 43,852,722  | \$ 40,194,498 | \$ (3,658,224)          | \$ 47,788,888   | \$ 44,130,664                                   |
| 2 TRUE-UP PROVISION FOR THE PERIOD<br>OVER/(UNDER) COLLECTION (\$)         | \$ 3,758,404   | \$ 4,991,098  | \$ 1,232,694            | \$ 2,283,967  | \$ 3,516,661                                    |
| 3 INTEREST PROVISION FOR THE PERIOD (\$)                                   | \$ 136,020   | \$ 145,162    | \$ 9,142                | \$ 191,616  | \$ 200,758                                      |
| 4 END OF PERIOD TOTAL NET TRUE-UP (\$)                                     | \$ 3,894,424   | \$ 5,136,260  | \$ 1,241,836            | \$ 2,475,583  | \$ 3,717,419                                    |
| TOTAL TRUE-UP DOLLARS - OVER/(UNDER) RECOVERY                              |  |               |                         |   | \$ 3,717,419                                    |
| PROJECTED THERM SALES FOR JANUARY 2008 - DECEMBER 2008                     |  |               |                         |   | 45,602,000                                      |
| CENTS PER THERM NECESSARY TO REFUND OVERRECOVERY / (COLLECT UNDERRECOVERY) |  |               |                         |   | <u>8.152</u>                                    |

COMPANY: FLORIDA PUBLIC UTILITIES COMPANY

ESTIMATED FOR THE PROJECTED PERIOD JANUARY 2008 THROUGH DECEMBER 2008

PURCHASED GAS ADJUSTMENT  
THERM SALES AND CUSTOMER DATA

SCHEDULE E-5

Docket No. 070003-GU  
Mehrhad Khojasteh Exhibit No. \_\_\_\_\_  
(MK-1) Page 6 of 6  
Projection Filings and Testimony

|  | PROJECTED   |             |             |             |             |             |             |             |             |             |             |             | TOTAL        |  |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--|
|  | JAN         | FEB         | MAR         | APR         | MAY         | JUN         | JUL         | AUG         | SEP         | OCT         | NOV         | DEC         |              |  |
| <b>THERM SALES (Tbm) (FIRM)</b>          |             |             |             |             |             |             |             |             |             |             |             |             |              |  |
| GENERAL SERVICE (1)                      | 1,504,000   | 1,476,000   | 1,443,000   | 1,189,000   | 959,000     | 842,000     | 690,000     | 663,000     | 678,000     | 817,000     | 1,092,000   | 1,221,000   | 12,574,000   |  |
| RESIDENTIAL (2)                          | 1,803,000   | 1,708,000   | 1,493,000   | 1,189,000   | 939,000     | 820,000     | 698,000     | 656,000     | 700,000     | 718,000     | 1,064,000   | 1,437,000   | 13,225,000   |  |
| LARGE VOLUME (3)                         | 1,826,000   | 1,714,000   | 1,716,000   | 1,607,000   | 1,483,000   | 1,467,000   | 1,411,000   | 1,419,000   | 1,444,000   | 1,454,000   | 1,602,000   | 1,701,000   | 18,844,000   |  |
| OTHER                                    | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -            |  |
| TOTAL FIRM                               | 5,133,000   | 4,898,000   | 4,652,000   | 3,985,000   | 3,381,000   | 3,129,000   | 2,799,000   | 2,738,000   | 2,822,000   | 2,989,000   | 3,758,000   | 4,359,000   | 44,643,000   |  |
| <b>THERM SALES (Tbm) (INTERRUPTIBLE)</b> |             |             |             |             |             |             |             |             |             |             |             |             |              |  |
| INTERRUPTIBLE (6)                        | 73,000      | 68,000      | 72,000      | 65,000      | 63,000      | 63,000      | 65,000      | 66,000      | 60,000      | 68,000      | 68,000      | 78,000      | 815,000      |  |
| GSCOMM SMALL (6)                         | 102,000     | 97,000      | 96,000      | 86,000      | 74,000      | 88,000      | 88,000      | 88,000      | 88,000      | 88,000      | 90,000      | 92,000      | 1,077,000    |  |
| FIRM TRANSPORT (6)(9)                    | 1,162,000   | 1,143,000   | 1,218,000   | 1,189,000   | 1,167,000   | 1,167,000   | 1,188,000   | 1,187,000   | 1,198,000   | 1,213,000   | 1,214,000   | 1,228,000   | 14,274,000   |  |
| INTERR TRANSPORT (6)(9)                  | 426,000     | 426,000     | 426,000     | 426,000     | 426,000     | 414,000     | 418,000     | 434,000     | 438,000     | 438,000     | 438,000     | 442,000     | 5,152,000    |  |
| LARGE VOLUME INT (6)                     | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 144,000      |  |
| LESS: TRANSPORTATION                     | (1,702,000) | (1,678,000) | (1,752,000) | (1,713,000) | (1,679,000) | (1,681,000) | (1,706,000) | (1,721,000) | (1,736,000) | (1,751,000) | (1,754,000) | (1,774,000) | (20,647,000) |  |
| TOTAL INTERRUPTIBLE                      | 73,000      | 68,000      | 72,000      | 65,000      | 63,000      | 63,000      | 65,000      | 66,000      | 60,000      | 68,000      | 68,000      | 78,000      | 815,000      |  |
| TOTAL THERM SALES                        | 5,206,000   | 4,966,000   | 4,724,000   | 4,050,000   | 3,444,000   | 3,192,000   | 2,864,000   | 2,804,000   | 2,882,000   | 3,057,000   | 3,832,000   | 4,437,000   | 45,458,000   |  |
| <b>NUMBER OF CUSTOMERS (FIRM)</b>        |             |             |             |             |             |             |             |             |             |             |             |             |              |  |
| GENERAL SERVICE (1)                      | 3,437       | 3,439       | 3,440       | 3,441       | 3,436       | 3,437       | 3,437       | 3,437       | 3,437       | 3,438       | 3,438       | 3,438       | 3,438        |  |
| RESIDENTIAL (2)                          | 47,916      | 47,892      | 48,060      | 48,086      | 48,013      | 47,924      | 47,886      | 47,905      | 47,930      | 47,966      | 48,077      | 48,213      | 47,989       |  |
| LARGE VOLUME (3)                         | 938         | 940         | 937         | 942         | 936         | 932         | 928         | 935         | 938         | 940         | 940         | 940         | 937          |  |
| OTHER                                    | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -            |  |
| TOTAL FIRM                               | 52,291      | 52,271      | 52,437      | 52,469      | 52,385      | 52,293      | 52,251      | 52,277      | 52,305      | 52,344      | 52,455      | 52,594      | 52,364       |  |
| <b>NUMBER OF CUSTOMERS (INT.)</b>        |             |             |             |             |             |             |             |             |             |             |             |             |              |  |
| INTERRUPTIBLE (6)                        | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2            |  |
| GSCOMM SMALL (6)                         | 141         | 141         | 142         | 142         | 142         | 143         | 143         | 143         | 143         | 144         | 144         | 144         | 143          |  |
| FIRM TRANSPORT (6)(9)                    | 357         | 357         | 357         | 357         | 358         | 358         | 358         | 358         | 358         | 358         | 358         | 358         | 358          |  |
| INTERR TRANSPORT (6)(9)                  | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 13           |  |
| LARGE VOLUME INT (6)                     | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1            |  |
| TOTAL INTERRUPTIBLE                      | 514         | 514         | 515         | 515         | 516         | 517         | 517         | 517         | 517         | 518         | 518         | 518         | 517          |  |
| TOTAL CUSTOMERS                          | 52,805      | 52,785      | 52,952      | 52,984      | 52,901      | 52,810      | 52,768      | 52,794      | 52,822      | 52,862      | 52,973      | 53,112      | 52,881       |  |
| <b>THERM USE PER CUSTOMER</b>            |             |             |             |             |             |             |             |             |             |             |             |             |              |  |
| GENERAL SERVICE (1)                      | 438         | 429         | 419         | 346         | 279         | 245         | 201         | 193         | 197         | 238         | 318         | 355         | 3,657        |  |
| RESIDENTIAL (2)                          | 38          | 36          | 31          | 25          | 20          | 17          | 15          | 14          | 15          | 15          | 22          | 30          | 3,276        |  |
| LARGE VOLUME (3)                         | 1,947       | 1,823       | 1,831       | 1,706       | 1,584       | 1,574       | 1,520       | 1,518       | 1,539       | 1,547       | 1,704       | 1,810       | 20,111       |  |
| OTHER                                    | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | -            |  |
| INTERRUPTIBLE (6)                        | 36,500      | 34,000      | 36,000      | 32,500      | 31,500      | 31,500      | 32,500      | 33,000      | 30,000      | 34,000      | 37,000      | 39,000      | 407,500      |  |
| GSCOMM SMALL (6)                         | 723         | 688         | 676         | 606         | 521         | 615         | 615         | 615         | 615         | 611         | 625         | 639         | 7,531        |  |
| FIRM TRANSPORT (6)(9)                    | 3,255       | 3,202       | 3,412       | 3,331       | 3,260       | 3,260       | 3,318       | 3,316       | 3,346       | 3,388       | 3,391       | 3,430       | 39,872       |  |
| INTERR TRANSPORT (6)(9)                  | 32,769      | 32,769      | 32,769      | 32,769      | 32,769      | 31,846      | 32,154      | 33,385      | 33,692      | 33,692      | 33,692      | 34,000      | 396,308      |  |
| LARGE VOLUME INT (6)                     | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 12,000      | 144,000      |  |

COMPANY: PEOPLES GAS SYSTEM

FINAL FUEL OVER/UNDER RECOVERY

SCHEDULE A-7

Page 1 of 1

FOR THE PERIOD: JANUARY 06 THROUGH DECEMBER 06

|   |   |                                    |               |
|---|---|------------------------------------|---------------|
| 1 | TOTAL ACTUAL FUEL COST FOR THE PERIOD   | A-2 Line 3, Period To Date Dec.'06 | \$343,677,015 |
| 2 | TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD   | A-2 Line 6, Period To Date Dec.'06 | \$357,245,701 |
| 3 | ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (2-1)   |                                    | \$13,568,686  |
| 4 | INTEREST PROVISION  | A-2 Line 8, Period To Date Dec.'06 | \$587,003     |
| 5 | ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (3+4)   |                                    | \$14,155,689  |
| 6 | ADJUSTMENT  |                                    | (\$32)        |
| 7 | NET OVER/(UNDER) RECOVERY FOR THE 12 MONTH PERIOD ENDING DECEMBER 31, 2006 (5+6)  |                                    | \$14,155,657  |
| 8 | LESS: ESTIMATED OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY '06 THROUGH DECEMBER '06 WHICH WAS INCLUDED IN THE CURRENT JANUARY '07 THROUGH DECEMBER '07 PERIOD | E-4 Line 4 Col. 4                  | \$15,611,711  |
| 9 | FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED JANUARY '08 THROUGH DECEMBER '08 PERIOD (7-8)  |                                    | (\$1,456,054) |

Composite Exhibit No. \_\_\_\_\_  
Docket No. 070003-GU  
Peoples Gas System  
(EE-1)  
Page 1 of 1

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070003-GU EXHIBIT 6

COMPANY PGS

WITNESS W. Edward Elliott (EE-1)

DATE 11-06-07

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 07000364 EXHIBIT 7

COMPANY PGS

WITNESS W. Edward Elliott (EE-2)

DATE 11-06-07

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '08 through DECEMBER '08

Combined For All Rate Classes

| COST OF GAS PURCHASED                    | Projection   | Projection   | Projection   | Projection   | Projection   | Projection  | Projection   | Projection  | Projection   | Projection   | Projection   | Projection   | Projection    |
|--|--------------|--------------|--------------|--------------|--------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|---------------|
|  | JAN          | FEB          | MAR          | APR          | MAY          | JUN         | JUL          | AUG         | SEP          | OCT          | NOV          | DEC          | TOTAL PERIOD  |
| 1 COMMODITY Pipeline                     | \$297,491    | \$272,975    | \$274,877    | \$236,074    | \$242,878    | \$223,540   | \$224,319    | \$220,666   | \$219,170    | \$231,907    | \$237,774    | \$266,630    | \$2,948,301   |
| 2 NO NOTICE SERVICE                      | \$51,406     | \$48,089     | \$36,061     | \$31,928     | \$32,992     | \$31,928    | \$32,992     | \$32,992    | \$31,928     | \$32,992     | \$34,898     | \$51,406     | \$449,609     |
| 3 SWING SERVICE                          | \$2,832,239  | \$4,916,102  | \$1,295,059  | \$0          | \$2,116,437  | \$3,338,799 | \$4,346,789  | \$5,805,520 | \$5,659,089  | \$6,153,076  | \$5,903,615  | \$6,385,150  | \$48,751,875  |
| 4 COMMODITY Other                        | \$15,747,245 | \$13,337,608 | \$15,453,576 | \$13,201,854 | \$9,288,044  | \$2,447,747 | \$3,594,568  | \$982,486   | \$2,424,580  | \$2,807,982  | \$4,412,851  | \$9,261,724  | \$92,960,264  |
| 5 DEMAND                                 | \$5,485,507  | \$5,157,007  | \$5,483,093  | \$4,919,420  | \$3,823,581  | \$3,713,330 | \$3,823,669  | \$3,822,751 | \$3,716,359  | \$4,847,058  | \$5,320,673  | \$5,485,507  | \$55,597,955  |
| 6 OTHER                                  | \$400,000    | \$400,000    | \$400,000    | \$400,000    | \$400,000    | \$400,000   | \$400,000    | \$400,000   | \$400,000    | \$400,000    | \$400,000    | \$400,000    | \$4,800,000   |
| LESS END-USE CONTRACT:                   |              |              |              |              |              |             |              |             |              |              |              |              |               |
| 7 COMMODITY Pipeline                     | \$158,929    | \$148,676    | \$158,929    | \$153,802    | \$158,929    | \$153,802   | \$158,929    | \$158,929   | \$153,802    | \$158,929    | \$153,802    | \$158,929    | \$1,876,390   |
| 8 DEMAND                                 | \$1,017,864  | \$952,196    | \$1,017,864  | \$985,030    | \$1,017,864  | \$985,030   | \$1,017,864  | \$1,017,864 | \$985,030    | \$1,017,864  | \$985,030    | \$1,017,864  | \$12,017,364  |
| 9 SWING SERVICE REVENUE                  | \$206,140    | \$192,841    | \$206,140    | \$199,490    | \$206,140    | \$199,490   | \$206,140    | \$206,140   | \$199,490    | \$206,140    | \$199,490    | \$206,140    | \$2,433,781   |
| 10                                       |              |              |              |              |              |             |              |             |              |              |              |              |               |
| 11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)   | \$23,430,955 | \$22,838,068 | \$21,559,733 | \$17,450,953 | \$14,520,998 | \$8,817,021 | \$11,039,403 | \$9,881,481 | \$11,112,804 | \$13,090,082 | \$14,971,488 | \$20,467,484 | \$189,180,468 |
| 12 NET UNBILLED                          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0         | \$0          | \$0         | \$0          | \$0          | \$0          | \$0          | \$0           |
| 13 COMPANY USE                           | \$0          | \$0          | \$0          | \$0          | \$0          | \$0         | \$0          | \$0         | \$0          | \$0          | \$0          | \$0          | \$0           |
| 14 TOTAL THERM SALES                     | \$23,430,955 | \$22,838,068 | \$21,559,733 | \$17,450,953 | \$14,520,998 | \$8,817,021 | \$11,039,403 | \$9,881,481 | \$11,112,804 | \$13,090,082 | \$14,971,488 | \$20,467,484 | \$189,180,468 |
| THERMS PURCHASED                         |              |              |              |              |              |             |              |             |              |              |              |              |               |
| 15 COMMODITY Pipeline                    | 54,401,923   | 51,133,712   | 51,210,974   | 46,473,247   | 46,156,804   | 42,902,013  | 43,637,120   | 43,364,890  | 42,428,728   | 43,379,477   | 43,508,667   | 48,678,530   | 557,276,083   |
| 16 NO NOTICE SERVICE                     | 10,385,000   | 9,715,000    | 7,285,000    | 6,450,000    | 6,665,000    | 6,450,000   | 6,665,000    | 6,665,000   | 6,450,000    | 6,665,000    | 7,050,000    | 10,385,000   | 90,830,000    |
| 17 SWING SERVICE                         | 2,872,740    | 4,810,300    | 1,190,000    | 0            | 2,013,260    | 3,198,480   | 4,194,840    | 5,344,890   | 5,172,474    | 5,344,890    | 5,172,474    | 5,344,890    | 44,659,238    |
| 18 COMMODITY Other                       | 16,299,340   | 13,706,835   | 14,444,765   | 12,990,538   | 9,017,906    | 6,152,966   | 4,370,622    | 2,948,342   | 3,315,940    | 2,962,929    | 4,395,879    | 8,261,982    | 98,868,044    |
| 19 DEMAND                                | 118,376,600  | 110,739,400  | 118,317,080  | 107,337,600  | 78,600,810   | 76,074,900  | 78,602,980   | 78,580,350  | 76,149,600   | 103,840,700  | 114,543,600  | 118,376,600  | 1,179,540,220 |
| 20 OTHER                                 | 0            | 0            | 0            | 0            | 0            | 0           | 0            | 0           | 0            | 0            | 0            | 0            | 0             |
| LESS END-USE CONTRACT:                   |              |              |              |              |              |             |              |             |              |              |              |              |               |
| 21 COMMODITY Pipeline                    | 28,380,220   | 26,549,238   | 28,380,220   | 27,464,729   | 28,380,220   | 27,464,729  | 28,380,220   | 28,380,220  | 27,464,729   | 28,380,220   | 27,464,729   | 28,380,220   | 335,069,694   |
| 22 DEMAND                                | 25,101,460   | 23,482,011   | 25,101,460   | 24,291,735   | 25,101,460   | 24,291,735  | 25,101,460   | 25,101,460  | 24,291,735   | 25,101,460   | 24,291,735   | 25,101,460   | 296,359,171   |
| 23 OTHER                                 | 0            | 0            | 0            | 0            | 0            | 0           | 0            | 0           | 0            | 0            | 0            | 0            | 0             |
| 24 TOTAL PURCHASES (17+18)               | 19,172,080   | 18,517,135   | 15,634,765   | 12,990,538   | 11,031,166   | 9,351,446   | 8,565,462    | 8,293,232   | 8,488,414    | 8,307,819    | 9,568,353    | 13,606,872   | 143,527,282   |
| 25 NET UNBILLED                          | 0            | 0            | 0            | 0            | 0            | 0           | 0            | 0           | 0            | 0            | 0            | 0            | 0             |
| 26 COMPANY USE                           | 0            | 0            | 0            | 0            | 0            | 0           | 0            | 0           | 0            | 0            | 0            | 0            | 0             |
| 27 TOTAL THERM SALES (24-28)             | 19,172,080   | 18,517,135   | 15,634,765   | 12,990,538   | 11,031,166   | 9,351,446   | 8,565,462    | 8,293,232   | 8,488,414    | 8,307,819    | 9,568,353    | 13,606,872   | 143,527,282   |
| CENTS PER THERM                          |              |              |              |              |              |             |              |             |              |              |              |              |               |
| 28 COMMODITY Pipeline (1/15)             | 0.00547      | 0.00534      | 0.00537      | 0.00508      | 0.00526      | 0.00521     | 0.00514      | 0.00509     | 0.00517      | 0.00535      | 0.00546      | 0.00548      | 0.00529       |
| 29 NO NOTICE SERVICE (2/16)              | 0.00495      | 0.00495      | 0.00495      | 0.00495      | 0.00495      | 0.00495     | 0.00495      | 0.00495     | 0.00495      | 0.00495      | 0.00495      | 0.00495      | 0.00495       |
| 30 SWING SERVICE (3/17)                  | 0.98590      | 1.02199      | 1.08828      | #DIV/0!      | 1.05125      | 1.04387     | 1.03622      | 1.08618     | 1.09408      | 1.15121      | 1.14135      | 1.19463      | 1.09164       |
| 31 COMMODITY Other (4/18)                | 0.96613      | 0.97306      | 1.06984      | 1.01627      | 1.02996      | 0.39782     | 0.82244      | 0.33323     | 0.73119      | 0.94770      | 1.00386      | 1.12101      | 0.94025       |
| 32 DEMAND (5/19)                         | 0.04634      | 0.04657      | 0.04634      | 0.04583      | 0.04865      | 0.04881     | 0.04865      | 0.04865     | 0.04880      | 0.04668      | 0.04645      | 0.04634      | 0.04714       |
| 33 OTHER (6/20)                          | 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       |
| LESS END-USE CONTRACT:                   |              |              |              |              |              |             |              |             |              |              |              |              |               |
| 34 COMMODITY Pipeline (7/21)             | 0.00560      | 0.00560      | 0.00560      | 0.00560      | 0.00560      | 0.00560     | 0.00560      | 0.00560     | 0.00560      | 0.00560      | 0.00560      | 0.00560      | 0.00560       |
| 35 DEMAND (8/22)                         | 0.04055      | 0.04055      | 0.04055      | 0.04055      | 0.04055      | 0.04055     | 0.04055      | 0.04055     | 0.04055      | 0.04055      | 0.04055      | 0.04055      | 0.04055       |
| 36 OTHER (9/23)                          | 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 OF PURCHASES (11/24)       | 1.22214      | 1.23335      | 1.37896      | 1.34336      | 1.31636      | 0.94285     | 1.28883      | 1.19151     | 1.30917      | 1.57563      | 1.56469      | 1.50420      | 1.31808       |
| 38 NET UNBILLED (12/25)                  | 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 (13/26)                   | 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       |
| 40 TOTAL COST OF THERMS SOLD (11/27)     | 1.22214      | 1.23335      | 1.37896      | 1.34336      | 1.31636      | 0.94285     | 1.28883      | 1.19151     | 1.30917      | 1.57563      | 1.56469      | 1.50420      | 1.31808       |
| 41 TRUE-UP (E-4)                         | (0.04038)    | (0.04038)    | (0.04038)    | (0.04038)    | (0.04038)    | (0.04038)   | (0.04038)    | (0.04038)   | (0.04038)    | (0.04038)    | (0.04038)    | (0.04038)    | (0.04038)     |
| 42 TOTAL COST OF GAS (40+41)             | 1.18176      | 1.19297      | 1.33859      | 1.30298      | 1.27599      | 0.90248     | 1.24845      | 1.15114     | 1.26880      | 1.53526      | 1.52431      | 1.46383      | 1.27770       |
| 43 REVENUE TAX FACTOR                    | 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       |
| 44 PGA FACTOR ADJUSTED FOR TAXES (42+43) | 1.18771      | 1.19897      | 1.34532      | 1.30954      | 1.28240      | 0.90702     | 1.25473      | 1.15693     | 1.27518      | 1.54298      | 1.53198      | 1.47119      | 1.28413       |
| 45 PGA FACTOR ROUNDED TO NEAREST .001    | 118.771      | 119.897      | 134.532      | 130.954      | 128.240      | 90.702      | 125.473      | 115.693     | 127.518      | 154.298      | 153.198      | 147.119      | 128.413       |

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '08 through DECEMBER '08

For Residential Customers

| COST OF GAS PURCHASED                    | Projection   | Projection   | Projection   | Projection  | Projection  | Projection  | Projection  | Projection  | Projection  | Projection  | Projection  | Projection   | Projection   | Projection |
|--|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|------------|
|  | JAN          | FEB          | MAR          | APR         | MAY         | JUN         | JUL         | AUG         | SEP         | OCT         | NOV         | DEC          | TOTAL PERIOD |            |
| 1 COMMODITY Pipeline                     | \$170,373    | \$154,094    | \$147,719    | \$116,998   | \$112,768   | \$98,156    | \$94,483    | \$92,547    | \$89,926    | \$100,879   | \$105,952   | \$136,061    | \$1,419,958  |            |
| 2 NO NOTICE SERVICE                      | \$29,671     | \$27,757     | \$20,814     | \$15,957    | \$16,489    | \$15,957    | \$16,489    | \$16,489    | \$15,957    | \$19,043    | \$20,143    | \$29,671     | \$244,440    |            |
| 3 SWING SERVICE                          | \$1,622,023  | \$2,775,140  | \$695,965    | \$0         | \$982,662   | \$1,466,067 | \$1,830,868 | \$2,434,835 | \$2,321,924 | \$2,676,588 | \$2,630,651 | \$3,258,342  | \$22,695,064 |            |
| 4 COMMODITY Other                        | \$9,018,447  | \$7,529,079  | \$8,304,752  | \$6,542,839 | \$4,312,439 | \$1,074,805 | \$1,514,032 | \$412,055   | \$994,805   | \$1,221,472 | \$1,966,366 | \$4,726,258  | \$47,617,350 |            |
| 5 DEMAND                                 | \$3,166,235  | \$2,976,624  | \$3,164,842  | \$2,458,726 | \$1,911,026 | \$1,855,923 | \$1,911,070 | \$1,910,611 | \$1,857,436 | \$2,797,722 | \$3,071,092 | \$3,166,235  | \$30,247,540 |            |
| 6 OTHER                                  | \$229,080    | \$225,800    | \$214,960    | \$198,240   | \$185,720   | \$175,640   | \$168,480   | \$167,760   | \$164,120   | \$174,000   | \$178,240   | \$204,120    | \$2,286,160  |            |
| LESS END-USE CONTRACT:                   |              |              |              |             |             |             |             |             |             |             |             |              |              |            |
| 7 COMMODITY Pipeline                     | \$91,019     | \$83,927     | \$85,409     | \$76,225    | \$73,791    | \$67,535    | \$66,941    | \$66,655    | \$63,105    | \$69,134    | \$68,534    | \$81,102     | \$893,376    |            |
| 8 DEMAND                                 | \$587,511    | \$549,607    | \$587,511    | \$492,318   | \$508,729   | \$492,318   | \$508,729   | \$508,729   | \$492,318   | \$587,511   | \$568,559   | \$587,511    | \$6,471,351  |            |
| 9 SWING SERVICE REVENUE                  | \$118,984    | \$111,308    | \$118,984    | \$99,705    | \$103,029   | \$99,705    | \$103,029   | \$103,029   | \$99,705    | \$118,984   | \$115,146   | \$118,984    | \$1,310,591  |            |
| 10                                       |              |              |              |             |             |             |             |             |             |             |             |              |              |            |
| 11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)   | \$13,438,316 | \$12,943,652 | \$11,757,147 | \$8,664,513 | \$6,835,556 | \$4,026,991 | \$4,856,723 | \$4,355,885 | \$4,789,041 | \$6,214,075 | \$7,220,205 | \$10,733,091 | \$95,835,194 |            |
| 12 NET UNBILLED                          | \$0          | \$0          | \$0          | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          | \$0          |            |
| 13 COMPANY USE                           | \$0          | \$0          | \$0          | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          | \$0          |            |
| 14 TOTAL THERM SALES                     | \$13,438,316 | \$12,943,652 | \$11,757,147 | \$8,664,513 | \$6,835,556 | \$4,026,991 | \$4,856,723 | \$4,355,885 | \$4,789,041 | \$6,214,075 | \$7,220,205 | \$10,733,091 | \$95,835,194 |            |
| THERMS PURCHASED                         |              |              |              |             |             |             |             |             |             |             |             |              |              |            |
| 15 COMMODITY Pipeline                    | 31,155,981   | 28,864,980   | 27,520,777   | 23,032,141  | 21,430,604  | 18,838,274  | 18,379,955  | 18,187,235  | 17,408,507  | 18,870,072  | 19,387,462  | 24,840,654   | 267,916,643  |            |
| 16 NO NOTICE SERVICE                     | 5,994,222    | 5,607,498    | 4,204,902    | 3,223,710   | 3,331,167   | 3,223,710   | 3,331,167   | 3,331,167   | 3,223,710   | 3,847,038   | 4,069,260   | 5,994,222    | 49,381,773   |            |
| 17 SWING SERVICE                         | 1,645,218    | 2,715,414    | 639,506      | 0           | 934,757     | 1,404,453   | 1,766,867   | 2,241,647   | 2,122,266   | 2,325,027   | 2,304,855   | 2,727,497    | 20,827,506   |            |
| 18 COMMODITY Other                       | 9,333,701    | 7,737,539    | 7,762,684    | 6,438,253   | 4,187,112   | 2,701,681   | 1,841,110   | 1,236,313   | 1,360,304   | 1,289,149   | 1,959,088   | 4,215,799    | 50,062,734   |            |
| 19 DEMAND                                | 68,326,974   | 63,918,782   | 68,292,619   | 53,647,332  | 39,284,685  | 38,022,235  | 39,285,769  | 39,274,459  | 38,059,570  | 59,936,852  | 66,114,566  | 68,326,974   | 642,490,816  |            |
| 20 OTHER                                 | 0            | 0            | 0            | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            |            |
| LESS END-USE CONTRACT:                   |              |              |              |             |             |             |             |             |             |             |             |              |              |            |
| 21 COMMODITY Pipeline                    | 16,253,352   | 14,987,045   | 15,251,530   | 13,611,520  | 13,176,936  | 12,059,763  | 11,953,749  | 11,902,664  | 11,268,778  | 12,345,396  | 12,238,283  | 14,482,426   | 159,531,442  |            |
| 22 DEMAND                                | 14,488,563   | 13,553,817   | 14,488,563   | 12,141,009  | 12,545,710  | 12,141,009  | 12,545,710  | 12,545,710  | 12,141,009  | 14,488,563  | 14,021,189  | 14,488,563   | 159,589,414  |            |
| 23 OTHER                                 | 0            | 0            | 0            | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            |            |
| 24 TOTAL PURCHASES (17+18)               | 10,978,919   | 10,452,953   | 8,402,190    | 6,438,253   | 5,121,869   | 4,106,134   | 3,607,977   | 3,477,960   | 3,482,570   | 3,614,176   | 4,263,943   | 6,943,296    | 70,890,240   |            |
| 25 NET UNBILLED                          | 0            | 0            | 0            | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            |            |
| 26 COMPANY USE                           | 0            | 0            | 0            | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            |            |
| 27 TOTAL THERM SALES (24-26)             | 10,978,919   | 10,452,953   | 8,402,190    | 6,438,253   | 5,121,869   | 4,106,134   | 3,607,977   | 3,477,960   | 3,482,570   | 3,614,176   | 4,263,943   | 6,943,296    | 70,890,240   |            |
| CENTS PER THERM                          |              |              |              |             |             |             |             |             |             |             |             |              |              |            |
| 28 COMMODITY Pipeline (1/15)             | 0.00547      | 0.00534      | 0.00537      | 0.00508     | 0.00526     | 0.00521     | 0.00514     | 0.00509     | 0.00517     | 0.00535     | 0.00546     | 0.00548      | 0.00530      |            |
| 29 NO NOTICE SERVICE (2/16)              | 0.00495      | 0.00495      | 0.00495      | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495      | 0.00495      |            |
| 30 SWING SERVICE (3/17)                  | 0.98590      | 1.02199      | 1.08828      | #DIV/0!     | 1.05125     | 1.04387     | 1.03622     | 1.08618     | 1.09408     | 1.15121     | 1.14135     | 1.19463      | 1.08967      |            |
| 31 COMMODITY Other (4/18)                | 0.96622      | 0.97306      | 1.06983      | 1.01624     | 1.02993     | 0.39783     | 0.82235     | 0.33329     | 0.73131     | 0.94750     | 1.00371     | 1.12108      | 0.95115      |            |
| 32 DEMAND (5/19)                         | 0.04634      | 0.04657      | 0.04634      | 0.04583     | 0.04634     | 0.04881     | 0.04865     | 0.04865     | 0.04865     | 0.04634     | 0.04645     | 0.04634      | 0.04708      |            |
| 33 OTHER (6/20)                          | 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      |            |
| LESS END-USE CONTRACT:                   |              |              |              |             |             |             |             |             |             |             |             |              |              |            |
| 34 COMMODITY Pipeline (7/21)             | 0.00560      | 0.00560      | 0.00560      | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560      | 0.00560      |            |
| 35 DEMAND (8/22)                         | 0.04055      | 0.04055      | 0.04055      | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055      | 0.04055      |            |
| 36 OTHER (9/23)                          | 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 OF PURCHASES (11/24)       | 1.22401      | 1.23828      | 1.39930      | 1.34579     | 1.33458     | 0.98073     | 1.34611     | 1.25243     | 1.37515     | 1.71936     | 1.69332     | 1.54582      | 1.35188      |            |
| 38 NET UNBILLED (12/25)                  | 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 (13/26)                   | 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      |            |
| 40 TOTAL COST OF THERMS SOLD (11/27)     | 1.22401      | 1.23828      | 1.39930      | 1.34579     | 1.33458     | 0.98073     | 1.34611     | 1.25243     | 1.37515     | 1.71936     | 1.69332     | 1.54582      | 1.35188      |            |
| 41 TRUE-UP (E-4)                         | (0.04038)    | (0.04038)    | (0.04038)    | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)    | (0.04038)    |            |
| 42 TOTAL COST OF GAS (40+41)             | 1.18364      | 1.19790      | 1.35892      | 1.30541     | 1.29421     | 0.94035     | 1.30573     | 1.21205     | 1.33477     | 1.67899     | 1.65294     | 1.50545      | 1.31151      |            |
| 43 REVENUE TAX FACTOR                    | 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      |            |
| 44 PGA FACTOR ADJUSTED FOR TAXES (42x43) | 1.18959      | 1.20393      | 1.36576      | 1.31198     | 1.30072     | 0.94508     | 1.31230     | 1.21815     | 1.34148     | 1.68743     | 1.66126     | 1.51302      | 1.31810      |            |
| 45 PGA FACTOR ROUNDED TO NEAREST .001    | 118.959      | 120.393      | 136.576      | 131.198     | 130.072     | 94.508      | 131.230     | 121.815     | 134.148     | 168.743     | 166.126     | 151.302      | 131.810      |            |

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-1

PURCHASED GAS ADJUSTMENT  
COST RECOVERY CLAUSE CALCULATION

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 3 of 3

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '08 through DECEMBER '08

For Commercial Customers

|  | Projection  | Projection  | Projection  | Projection  | Projection  | Projection  | Projection  | Projection  | Projection  | Projection  | Projection  | Projection  | Projection   | Projection |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|------------|
|  | JAN         | FEB         | MAR         | APR         | MAY         | JUN         | JUL         | AUG         | SEP         | OCT         | NOV         | DEC         | TOTAL PERIOD |            |
| <b>COST OF GAS PURCHASED</b>             |             |             |             |             |             |             |             |             |             |             |             |             |              |            |
| 1 COMMODITY Pipeline                     | \$127,118   | \$118,881   | \$127,158   | \$119,076   | \$130,110   | \$125,383   | \$129,836   | \$128,119   | \$129,245   | \$131,027   | \$131,822   | \$130,569   | \$1,528,343  |            |
| 2 NO NOTICE SERVICE                      | \$21,734    | \$20,332    | \$15,246    | \$15,970    | \$16,502    | \$15,970    | \$16,502    | \$16,502    | \$15,970    | \$13,949    | \$14,755    | \$21,734    | \$205,169    |            |
| 3 SWING SERVICE                          | \$1,210,216 | \$2,140,962 | \$599,094   | \$0         | \$1,133,775 | \$1,872,732 | \$2,515,921 | \$3,370,685 | \$3,337,165 | \$3,476,488 | \$3,272,964 | \$3,126,808 | \$26,056,811 |            |
| 4 COMMODITY Other                        | \$6,728,798 | \$5,808,528 | \$7,148,824 | \$6,659,015 | \$4,975,605 | \$1,372,941 | \$2,080,536 | \$570,431   | \$1,429,775 | \$1,586,510 | \$2,446,484 | \$4,535,466 | \$45,342,914 |            |
| 5 DEMAND                                 | \$2,319,272 | \$2,180,382 | \$2,318,252 | \$2,460,694 | \$1,912,555 | \$1,857,408 | \$1,912,599 | \$1,912,140 | \$1,858,923 | \$2,049,336 | \$2,249,580 | \$2,319,272 | \$25,350,414 |            |
| 6 OTHER                                  | \$170,920   | \$174,200   | \$185,040   | \$201,760   | \$214,280   | \$224,360   | \$231,520   | \$232,240   | \$235,880   | \$226,000   | \$221,760   | \$195,880   | \$2,513,840  |            |
| LESS END-USE CONTRACT:                   |             |             |             |             |             |             |             |             |             |             |             |             |              |            |
| 7 COMMODITY Pipeline                     | \$67,910    | \$64,748    | \$73,521    | \$77,578    | \$85,138    | \$86,268    | \$91,988    | \$92,274    | \$90,697    | \$89,795    | \$85,268    | \$77,828    | \$983,014    |            |
| 8 DEMAND                                 | \$430,353   | \$402,588   | \$430,353   | \$492,712   | \$509,136   | \$492,712   | \$509,136   | \$509,136   | \$492,712   | \$430,353   | \$416,471   | \$430,353   | \$5,546,014  |            |
| 9 SWING SERVICE REVENUE                  | \$87,156    | \$81,533    | \$87,156    | \$99,785    | \$103,111   | \$99,785    | \$103,111   | \$103,111   | \$99,785    | \$87,156    | \$84,344    | \$87,156    | \$1,123,190  |            |
| 10                                       |             |             |             |             |             |             |             |             |             |             |             |             |              |            |
| 11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)   | \$9,992,639 | \$9,894,416 | \$9,802,585 | \$8,786,440 | \$7,685,442 | \$4,790,030 | \$6,182,680 | \$5,525,596 | \$6,323,763 | \$6,876,006 | \$7,751,282 | \$9,734,393 | \$93,345,274 |            |
| 12 NET UNBILLED                          | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |            |
| 13 COMPANY USE                           | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0          |            |
| 14 TOTAL THERM SALES                     | \$9,992,639 | \$9,894,416 | \$9,802,585 | \$8,786,440 | \$7,685,442 | \$4,790,030 | \$6,182,680 | \$5,525,596 | \$6,323,763 | \$6,876,006 | \$7,751,282 | \$9,734,393 | \$93,345,274 |            |
| <b>THERMS PURCHASED</b>                  |             |             |             |             |             |             |             |             |             |             |             |             |              |            |
| 15 COMMODITY Pipeline                    | 23,245,942  | 22,268,731  | 23,690,196  | 23,441,106  | 24,726,200  | 24,063,739  | 25,257,165  | 25,177,655  | 25,020,221  | 24,509,404  | 24,121,205  | 23,837,876  | 289,359,440  |            |
| 16 NO NOTICE SERVICE                     | 4,390,778   | 4,107,502   | 3,080,098   | 3,226,290   | 3,333,833   | 3,226,290   | 3,333,833   | 3,226,290   | 3,226,290   | 2,817,962   | 2,980,740   | 4,390,778   | 41,448,227   |            |
| 17 SWING SERVICE                         | 1,227,522   | 2,094,886   | 550,494     | 0           | 1,078,503   | 1,794,027   | 2,427,973   | 3,103,243   | 3,050,208   | 3,019,863   | 2,867,620   | 2,617,393   | 23,831,732   |            |
| 18 COMMODITY Other                       | 6,965,639   | 5,969,296   | 6,682,081   | 6,552,285   | 4,830,794   | 3,451,285   | 2,529,512   | 1,712,029   | 1,955,636   | 1,673,780   | 2,436,790   | 4,046,183   | 48,805,310   |            |
| 19 DEMAND                                | 50,049,626  | 46,820,618  | 50,024,461  | 53,690,268  | 39,316,125  | 38,052,665  | 39,317,211  | 39,305,891  | 38,090,030  | 43,903,848  | 48,429,034  | 50,049,626  | 537,049,404  |            |
| 20 OTHER                                 | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |            |
| LESS END-USE CONTRACT:                   |             |             |             |             |             |             |             |             |             |             |             |             |              |            |
| 21 COMMODITY Pipeline                    | 12,126,868  | 11,562,193  | 13,128,690  | 13,853,209  | 15,203,284  | 15,404,966  | 16,426,471  | 16,477,556  | 16,195,951  | 16,034,824  | 15,226,446  | 13,897,794  | 175,538,252  |            |
| 22 DEMAND                                | 10,612,897  | 9,928,194   | 10,612,897  | 12,150,726  | 12,555,750  | 12,150,726  | 12,555,750  | 12,555,750  | 12,150,726  | 10,612,897  | 10,270,546  | 10,612,897  | 136,769,757  |            |
| 23 OTHER                                 | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |            |
| 24 TOTAL PURCHASES (17+18)               | 8,193,161   | 8,064,182   | 7,232,575   | 6,552,285   | 5,909,297   | 5,245,312   | 4,957,485   | 4,815,272   | 5,005,844   | 4,693,643   | 5,304,410   | 6,663,576   | 72,637,042   |            |
| 25 NET UNBILLED                          | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |            |
| 26 COMPANY USE                           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            |            |
| 27 TOTAL THERM SALES (24-26)             | 8,193,161   | 8,064,182   | 7,232,575   | 6,552,285   | 5,909,297   | 5,245,312   | 4,957,485   | 4,815,272   | 5,005,844   | 4,693,643   | 5,304,410   | 6,663,576   | 72,637,042   |            |
| <b>CENTS PER THERM</b>                   |             |             |             |             |             |             |             |             |             |             |             |             |              |            |
| 28 COMMODITY Pipeline (1/15)             | 0.00547     | 0.00534     | 0.00537     | 0.00508     | 0.00526     | 0.00521     | 0.00514     | 0.00509     | 0.00517     | 0.00535     | 0.00546     | 0.00548     | 0.00528      |            |
| 29 NO NOTICE SERVICE (2/16)              | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495     | 0.00495      |            |
| 30 SWING SERVICE (3/17)                  | 0.98590     | 1.02199     | 1.08828     | #DIV/0!     | 1.05125     | 1.04387     | 1.03622     | 1.08618     | 1.09408     | 1.15121     | 1.14135     | 1.19463     | 1.09337      |            |
| 31 COMMODITY Other (4/18)                | 0.96600     | 0.97307     | 1.06985     | 1.01629     | 1.02998     | 0.93781     | 0.82250     | 0.33319     | 0.73110     | 0.94786     | 1.00398     | 1.12092     | 0.92906      |            |
| 32 DEMAND (5/19)                         | 0.04634     | 0.04657     | 0.04634     | 0.04583     | 0.04865     | 0.04881     | 0.04865     | 0.04865     | 0.04880     | 0.04668     | 0.04645     | 0.04634     | 0.04720      |            |
| 33 OTHER (6/20)                          | 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      |            |
| LESS END-USE CONTRACT:                   |             |             |             |             |             |             |             |             |             |             |             |             |              |            |
| 34 COMMODITY Pipeline (7/21)             | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560     | 0.00560      |            |
| 35 DEMAND (8/22)                         | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055     | 0.04055      |            |
| 36 OTHER (9/23)                          | 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 OF PURCHASES (11/24)       | 1.21963     | 1.22696     | 1.35534     | 1.34097     | 1.30057     | 0.91320     | 1.24714     | 1.14751     | 1.26328     | 1.46496     | 1.46129     | 1.46084     | 1.28509      |            |
| 38 NET UNBILLED (12/25)                  | 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 (13/26)                   | 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      |            |
| 40 TOTAL COST OF THERMS SOLD (11/27)     | 1.21963     | 1.22696     | 1.35534     | 1.34097     | 1.30057     | 0.91320     | 1.24714     | 1.14751     | 1.26328     | 1.46496     | 1.46129     | 1.46084     | 1.28509      |            |
| 41 TRUE-UP (E-4)                         | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)   | (0.04038)    |            |
| 42 TOTAL COST OF GAS (40+41)             | 1.17926     | 1.18658     | 1.31496     | 1.30060     | 1.26019     | 0.87283     | 1.20677     | 1.10714     | 1.22290     | 1.42459     | 1.42091     | 1.42046     | 1.24472      |            |
| 43 REVENUE TAX FACTOR                    | 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      |            |
| 44 PGA FACTOR ADJUSTED FOR TAXES (42x43) | 1.18519     | 1.19255     | 1.32158     | 1.30714     | 1.26653     | 0.87722     | 1.21284     | 1.11271     | 1.22905     | 1.43175     | 1.42806     | 1.42761     | 1.25098      |            |
| 45 PGA FACTOR ROUNDED TO NEAREST .001    | 118.519     | 119.255     | 132.158     | 130.714     | 126.653     | 87.722      | 121.284     | 111.271     | 122.905     | 143.175     | 142.806     | 142.761     | 125.098      |            |



COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT

Docket No. 070003-GU

SCHEDULE E-1/R

COST RECOVERY CLAUSE CALCULATION

PGA CAP 2008

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '07 Through DECEMBER '07

Exhibit EE-2, Page 1 of 3

Combined For All Rate Classes

| COST OF GAS PURCHASED                                 | ACTUAL       | ACTUAL       | ACTUAL       | ACTUAL        | ACTUAL        | ACTUAL        | ACTUAL       | ACTUAL       | REV.PROJ.   | REV.PROJ.    | REV.PROJ.    | REV.PROJ.    | REV.PROJ.     |
|---|--------------|--------------|--------------|---------------|---------------|---------------|--------------|--------------|-------------|--------------|--------------|--------------|---------------|
|   | JAN          | FEB          | MAR          | APR           | MAY           | JUN           | JUL          | AUG          | SEP         | OCT          | NOV          | DEC          | TOTAL         |
| 1 COMM. P/L (FGT)(Incls. Southern/Gulfstream Jan-Aug) | \$217,520    | \$260,081    | \$254,284    | \$91,333      | \$243,235     | \$231,487     | \$305,366    | \$388,604    | \$151,201   | \$158,406    | \$158,668    | \$189,374    | \$2,649,558   |
| 1a COMMODITY P/L (SOUTHERN)                           | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0          | \$0          | \$63,609    | \$65,729     | \$63,609     | \$65,729     | \$258,676     |
| 1b COMMODITY P/L                                      | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0          | \$0          | \$0         | \$0          | \$0          | \$0          | \$0           |
| 1c COMMODITY P/L (GULFSTREAM)                         | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0          | \$0          | \$9,918     | \$10,249     | \$9,918      | \$10,249     | \$40,335      |
| 2 NO NOTICE SERVICE                                   | \$51,406     | \$46,431     | \$36,061     | \$31,928      | \$32,992      | \$31,928      | \$32,992     | \$32,992     | \$31,928    | \$32,992     | \$34,898     | \$51,406     | \$447,953     |
| 3 SWING SERVICE                                       | \$1,938,426  | \$4,015,027  | \$885,515    | \$13,950      | \$1,536,223   | \$2,406,502   | \$2,810,113  | \$3,637,819  | \$3,520,470 | \$3,637,819  | \$3,520,470  | \$3,637,819  | \$31,560,155  |
| 4 COMMODITY Other (THIRD PARTY)                       | \$26,832,278 | \$33,527,479 | \$25,826,368 | \$22,555,965  | \$21,127,134  | \$23,453,614  | \$26,332,532 | \$26,525,945 | \$1,149,470 | \$2,556,957  | \$4,429,410  | \$6,904,375  | \$221,221,526 |
| 5 DEMAND (FGT)(Incls. Southern/Gulfstream Jan-Aug)    | \$4,817,738  | \$4,432,798  | \$4,803,524  | \$4,434,306   | \$3,627,935   | \$3,511,150   | \$3,764,081  | \$3,813,902  | \$2,381,621 | \$3,697,191  | \$4,195,755  | \$4,335,640  | \$47,815,641  |
| 5a DEMAND (SOUTHERN)                                  | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0          | \$0          | \$393,752   | \$393,752    | \$393,752    | \$393,752    | \$1,575,008   |
| 5b DEMAND   | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0          | \$0          | \$0         | \$0          | \$0          | \$0          | \$0           |
| 5c DEMAND (GULFSTREAM)                                | \$0          | \$0          | \$0          | \$0           | \$0           | \$0           | \$0          | \$0          | \$585,060   | \$604,562    | \$585,060    | \$604,562    | \$2,379,244   |
| 6 OTHER   | \$318,735    | \$211,793    | \$230,764    | \$288,969     | \$377,730     | \$581,195     | \$606,520    | \$457,472    | \$400,000   | \$400,000    | \$400,000    | \$400,000    | \$4,673,177   |
| LESS END-USE CONTRACT                                 |              |              |              |               |               |               |              |              |             |              |              |              |               |
| 7 COMMODITY Pipeline (FGT)                            | \$63,943     | \$66,647     | \$75,537     | \$97,759      | \$88,228      | \$104,527     | \$134,468    | \$151,593    | \$152,376   | \$157,455    | \$152,376    | \$157,455    | \$1,402,364   |
| 8 DEMAND (FGT)  | \$498,186    | \$528,809    | \$554,534    | \$647,193     | \$665,471     | \$764,850     | \$959,724    | \$1,017,864  | \$1,103,367 | \$1,031,937  | \$998,649    | \$1,140,146  | \$9,910,730   |
| 9 SWING SERVICE REVENUE                               | \$278,801    | \$279,692    | \$277,507    | \$273,258     | \$241,393     | \$226,531     | \$219,278    | \$206,140    | \$212,205   | \$219,278    | \$212,205    | \$219,278    | \$2,865,566   |
| 10  |              |              |              |               |               |               |              |              |             |              |              |              |               |
| 11 TOTAL COST   | \$33,335,173 | \$41,618,461 | \$31,128,938 | \$26,398,241  | \$25,950,157  | \$29,119,967  | \$32,538,135 | \$33,481,137 | \$7,219,081 | \$10,148,987 | \$12,428,310 | \$15,076,026 | \$298,442,612 |
| 12 NET UNBILLED                                       | \$1,135,409  | \$1,847,089  | \$490,675    | (\$1,725,878) | (\$1,760,848) | (\$1,174,594) | (\$672,639)  | (\$770,251)  | \$0         | \$0          | \$0          | \$0          | (\$2,631,037) |
| 13 COMPANY USE  | \$30,906     | \$31,555     | \$6,116      | \$21,314      | \$38,437      | \$1,707       | \$7,707      | \$43,899     | \$0         | \$0          | \$0          | \$0          | \$181,641     |
| 14 TOTAL THERM SALES                                  | \$27,416,473 | \$40,675,641 | \$37,020,257 | \$30,472,041  | \$29,671,664  | \$29,187,857  | \$34,564,550 | \$32,436,145 | \$7,918,100 | \$7,801,256  | \$8,857,528  | \$14,295,217 | \$300,316,729 |

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT

Docket No. 070003-GU

SCHEDULE E-1/R

COST RECOVERY CLAUSE CALCULATION

PGA CAP 2008

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '07 Through DECEMBER '07

Exhibit EE-2, Page 2 of 3

Combined For All Rate Classes

| THERMS PURCHASED                                       | ACTUAL      | ACTUAL     | ACTUAL      | ACTUAL      | ACTUAL      | ACTUAL     | ACTUAL     | ACTUAL     | ACTUAL     | REV.PROJ.  | REV.PROJ.  | REV.PROJ.  | REV.PROJ.     | REV.PROJ. |
|--|-------------|------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|---------------|-----------|
|  | JAN         | FEB        | MAR         | APR         | MAY         | JUN        | JUL        | AUG        | SEP        | OCT        | NOV        | DEC        | TOTAL         |           |
| 15 COMM. P/L (FGT)(Incls. Southern/Gulfstream Jan-Aug) | 39,968,620  | 48,066,310 | 39,271,130  | 41,741,640  | 42,982,910  | 45,865,040 | 59,420,600 | 66,773,260 | 30,693,977 | 31,799,334 | 32,373,667 | 37,991,596 | 516,948,084   |           |
| 15a COMMODITY P/L (SOUTHERN)                           | 0           | 0          | 0           | 0           | 0           | 0          | 0          | 0          | 7,965,223  | 8,230,730  | 7,965,223  | 8,230,730  | 32,391,906    |           |
| 15b COMMODITY P/L                                      | 0           | 0          | 0           | 0           | 0           | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0             |           |
| 15c COMMODITY P/L (GULFSTREAM)                         | 0           | 0          | 0           | 0           | 0           | 0          | 0          | 0          | 4,591,858  | 4,744,920  | 4,591,858  | 4,744,920  | 18,673,556    |           |
| 16 NO NOTICE SERVICE                                   | 10,385,000  | 9,380,000  | 7,285,000   | 6,450,000   | 6,665,000   | 6,450,000  | 6,665,000  | 6,665,000  | 6,450,000  | 6,665,000  | 7,050,000  | 10,385,000 | 90,495,000    |           |
| 17 SWING SERVICE                                       | 2,872,740   | 4,810,300  | 1,190,000   | 0           | 2,013,260   | 3,198,480  | 4,194,840  | 5,344,890  | 5,172,474  | 5,344,890  | 5,172,474  | 5,344,890  | 44,659,238    |           |
| 18 COMMODITY Other (THIRD PARTY)                       | 32,761,536  | 39,260,662 | 32,831,710  | 30,770,617  | 28,341,805  | 31,479,204 | 37,584,823 | 37,968,525 | 2,903,326  | 3,082,328  | 4,583,016  | 9,274,590  | 290,842,142   |           |
| 19 DEMAND (FGT)(Incls. Southern/Gulfstream Jan-Aug)    | 101,708,769 | 96,817,261 | 105,990,302 | 97,630,742  | 75,652,188  | 72,067,863 | 78,398,081 | 79,054,057 | 52,178,565 | 78,450,630 | 89,972,565 | 92,986,530 | 1,020,907,553 |           |
| 19a DEMAND (SOUTHERN)                                  | 0           | 0          | 0           | 0           | 0           | 0          | 0          | 0          | 10,797,600 | 11,157,520 | 10,797,600 | 11,157,520 | 43,910,240    |           |
| 19b DEMAND   | 0           | 0          | 0           | 0           | 0           | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0             |           |
| 19c DEMAND (GULFSTREAM)                                | 0           | 0          | 0           | 0           | 0           | 0          | 0          | 0          | 10,500,000 | 10,850,000 | 10,500,000 | 10,850,000 | 42,700,000    |           |
| 20 OTHER   | 0           | 0          | 0           | 0           | 0           | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0             |           |
| LESS END-USE CONTRACT                                  |             |            |             |             |             |            |            |            |            |            |            |            |               |           |
| 21 COMMODITY Pipeline (FGT)                            | 12,416,050  | 12,941,230 | 14,667,410  | 17,456,980  | 15,755,390  | 18,665,550 | 24,427,650 | 28,380,220 | 27,210,035 | 28,117,036 | 27,210,035 | 28,117,036 | 255,364,622   |           |
| 22 DEMAND (FGT)  | 12,596,360  | 13,370,650 | 15,065,800  | 17,854,520  | 16,164,510  | 19,108,510 | 23,667,680 | 25,101,460 | 27,210,035 | 28,117,036 | 27,210,035 | 28,117,036 | 253,583,632   |           |
| 23 OTHER   | 0           | 0          | 0           | 0           | 0           | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0             |           |
| 24 TOTAL PURCHASES (17+18)                             | 35,634,276  | 44,070,962 | 34,021,710  | 30,770,617  | 30,355,065  | 34,677,684 | 41,779,663 | 43,313,415 | 8,075,800  | 8,427,218  | 9,755,490  | 14,619,480 | 335,501,380   |           |
| 25 NET UNBILLED  | 242,902     | 1,387,932  | (546,467)   | (1,469,532) | (1,149,411) | (717,515)  | (423,241)  | (470,529)  | 0          | 0          | 0          | 0          | (3,145,861)   |           |
| 26 COMPANY USE   | 29,936      | 29,458     | 28,701      | 17,830      | 34,366      | 27,213     | 21,433     | 56,553     | 0          | 0          | 0          | 0          | 245,490       |           |
| 27 TOTAL THERM SALES (24-26)                           | 31,599,976  | 42,397,501 | 37,010,899  | 32,250,639  | 33,567,319  | 33,996,980 | 43,051,391 | 40,335,981 | 8,075,800  | 8,427,218  | 9,755,490  | 14,619,480 | 335,088,674   |           |

- 5 -

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT

Docket No. 070003-GU

SCHEDULE E-1/R

COST RECOVERY CLAUSE CALCULATION

PGA CAP 2008

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '07 Through DECEMBER '07

Exhibit EE-2, Page 3 of 3

Combined For All Rate Classes

| CENTS PER THERM  | ACTUAL    | ACTUAL    | ACTUAL    | ACTUAL    | ACTUAL    | ACTUAL    | ACTUAL    | ACTUAL    | ACTUAL    | REV.PROJ. | REV.PROJ. | REV.PROJ. | REV.PROJ. | REV.PROJ. |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|  | JAN       | FEB       | MAR       | APR       | MAY       | JUN       | JUL       | AUG       | SEP       | OCT       | NOV       | DEC       | TOTAL     |           |
| 28 COMM. P/L (FGT)(Incls. Southern/Gulfstream Jan-Aug (1/15) | 0.00544   | 0.00541   | 0.00648   | 0.00219   | 0.00566   | 0.00505   | 0.00514   | 0.00582   | 0.00493   | 0.00498   | 0.00490   | 0.00498   | 0.00513   |           |
| 28a COMMODITY P/L (SOUTHERN) (1a/15a)                        | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00799   | 0.00799   | 0.00799   | 0.00799   | 0.00799   |           |
| 28b COMMODITY P/L (1b/15b)                                   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | #DIV/0!   | 0.00000   | 0.00000   | 0.00000   | 0.00000   |           |
| 28c COMM. P/L (GULFSTREAM) (1c/15c)                          | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00216   | 0.00216   | 0.00216   | 0.00216   | 0.00216   |           |
| 29 NO NOTICE SERVICE (2/16)                                  | 0.00495   | 0.00495   | 0.00495   | 0.00495   | 0.00495   | 0.00495   | 0.00495   | 0.00495   | 0.00495   | 0.00495   | 0.00495   | 0.00495   | 0.00495   |           |
| 30 SWING SERVICE (3/17)                                      | 0.67477   | 0.83467   | 0.74413   | #DIV/0!   | 0.76305   | 0.75239   | 0.66990   | 0.68062   | 0.68062   | 0.68062   | 0.68062   | 0.68062   | 0.70669   |           |
| 31 COMM. Other (THIRD PARTY) (4/18)                          | 0.81902   | 0.85397   | 0.78663   | 0.73304   | 0.74544   | 0.74505   | 0.70062   | 0.69863   | 0.39591   | 0.82955   | 0.96648   | 0.74444   | 0.76062   |           |
| 32 DEMAND (FGT)(Incls. Southern/Gulfstream Jan-Aug) (5/19)   | 0.04737   | 0.04579   | 0.04532   | 0.04542   | 0.04796   | 0.04872   | 0.04801   | 0.04824   | 0.04564   | 0.04713   | 0.04663   | 0.04663   | 0.04684   |           |
| 32a DEMAND (SOUTHERN) (5a/19a)                               | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.03647   | 0.03529   | 0.03647   | 0.03529   | 0.03587   |           |
| 32b DEMAND (5b/19b)  | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | #DIV/0!   | 0.00000   | 0.00000   | 0.00000   | 0.00000   |           |
| 32c DEMAND (GULFSTREAM) (5c/19c)                             | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.05572   | 0.05572   | 0.05572   | 0.05572   | 0.05572   |           |
| 33 OTHER (6/20)  | 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   |           |
| LESS END-USE CONTRACT  |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| 34 COMMODITY Pipeline (FGT) (7/21)                           | 0.00515   | 0.00515   | 0.00515   | 0.00560   | 0.00560   | 0.00560   | 0.00550   | 0.00534   | 0.00560   | 0.00560   | 0.00560   | 0.00560   | 0.00549   |           |
| 35 DEMAND (FGT) (8/22)                                       | 0.03955   | 0.03955   | 0.03681   | 0.03625   | 0.04117   | 0.04003   | 0.04055   | 0.04055   | 0.04055   | 0.03670   | 0.03670   | 0.04055   | 0.03908   |           |
| 36 OTHER (9/23)  | 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 OF PURCHASES (11/24)                           | 0.93548   | 0.94435   | 0.91497   | 0.85790   | 0.85489   | 0.83973   | 0.77880   | 0.77300   | 0.89392   | 1.20431   | 1.27398   | 1.03123   | 0.88954   |           |
| 38 NET UNBILLED (12/25)                                      | 4.67435   | 1.33082   | (0.89790) | 1.17444   | 1.53196   | 1.63703   | 1.58926   | 1.63699   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.83635   |           |
| 39 COMPANY USE (13/26)                                       | 1.03240   | 1.07121   | 0.21310   | 1.19537   | 1.11844   | 0.06271   | 0.35958   | 0.77624   | 0.00000   | 0.00000   | 0.00000   | 0.00000   | 0.73991   |           |
| 40 TOTAL COST OF THERMS SOLD (11/27)                         | 1.05491   | 0.98163   | 0.84107   | 0.81853   | 0.77308   | 0.85655   | 0.75580   | 0.83006   | 0.89392   | 1.20431   | 1.27398   | 1.03123   | 0.89064   |           |
| 41 TRUE-UP (E-4)   | (0.03229) | (0.03229) | (0.03229) | (0.03229) | (0.03229) | (0.03229) | (0.03229) | (0.03229) | (0.02151) | (0.02151) | (0.02151) | (0.02151) | (0.02151) |           |
| 42 TOTAL COST OF GAS (40+41)                                 | 1.02262   | 0.94934   | 0.80878   | 0.78624   | 0.74079   | 0.82426   | 0.72351   | 0.79777   | 0.87241   | 1.18280   | 1.25247   | 1.00972   | 0.86913   |           |
| 43 REVENUE TAX FACTOR  | 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   |           |
| 44 PGA FACTOR ADJUSTED FOR TAXES (42x43)                     | 1.02777   | 0.95411   | 0.81285   | 0.79020   | 0.74451   | 0.82840   | 0.72715   | 0.80178   | 0.87679   | 1.18875   | 1.25877   | 1.01480   | 0.87350   |           |
| 45 PGA FACTOR ROUNDED TO NEAREST .001                        | 102.777   | 95.411    | 81.285    | 79.020    | 74.451    | 82.840    | 72.715    | 80.178    | 87.679    | 118.875   | 125.877   | 101.480   | 87.350    |           |

- 9 -

COMPANY: PEOPLES GAS SYSTEM

CALCULATION OF TRUE-UP AMOUNT

Docket No. 070003-GU

SCHEDULE E-2

PGA CAP 2008

FOR THE CURRENT PERIOD:

JANUARY '07 Through DECEMBER '07

Exhibit EE-2, Page 1 of 1

|   | ACTUAL       | ACTUAL       | ACTUAL       | ACTUAL       | ACTUAL       | ACTUAL       | ACTUAL       | ACTUAL       | REV.PROJ.   | REV.PROJ.   | REV.PROJ.   | REV.PROJ.    | REV. PROJ.    |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|--------------|---------------|
|   | JAN          | FEB          | MAR          | APR          | MAY          | JUN          | JUL          | AUG          | SEP         | OCT         | NOV         | DEC          | TOTAL PERIOD  |
| <b>TRUE-UP CALCULATION</b>                                |              |              |              |              |              |              |              |              |             |             |             |              |               |
| 1 PURCHASED GAS COST                                      | \$28,739,798 | \$37,510,951 | \$26,705,767 | \$22,548,602 | \$22,624,920 | \$25,858,409 | \$29,134,939 | \$30,119,866 | \$4,669,940 | \$6,194,776 | \$7,949,880 | \$10,542,194 | \$252,600,042 |
| 2 TRANSPORTATION COST                                     | 4,564,469    | 4,075,955    | 4,417,055    | 3,828,325    | 3,286,800    | 3,259,851    | 3,395,489    | 3,317,373    | 2,549,141   | 3,954,211   | 4,478,430   | 4,533,832    | 45,660,931    |
| 3 TOTAL   | 33,304,267   | 41,586,905   | 31,122,822   | 26,376,927   | 25,911,720   | 29,118,260   | 32,530,428   | 33,437,239   | 7,219,081   | 10,148,987  | 12,428,310  | 15,076,026   | 298,260,972   |
| 4 FUEL REVENUES<br>(NET OF REVENUE TAX)                   | 27,416,473   | 40,675,641   | 37,020,257   | 30,472,041   | 29,671,664   | 29,187,857   | 34,564,550   | 32,436,145   | 7,918,100   | 7,801,256   | 8,857,528   | 14,295,217   | 300,316,729   |
| 5 TRUE-UP REFUNDED/(COLLECTED)                            | 402,080      | 402,080      | 402,080      | 402,080      | 402,080      | 402,080      | 402,080      | 402,080      | 402,080     | 402,080     | 402,080     | 402,084      | 4,824,964     |
| 6 FUEL REVENUE APPLICABLE TO PERIOD<br>(LINE 4 + LINE 5)  | 27,818,553   | 41,077,721   | 37,422,337   | 30,874,121   | 30,073,744   | 29,589,937   | 34,966,630   | 32,838,225   | 8,320,180   | 8,203,336   | 9,259,608   | 14,697,301   | 305,141,693   |
| 7 TRUE-UP PROVISION - THIS PERIOD<br>(LINE 6 - LINE 3)    | (5,485,714)  | (509,184)    | 6,299,515    | 4,497,194    | 4,162,024    | 471,677      | 2,436,202    | (599,013)    | 1,101,098   | (1,945,650) | (3,168,702) | (378,726)    | 6,880,721     |
| 8 INTEREST PROVISION-THIS PERIOD (21)                     | 1,865        | (13,030)     | (2,159)      | 19,732       | 37,034       | 45,676       | 50,400       | 54,594       | 56,053      | 52,455      | 38,841      | 28,833       | 370,293       |
| 9 BEGINNING OF PERIOD TRUE-UP AND<br>INTEREST             | 3,368,911    | (2,517,018)  | (3,441,312)  | 2,453,963    | 6,568,810    | 10,365,787   | 10,481,059   | 12,565,581   | 11,619,082  | 12,374,153  | 10,078,878  | 6,546,937    | 3,368,911     |
| 10 TRUE-UP COLLECTED OR (REFUNDED)<br>(REVERSE OF LINE 5) | (402,080)    | (402,080)    | (402,080)    | (402,080)    | (402,080)    | (402,080)    | (402,080)    | (402,080)    | (402,080)   | (402,080)   | (402,080)   | (402,084)    | (4,824,964)   |
| 10a TRANSITION COST RECOVERY REFUND                       | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0           | 0           | 0           | 0            | 0             |
| 11 TOTAL ESTIMATED/ACTUAL TRUE-UP<br>(7+8+9+10+10a)       | (2,517,018)  | (3,441,312)  | 2,453,963    | 6,568,810    | 10,365,787   | 10,481,059   | 12,565,581   | 11,619,082   | 12,374,153  | 10,078,878  | 6,546,937   | 5,794,960    | 5,794,960     |
| 11a FPSC AUDIT ENTRY/REFUNDS&ADJS-PIPELINES               | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0           | 0           | 0           | 0            | 0             |
| 12 ADJ TOTAL EST/ACT TRUE-UP(11+11a)                      | (2,517,018)  | (3,441,312)  | 2,453,963    | 6,568,810    | 10,365,787   | 10,481,059   | 12,565,581   | 11,619,082   | 12,374,153  | 10,078,878  | 6,546,937   | 5,794,960    | \$5,794,960   |
| <b>INTEREST PROVISION</b>                                 |              |              |              |              |              |              |              |              |             |             |             |              |               |
| 12 BEGINNING TRUE-UP AND<br>INTEREST PROVISION (9)        | 3,368,911    | (2,517,018)  | (3,441,312)  | 2,453,963    | 6,568,810    | 10,365,787   | 10,481,059   | 12,565,581   | 11,619,082  | 12,374,153  | 10,078,878  | 6,546,937    |               |
| 13 ENDING TRUE-UP BEFORE<br>INTEREST (12+7.5+10a)         | (2,518,883)  | (3,428,282)  | 2,456,123    | 6,549,078    | 10,328,753   | 10,435,384   | 12,515,181   | 11,564,488   | 12,318,100  | 10,026,423  | 6,508,096   | 5,766,127    |               |
| 14 TOTAL (12+13)  | 850,028      | (5,945,300)  | (985,190)    | 9,003,041    | 16,897,563   | 20,801,170   | 22,996,241   | 24,130,070   | 23,937,181  | 22,400,575  | 16,586,973  | 12,313,063   |               |
| 15 AVERAGE (50% OF 14)                                    | 425,014      | (2,972,650)  | (492,595)    | 4,501,521    | 8,448,781    | 10,400,585   | 11,498,120   | 12,065,035   | 11,968,591  | 11,200,288  | 8,293,486   | 6,156,531    |               |
| 16 INTEREST RATE - FIRST<br>DAY OF MONTH                  | 5.27         | 5.26         | 5.26         | 5.26         | 5.26         | 5.26         | 5.26         | 5.28         | 5.24        | 5.62        | 5.62        | 5.62         | 5.62          |
| 17 INTEREST RATE - FIRST<br>DAY OF SUBSEQUENT MONTH       | 5.26         | 5.26         | 5.26         | 5.26         | 5.26         | 5.28         | 5.24         | 5.62         | 5.62        | 5.62        | 5.62        | 5.62         | 5.62          |
| 18 TOTAL (16+17)  | 10.530       | 10.520       | 10.520       | 10.520       | 10.520       | 10.540       | 10.520       | 10.860       | 11.240      | 11.240      | 11.240      | 11.240       |               |
| 19 AVERAGE (50% OF 18)                                    | 5.265        | 5.260        | 5.260        | 5.260        | 5.260        | 5.270        | 5.260        | 5.430        | 5.620       | 5.620       | 5.620       | 5.620        |               |
| 20 MONTHLY AVERAGE (19/12 Months)                         | 0.43875      | 0.43833      | 0.43833      | 0.43833      | 0.43833      | 0.43917      | 0.43833      | 0.45250      | 0.46833     | 0.46833     | 0.46833     | 0.46833      |               |
| 21 INTEREST PROVISION (15x20)                             | \$1,865      | (\$13,030)   | (\$2,159)    | \$19,732     | \$37,034     | \$45,676     | \$50,400     | \$4,594      | \$6,053     | \$2,455     | \$38,841    | \$28,833     |               |

- 7 -

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-3

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 1 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH     | (B)<br>PURCHASED<br>FROM | (C)<br>PURCHASED<br>FOR | (D)<br>SCH<br>TYPE | (E)<br>SYSTEM<br>SUPPLY | (F)<br>END<br>USE | (G)<br>TOTAL<br>PURCHASED | COMMODITY COST        |                 | (J)<br>DEMAND<br>COST | (K)<br>OTHER<br>CHARGES<br>ACA/FUEL | (L)<br>TOTAL<br>CENTS PER<br>THERM |
|------------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|-----------------------|-----------------|-----------------------|-------------------------------------|------------------------------------|
|                  |                          |                         |                    |                         |                   |                           | (H)<br>THIRD<br>PARTY | (I)<br>PIPELINE |                       |                                     |                                    |
|                  |                          |                         |                    |                         |                   |                           | 1 JAN 2008            | FGT             |                       |                                     |                                    |
| 2                | FGT                      | PGS                     | FTS-1 COMM         |                         | 28,380,220        | 28,380,220                |                       | \$158,929       |                       | \$0.560                             |                                    |
| 3                | FGT                      | PGS                     | FTS-2 COMM         | 3,578,530               |                   | 3,578,530                 |                       | \$10,199        |                       | \$0.285                             |                                    |
| 4                | FGT                      | PGS                     | FTS-1 DEMAND       | 80,428,880              |                   | 80,428,880                |                       |                 | \$3,261,391           | \$4.055                             |                                    |
| 5                | FGT                      | PGS                     | FTS-1 DEMAND       |                         | 25,101,460        | 25,101,460                |                       |                 | \$1,017,864           | \$4.055                             |                                    |
| 6                | FGT                      | PGS                     | FTS-2 DEMAND       | 15,940,200              |                   | 15,940,200                |                       |                 | \$1,225,801           | \$7.690                             |                                    |
| 7                | FGT                      | PGS                     | NO NOTICE          | 10,385,000              |                   | 10,385,000                |                       |                 | \$51,406              | \$0.495                             |                                    |
| 8                | THIRD PARTY              | PGS                     | SWING SERVICE      | 2,872,740               |                   | 2,872,740                 | \$2,829,366           |                 | \$2,873               | \$0.000                             |                                    |
| 9                | SOUTHERN                 | PGS                     | SONAT TRANS COMM   | 6,849,623               |                   | 6,849,623                 |                       | \$54,700        |                       | \$0.799                             |                                    |
| 10               | SOUTHERN                 | PGS                     | SO GA TRANS COMM   | 0                       |                   | 0                         |                       | \$0             |                       | \$0.000                             |                                    |
| 11               | SOUTHERN                 | PGS                     | SONAT DEMAND       | 11,157,520              |                   | 11,157,520                |                       |                 | \$393,752             | \$3.529                             |                                    |
| 12               | SOUTHERN                 | PGS                     | SO GA DEMAND       | 0                       |                   | 0                         |                       |                 | \$0                   | \$0.000                             |                                    |
| 13               | GULFSTREAM               | PGS                     | GULFSTREAM COMM    | 4,006,001               |                   | 4,006,001                 |                       | \$8,773         |                       | \$0.219                             |                                    |
| 14               | GULFSTREAM               | PGS                     | GULFSTREAM DEMAND  | 10,850,000              |                   | 10,850,000                |                       |                 | \$604,562             | \$5.572                             |                                    |
| 15               | THIRD PARTY              | PGS                     | COMMODITY          | 16,299,340              |                   | 16,299,340                | \$15,747,245          |                 |                       | \$96.613                            |                                    |
| 16               | FGT                      | PGS                     | BAL. CHGS./OTHER   | 0                       |                   | 0                         |                       |                 |                       | \$400,000                           | \$0.000                            |
| 17               | FGT                      | PGS                     | SWING SERVICE REV. |                         | 0                 | 0                         |                       |                 |                       | \$206,140                           | \$0.000                            |
| 18 JANUARY TOTAL |                          |                         |                    | 202,335,603             | 53,481,680        | 255,817,283               | \$18,576,611          | \$456,420       | \$6,557,650           | \$606,140                           | \$10.240                           |

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-3

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 2 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH      | (B)<br>PURCHASED<br>FROM | (C)<br>PURCHASED<br>FOR | (D)<br>SCH<br>TYPE | (E)<br>SYSTEM<br>SUPPLY | (F)<br>END<br>USE | (G)<br>TOTAL<br>PURCHASED | COMMODITY COST        |                 | (J)<br>DEMAND<br>COST | (K)<br>OTHER<br>CHARGES<br>ACA/FUEL | (L)<br>TOTAL<br>CENTS PER<br>THERM |
|-------------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|-----------------------|-----------------|-----------------------|-------------------------------------|------------------------------------|
|                   |                          |                         |                    |                         |                   |                           | (H)<br>THIRD<br>PARTY | (I)<br>PIPELINE |                       |                                     |                                    |
|                   |                          |                         |                    |                         |                   |                           | 1 FEB 2008            | FGT             |                       |                                     |                                    |
| 2                 | FGT                      | PGS                     | FTS-1 COMM         |                         | 26,549,238        | 26,549,238                |                       | \$148,676       |                       |                                     | \$0.560                            |
| 3                 | FGT                      | PGS                     | FTS-2 COMM         | 5,480,060               |                   | 5,480,060                 |                       | \$15,618        |                       |                                     | \$0.285                            |
| 4                 | FGT                      | PGS                     | FTS-1 DEMAND       | 75,239,920              |                   | 75,239,920                |                       |                 | \$3,050,979           |                                     | \$4.055                            |
| 5                 | FGT                      | PGS                     | FTS-1 DEMAND       |                         | 23,482,011        | 23,482,011                |                       |                 | \$952,196             |                                     | \$4.055                            |
| 6                 | FGT                      | PGS                     | FTS-2 DEMAND       | 14,911,800              |                   | 14,911,800                |                       |                 | \$1,146,717           |                                     | \$7.690                            |
| 7                 | FGT                      | PGS                     | NO NOTICE          | 9,715,000               |                   | 9,715,000                 |                       |                 | \$48,089              |                                     | \$0.495                            |
| 8                 | THIRD PARTY              | PGS                     | SWING SERVICE      | 4,810,300               |                   | 4,810,300                 | \$4,911,291           |                 | \$4,811               |                                     | \$0.000                            |
| 9                 | SOUTHERN                 | PGS                     | SONAT TRANS COMM   | 6,067,339               |                   | 6,067,339                 |                       | \$48,452        |                       |                                     | \$0.799                            |
| 10                | SOUTHERN                 | PGS                     | SO GA TRANS COMM   | 0                       |                   | 0                         |                       | \$0             |                       |                                     | \$0.000                            |
| 11                | SOUTHERN                 | PGS                     | SONAT DEMAND       | 10,437,680              |                   | 10,437,680                |                       |                 | \$393,752             |                                     | \$3.772                            |
| 12                | SOUTHERN                 | PGS                     | SO GA DEMAND       | 0                       |                   | 0                         |                       |                 | \$0                   |                                     | \$0.000                            |
| 13                | GULFSTREAM               | PGS                     | GULFSTREAM COMM    | 3,747,549               |                   | 3,747,549                 |                       | \$8,207         |                       |                                     | \$0.219                            |
| 14                | GULFSTREAM               | PGS                     | GULFSTREAM DEMAND  | 10,150,000              |                   | 10,150,000                |                       |                 | \$565,558             |                                     | \$5.572                            |
| 15                | THIRD PARTY              | PGS                     | COMMODITY          | 13,706,835              |                   | 13,706,835                | \$13,337,608          |                 |                       |                                     | \$97.306                           |
| 16                | FGT                      | PGS                     | BAL. CHGS./OTHER   | 0                       |                   | 0                         |                       |                 |                       | \$400,000                           | \$0.000                            |
| 17                | FGT                      | PGS                     | SWING SERVICE REV. |                         | 0                 | 0                         |                       |                 |                       | \$192,841                           | \$0.000                            |
| 18 FEBRUARY TOTAL |                          |                         |                    | 190,105,247             | 50,031,249        | 240,136,496               | \$18,248,899          | \$421,651       | \$6,162,102           | \$592,841                           | \$10.588                           |

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-3

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 3 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH   | (B)<br>PURCHASED<br>FROM | (C)<br>PURCHASED<br>FOR | (D)<br>SCH<br>TYPE | (E)<br>SYSTEM<br>SUPPLY | (F)<br>END<br>USE | (G)<br>TOTAL<br>PURCHASED | (H) (I)<br>COMMODITY COST |           | (J)<br>DEMAND<br>COST | (K)<br>OTHER<br>CHARGES<br>ACA/FUEL | (L)<br>TOTAL<br>CENTS PER<br>THERM |
|----------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|---------------------------|-----------|-----------------------|-------------------------------------|------------------------------------|
|                |                          |                         |                    |                         |                   |                           | THIRD                     | PIPELINE  |                       |                                     |                                    |
|                |                          |                         |                    |                         |                   |                           | PARTY                     |           |                       |                                     |                                    |
| 1 MAR 2008     | FGT                      | PGS                     | FTS-1 COMM         | 34,404,694              |                   | 34,404,694                |                           | \$192,666 |                       |                                     | \$0.560                            |
| 2              | FGT                      | PGS                     | FTS-1 COMM         |                         | 28,380,220        | 28,380,220                |                           | \$158,929 |                       |                                     | \$0.560                            |
| 3              | FGT                      | PGS                     | FTS-2 COMM         | 5,604,290               |                   | 5,604,290                 |                           | \$15,972  |                       |                                     | \$0.285                            |
| 4              | FGT                      | PGS                     | FTS-1 DEMAND       | 80,369,360              |                   | 80,369,360                |                           |           | \$3,258,978           |                                     | \$4.055                            |
| 5              | FGT                      | PGS                     | FTS-1 DEMAND       |                         | 25,101,460        | 25,101,460                |                           |           | \$1,017,864           |                                     | \$4.055                            |
| 6              | FGT                      | PGS                     | FTS-2 DEMAND       | 15,940,200              |                   | 15,940,200                |                           |           | \$1,225,801           |                                     | \$7.690                            |
| 7              | FGT                      | PGS                     | NO NOTICE          | 7,285,000               |                   | 7,285,000                 |                           |           | \$36,061              |                                     | \$0.495                            |
| 8              | THIRD PARTY              | PGS                     | SWING SERVICE      | 1,190,000               |                   | 1,190,000                 | \$1,293,869               |           | \$1,190               |                                     | \$0.000                            |
| 9              | SOUTHERN                 | PGS                     | SONAT TRANS COMM   | 7,195,989               |                   | 7,195,989                 |                           | \$57,466  |                       |                                     | \$0.799                            |
| 10             | SOUTHERN                 | PGS                     | SO GA TRANS COMM   | 0                       |                   | 0                         |                           | \$0       |                       |                                     | \$0.000                            |
| 11             | SOUTHERN                 | PGS                     | SONAT DEMAND       | 11,157,520              |                   | 11,157,520                |                           |           | \$393,752             |                                     | \$3.529                            |
| 12             | SOUTHERN                 | PGS                     | SO GA DEMAND       | 0                       |                   | 0                         |                           |           | \$0                   |                                     | \$0.000                            |
| 13             | GULFSTREAM               | PGS                     | GULFSTREAM COMM    | 4,006,001               |                   | 4,006,001                 |                           | \$8,773   |                       |                                     | \$0.219                            |
| 14             | GULFSTREAM               | PGS                     | GULFSTREAM DEMAND  | 10,850,000              |                   | 10,850,000                |                           |           | \$604,562             |                                     | \$5.572                            |
| 15             | THIRD PARTY              | PGS                     | COMMODITY          | 14,444,765              |                   | 14,444,765                | \$15,453,576              |           |                       |                                     | \$106.984                          |
| 16             | FGT                      | PGS                     | BAL. CHGS./OTHER   | 0                       |                   | 0                         |                           |           |                       | \$400,000                           | \$0.000                            |
| 17             | FGT                      | PGS                     | SWING SERVICE REV. |                         | 0                 | 0                         |                           |           |                       | \$206,140                           | \$0.000                            |
| 18 MARCH TOTAL |                          |                         |                    | 192,447,819             | 53,481,680        | 245,929,499               | \$16,747,445              | \$433,807 | \$6,538,208           | \$606,140                           | \$9.891                            |

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-3

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 4 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH   | (B)<br>PURCHASED<br>FROM | (C)<br>PURCHASED<br>FOR | (D)<br>SCH<br>TYPE | (E)<br>SYSTEM<br>SUPPLY | (F)<br>END<br>USE | (G)<br>TOTAL<br>PURCHASED | (H) COMMODITY COST    |                 | (I)<br>PIPELINE | (J)<br>DEMAND<br>COST | (K)<br>OTHER<br>CHARGES<br>ACA/FUEL | (L)<br>TOTAL<br>CENTS PER<br>THERM |
|----------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|-----------------------|-----------------|-----------------|-----------------------|-------------------------------------|------------------------------------|
|                |                          |                         |                    |                         |                   |                           | (H)<br>THIRD<br>PARTY | (I)<br>PIPELINE |                 |                       |                                     |                                    |
|                |                          |                         |                    |                         |                   |                           |                       |                 |                 |                       |                                     |                                    |
| 1 APR 2008     | FGT                      | PGS                     | FTS-1 COMM         | 27,373,352              |                   | 27,373,352                |                       | \$153,291       |                 |                       |                                     | \$0.560                            |
| 2              | FGT                      | PGS                     | FTS-1 COMM         |                         | 27,464,729        | 27,464,729                |                       | \$153,802       |                 |                       |                                     | \$0.560                            |
| 3              | FGT                      | PGS                     | FTS-2 COMM         | 9,205,140               |                   | 9,205,140                 |                       | \$26,235        |                 |                       |                                     | \$0.285                            |
| 4              | FGT                      | PGS                     | FTS-1 DEMAND       | 73,614,000              |                   | 73,614,000                |                       |                 | \$2,985,048     |                       |                                     | \$4.055                            |
| 5              | FGT                      | PGS                     | FTS-1 DEMAND       |                         | 24,291,735        | 24,291,735                |                       |                 | \$985,030       |                       |                                     | \$4.055                            |
| 6              | FGT                      | PGS                     | FTS-2 DEMAND       | 12,426,000              |                   | 12,426,000                |                       |                 | \$955,559       |                       |                                     | \$7.690                            |
| 7              | FGT                      | PGS                     | NO NOTICE          | 6,450,000               |                   | 6,450,000                 |                       |                 | \$31,928        |                       |                                     | \$0.495                            |
| 8              | THIRD PARTY              | PGS                     | SWING SERVICE      | 0                       |                   | 0                         | \$0                   |                 | \$0             |                       |                                     | \$0.000                            |
| 9              | SOUTHERN                 | PGS                     | SONAT TRANS COMM   | 6,017,980               |                   | 6,017,980                 |                       | \$48,058        |                 |                       |                                     | \$0.799                            |
| 10             | SOUTHERN                 | PGS                     | SO GA TRANS COMM   | 0                       |                   | 0                         |                       | \$0             |                 |                       |                                     | \$0.000                            |
| 11             | SOUTHERN                 | PGS                     | SONAT DEMAND       | 10,797,600              |                   | 10,797,600                |                       |                 | \$393,752       |                       |                                     | \$3.647                            |
| 12             | SOUTHERN                 | PGS                     | SO GA DEMAND       | 0                       |                   | 0                         |                       |                 | \$0             |                       |                                     | \$0.000                            |
| 13             | GULFSTREAM               | PGS                     | GULFSTREAM COMM    | 3,876,775               |                   | 3,876,775                 |                       | \$8,490         |                 |                       |                                     | \$0.219                            |
| 14             | GULFSTREAM               | PGS                     | GULFSTREAM DEMAND  | 10,500,000              |                   | 10,500,000                |                       |                 | \$585,060       |                       |                                     | \$5.572                            |
| 15             | THIRD PARTY              | PGS                     | COMMODITY          | 12,990,538              |                   | 12,990,538                | \$13,201,854          |                 |                 |                       |                                     | \$101.627                          |
| 16             | FGT                      | PGS                     | BAL. CHGS./OTHER   | 0                       |                   | 0                         |                       |                 |                 | \$400,000             |                                     | \$0.000                            |
| 17             | FGT                      | PGS                     | SWING SERVICE REV. |                         | 0                 | 0                         |                       |                 |                 | \$199,490             |                                     | \$0.000                            |
| 18 APRIL TOTAL |                          |                         |                    | 173,251,385             | 51,756,464        | 225,007,849               | \$13,201,854          | \$389,876       | \$5,936,377     | \$599,490             |                                     | \$8.945                            |



COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-3

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 5 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH | (B)<br>PURCHASED<br>FROM | (C)<br>PURCHASED<br>FOR | (D)<br>SCH<br>TYPE | (E)<br>SYSTEM<br>SUPPLY | (F)<br>END<br>USE | (G)<br>TOTAL<br>PURCHASED | (H) & (I)<br>COMMODITY COST |                 | (J)<br>DEMAND<br>COST | (K)<br>OTHER<br>CHARGES<br>ACA/FUEL | (L)<br>TOTAL<br>CENTS PER<br>THERM |
|--------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|-----------------------------|-----------------|-----------------------|-------------------------------------|------------------------------------|
|              |                          |                         |                    |                         |                   |                           | (H)<br>THIRD<br>PARTY       | (I)<br>PIPELINE |                       |                                     |                                    |
|              |                          |                         |                    |                         |                   |                           |                             |                 |                       |                                     |                                    |
| 1 MAY 2008   | FGT                      | PGS                     | FTS-1 COMM         | 28,848,005              |                   | 28,848,005                |                             | \$161,549       |                       |                                     | \$0.560                            |
| 2            | FGT                      | PGS                     | FTS-1 COMM         |                         | 28,380,220        | 28,380,220                |                             | \$158,929       |                       |                                     | \$0.560                            |
| 3            | FGT                      | PGS                     | FTS-2 COMM         | 6,557,380               |                   | 6,557,380                 |                             | \$18,689        |                       |                                     | \$0.285                            |
| 4            | FGT                      | PGS                     | FTS-1 DEMAND       | 42,001,590              |                   | 42,001,590                |                             |                 | \$1,703,164           |                                     | \$4.055                            |
| 5            | FGT                      | PGS                     | FTS-1 DEMAND       |                         | 25,101,460        | 25,101,460                |                             |                 | \$1,017,864           |                                     | \$4.055                            |
| 6            | FGT                      | PGS                     | FTS-2 DEMAND       | 14,591,700              |                   | 14,591,700                |                             |                 | \$1,122,102           |                                     | \$7.690                            |
| 7            | FGT                      | PGS                     | NO NOTICE          | 6,665,000               |                   | 6,665,000                 |                             |                 | \$32,992              |                                     | \$0.495                            |
| 8            | THIRD PARTY              | PGS                     | SWING SERVICE      | 2,013,260               |                   | 2,013,260                 | \$2,114,424                 |                 | \$2,013               |                                     | \$0.000                            |
| 9            | SOUTHERN                 | PGS                     | SONAT TRANS COMM   | 6,745,418               |                   | 6,745,418                 |                             | \$53,867        |                       |                                     | \$0.799                            |
| 10           | SOUTHERN                 | PGS                     | SO GA TRANS COMM   | 0                       |                   | 0                         |                             | \$0             |                       |                                     | \$0.000                            |
| 11           | SOUTHERN                 | PGS                     | SONAT DEMAND       | 11,157,520              |                   | 11,157,520                |                             |                 | \$393,752             |                                     | \$3.529                            |
| 12           | SOUTHERN                 | PGS                     | SO GA DEMAND       | 0                       |                   | 0                         |                             |                 | \$0                   |                                     | \$0.000                            |
| 13           | GULFSTREAM               | PGS                     | GULFSTREAM COMM    | 4,006,001               |                   | 4,006,001                 |                             | \$8,773         |                       |                                     | \$0.219                            |
| 14           | GULFSTREAM               | PGS                     | GULFSTREAM DEMAND  | 10,850,000              |                   | 10,850,000                |                             |                 | \$604,562             |                                     | \$5.572                            |
| 15           | THIRD PARTY              | PGS                     | COMMODITY          | 9,017,906               |                   | 9,017,906                 | \$9,288,044                 |                 |                       |                                     | \$102.996                          |
| 16           | FGT                      | PGS                     | BAL. CHGS./OTHER   | 0                       |                   | 0                         |                             |                 |                       | \$400,000                           | \$0.000                            |
| 17           | FGT                      | PGS                     | SWING SERVICE REV. |                         | 0                 | 0                         |                             |                 |                       | \$206,140                           | \$0.000                            |
| 18 MAY TOTAL |                          |                         |                    | 142,453,780             | 53,481,680        | 195,935,460               | \$11,402,468                | \$401,807       | \$4,876,450           | \$606,140                           | \$8.823                            |

COMPANY: PEOPLES GAS SYSTEM  
 SCHEDULE E-3

TRANSPORTATION PURCHASES  
 SYSTEM SUPPLY AND END USE

Docket No. 070003-GU  
 PGA CAP 2008  
 Exhibit EE-2, Page 6 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH  | (B)<br>PURCHASED FROM | (C)<br>PURCHASED FOR | (D)<br>SCH TYPE    | (E)<br>SYSTEM SUPPLY | (F)<br>END USE | (G)<br>TOTAL PURCHASED | (H) & (I)<br>COMMODITY COST |                 | (J)<br>DEMAND COST | (K)<br>OTHER CHARGES ACA/FUEL | (L)<br>TOTAL CENTS PER THERM |
|---------------|-----------------------|----------------------|--------------------|----------------------|----------------|------------------------|-----------------------------|-----------------|--------------------|-------------------------------|------------------------------|
|               |                       |                      |                    |                      |                |                        | (H)<br>THIRD PARTY          | (I)<br>PIPELINE |                    |                               |                              |
|               |                       |                      |                    |                      |                |                        |                             |                 |                    |                               |                              |
| 1 JUN 2008    | FGT                   | PGS                  | FTS-1 COMM         | 26,389,850           |                | 26,389,850             |                             | \$147,783       |                    |                               | \$0.560                      |
| 2             | FGT                   | PGS                  | FTS-1 COMM         |                      | 27,464,729     | 27,464,729             |                             | \$153,802       |                    |                               | \$0.560                      |
| 3             | FGT                   | PGS                  | FTS-2 COMM         | 6,549,550            |                | 6,549,550              |                             | \$18,666        |                    |                               | \$0.285                      |
| 4             | FGT                   | PGS                  | FTS-1 DEMAND       | 40,656,300           |                | 40,656,300             |                             |                 | \$1,648,613        |                               | \$4.055                      |
| 5             | FGT                   | PGS                  | FTS-1 DEMAND       |                      | 24,291,735     | 24,291,735             |                             |                 | \$985,030          |                               | \$4.055                      |
| 6             | FGT                   | PGS                  | FTS-2 DEMAND       | 14,121,000           |                | 14,121,000             |                             |                 | \$1,085,905        |                               | \$7.690                      |
| 7             | FGT                   | PGS                  | NO NOTICE          | 6,450,000            |                | 6,450,000              |                             |                 | \$31,928           |                               | \$0.495                      |
| 8             | THIRD PARTY           | PGS                  | SWING SERVICE      | 3,198,480            |                | 3,198,480              | \$3,335,600                 |                 | \$3,199            |                               | \$0.000                      |
| 9             | SOUTHERN              | PGS                  | SONAT TRANS COMM   | 6,085,838            |                | 6,085,838              |                             | \$48,600        |                    |                               | \$0.799                      |
| 10            | SOUTHERN              | PGS                  | SO GA TRANS COMM   | 0                    |                | 0                      |                             | \$0             |                    |                               | \$0.000                      |
| 11            | SOUTHERN              | PGS                  | SONAT DEMAND       | 10,797,600           |                | 10,797,600             |                             |                 | \$393,752          |                               | \$3.647                      |
| 12            | SOUTHERN              | PGS                  | SO GA DEMAND       | 0                    |                | 0                      |                             |                 | \$0                |                               | \$0.000                      |
| 13            | GULFSTREAM            | PGS                  | GULFSTREAM COMM    | 3,876,775            |                | 3,876,775              |                             | \$8,490         |                    |                               | \$0.219                      |
| 14            | GULFSTREAM            | PGS                  | GULFSTREAM DEMAND  | 10,500,000           |                | 10,500,000             |                             |                 | \$585,060          |                               | \$5.572                      |
| 15            | THIRD PARTY           | PGS                  | COMMODITY          | 6,152,966            |                | 6,152,966              | \$2,447,747                 |                 |                    |                               | \$39.782                     |
| 16            | FGT                   | PGS                  | BAL. CHGS./OTHER   | 0                    |                | 0                      |                             |                 |                    | \$400,000                     | \$0.000                      |
| 17            | FGT                   | PGS                  | SWING SERVICE REV. |                      | 0              | 0                      |                             |                 |                    | \$199,490                     | \$0.000                      |
| 18 JUNE TOTAL |                       |                      |                    | 134,778,359          | 51,756,464     | 186,534,823            | \$5,783,347                 | \$377,342       | \$4,733,486        | \$599,490                     | \$6.162                      |

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-3

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 7 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH  | (B)<br>PURCHASED<br>FROM | (C)<br>PURCHASED<br>FOR | (D)<br>SCH<br>TYPE | (E)<br>SYSTEM<br>SUPPLY | (F)<br>END<br>USE | (G)<br>TOTAL<br>PURCHASED | (H) (I)<br>COMMODITY COST |           | (J)<br>DEMAND<br>COST | (K)<br>OTHER<br>CHARGES<br>ACA/FUEL | (L)<br>TOTAL<br>CENTS PER<br>THERM |
|---------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|---------------------------|-----------|-----------------------|-------------------------------------|------------------------------------|
|               |                          |                         |                    |                         |                   |                           | THIRD                     | PIPELINE  |                       |                                     |                                    |
|               |                          |                         |                    |                         |                   |                           | PARTY                     |           |                       |                                     |                                    |
| 1 JUL 2008    | FGT                      | PGS                     | FTS-1 COMM         | 24,811,561              |                   | 24,811,561                |                           | \$138,945 |                       |                                     | \$0.560                            |
| 2             | FGT                      | PGS                     | FTS-1 COMM         |                         | 28,380,220        | 28,380,220                |                           | \$158,929 |                       |                                     | \$0.560                            |
| 3             | FGT                      | PGS                     | FTS-2 COMM         | 8,128,120               |                   | 8,128,120                 |                           | \$23,165  |                       |                                     | \$0.285                            |
| 4             | FGT                      | PGS                     | FTS-1 DEMAND       | 42,003,760              |                   | 42,003,760                |                           |           | \$1,703,252           |                                     | \$4.055                            |
| 5             | FGT                      | PGS                     | FTS-1 DEMAND       |                         | 25,101,460        | 25,101,460                |                           |           | \$1,017,864           |                                     | \$4.055                            |
| 6             | FGT                      | PGS                     | FTS-2 DEMAND       | 14,591,700              |                   | 14,591,700                |                           |           | \$1,122,102           |                                     | \$7.690                            |
| 7             | FGT                      | PGS                     | NO NOTICE          | 6,665,000               |                   | 6,665,000                 |                           |           | \$32,992              |                                     | \$0.495                            |
| 8             | THIRD PARTY              | PGS                     | SWING SERVICE      | 4,194,840               |                   | 4,194,840                 | \$4,342,594               |           | \$4,195               |                                     | \$0.000                            |
| 9             | SOUTHERN                 | PGS                     | SONAT TRANS COMM   | 6,691,438               |                   | 6,691,438                 |                           | \$53,436  |                       |                                     | \$0.799                            |
| 10            | SOUTHERN                 | PGS                     | SO GA TRANS COMM   | 0                       |                   | 0                         |                           | \$0       |                       |                                     | \$0.000                            |
| 11            | SOUTHERN                 | PGS                     | SONAT DEMAND       | 11,157,520              |                   | 11,157,520                |                           |           | \$393,752             |                                     | \$3.529                            |
| 12            | SOUTHERN                 | PGS                     | SO GA DEMAND       | 0                       |                   | 0                         |                           |           | \$0                   |                                     | \$0.000                            |
| 13            | GULFSTREAM               | PGS                     | GULFSTREAM COMM    | 4,006,001               |                   | 4,006,001                 |                           | \$8,773   |                       |                                     | \$0.219                            |
| 14            | GULFSTREAM               | PGS                     | GULFSTREAM DEMAND  | 10,850,000              |                   | 10,850,000                |                           |           | \$604,562             |                                     | \$5.572                            |
| 15            | THIRD PARTY              | PGS                     | COMMODITY          | 4,370,622               |                   | 4,370,622                 | \$3,594,568               |           |                       |                                     | \$82.244                           |
| 16            | FGT                      | PGS                     | BAL. CHGS./OTHER   | 0                       |                   | 0                         |                           |           |                       | \$400,000                           | \$0.000                            |
| 17            | FGT                      | PGS                     | SWING SERVICE REV. |                         | 0                 | 0                         |                           |           |                       | \$206,140                           | \$0.000                            |
| 18 JULY TOTAL |                          |                         |                    | 137,470,562             | 53,481,680        | 190,952,242               | \$7,937,162               | \$383,249 | \$4,878,720           | \$606,140                           | \$7.230                            |

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-3

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

Docket No. 070003-GU

PGA CAP 2008

Exhibit EE-2, Page 8 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH    | (B)<br>PURCHASED<br>FROM | (C)<br>PURCHASED<br>FOR | (D)<br>SCH<br>TYPE | (E)<br>SYSTEM<br>SUPPLY | (F)<br>END<br>USE | (G)<br>TOTAL<br>PURCHASED | (H) (I)<br>COMMODITY COST |           | (J)<br>DEMAND<br>COST | (K)<br>OTHER<br>CHARGES<br>ACA/FUEL | (L)<br>TOTAL<br>CENTS PER<br>THERM |
|-----------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|---------------------------|-----------|-----------------------|-------------------------------------|------------------------------------|
|                 |                          |                         |                    |                         |                   |                           | THIRD<br>PARTY            | PIPELINE  |                       |                                     |                                    |
|                 |                          |                         |                    |                         |                   |                           | 1 AUG 2008                | FGT       |                       |                                     |                                    |
| 2               | FGT                      | PGS                     | FTS-1 COMM         |                         | 28,380,220        | 28,380,220                |                           | \$158,929 |                       |                                     | \$0.560                            |
| 3               | FGT                      | PGS                     | FTS-2 COMM         | 8,902,360               |                   | 8,902,360                 |                           | \$25,372  |                       |                                     | \$0.285                            |
| 4               | FGT                      | PGS                     | FTS-1 DEMAND       | 41,981,130              |                   | 41,981,130                |                           |           | \$1,702,335           |                                     | \$4.055                            |
| 5               | FGT                      | PGS                     | FTS-1 DEMAND       |                         | 25,101,460        | 25,101,460                |                           |           | \$1,017,864           |                                     | \$4.055                            |
| 6               | FGT                      | PGS                     | FTS-2 DEMAND       | 14,591,700              |                   | 14,591,700                |                           |           | \$1,122,102           |                                     | \$7.690                            |
| 7               | FGT                      | PGS                     | NO NOTICE          | 6,665,000               |                   | 6,665,000                 |                           |           | \$32,992              |                                     | \$0.495                            |
| 8               | THIRD PARTY              | PGS                     | SWING SERVICE      | 5,344,890               |                   | 5,344,890                 | \$5,800,175               |           | \$5,345               |                                     | \$0.000                            |
| 9               | SOUTHERN                 | PGS                     | SONAT TRANS COMM   | 6,691,438               |                   | 6,691,438                 |                           | \$53,436  |                       |                                     | \$0.799                            |
| 10              | SOUTHERN                 | PGS                     | SO GA TRANS COMM   | 0                       |                   | 0                         |                           | \$0       |                       |                                     | \$0.000                            |
| 11              | SOUTHERN                 | PGS                     | SONAT DEMAND       | 11,157,520              |                   | 11,157,520                |                           |           | \$393,752             |                                     | \$3.529                            |
| 12              | SOUTHERN                 | PGS                     | SO GA DEMAND       | 0                       |                   | 0                         |                           |           | \$0                   |                                     | \$0.000                            |
| 13              | GULFSTREAM               | PGS                     | GULFSTREAM COMM    | 4,006,001               |                   | 4,006,001                 |                           | \$8,773   |                       |                                     | \$0.219                            |
| 14              | GULFSTREAM               | PGS                     | GULFSTREAM DEMAND  | 10,850,000              |                   | 10,850,000                |                           |           | \$604,562             |                                     | \$5.572                            |
| 15              | THIRD PARTY              | PGS                     | COMMODITY          | 2,948,342               |                   | 2,948,342                 | \$982,486                 |           |                       |                                     | \$33.323                           |
| 16              | FGT                      | PGS                     | BAL. CHGS./OTHER   | 0                       |                   | 0                         |                           |           |                       | \$400,000                           | \$0.000                            |
| 17              | FGT                      | PGS                     | SWING SERVICE REV. |                         | 0                 | 0                         |                           |           |                       | \$206,140                           | \$0.000                            |
| 18 AUGUST TOTAL |                          |                         |                    | 136,903,472             | 53,481,680        | 190,385,152               | \$6,782,661               | \$379,595 | \$4,878,952           | \$606,140                           | \$6.643                            |

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-3

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 9 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH       | (B)<br>PURCHASED<br>FROM | (C)<br>PURCHASED<br>FOR | (D)<br>SCH<br>TYPE | (E)<br>SYSTEM<br>SUPPLY | (F)<br>END<br>USE | (G)<br>TOTAL<br>PURCHASED | (H) (I)<br>COMMODITY COST |                 | (J)<br>DEMAND<br>COST | (K)<br>OTHER<br>CHARGES<br>ACA/FUEL | (L)<br>TOTAL<br>CENTS PER<br>THERM |
|--------------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|---------------------------|-----------------|-----------------------|-------------------------------------|------------------------------------|
|                    |                          |                         |                    |                         |                   |                           | (H)<br>THIRD<br>PARTY     | (I)<br>PIPELINE |                       |                                     |                                    |
|                    |                          |                         |                    |                         |                   |                           |                           |                 |                       |                                     |                                    |
| 1 SEP 2008         | FGT                      | PGS                     | FTS-1 COMM         | 24,563,628              |                   | 24,563,628                |                           | \$137,556       |                       |                                     | \$0.560                            |
| 2                  | FGT                      | PGS                     | FTS-1 COMM         |                         | 27,464,729        | 27,464,729                |                           | \$153,802       |                       |                                     | \$0.560                            |
| 3                  | FGT                      | PGS                     | FTS-2 COMM         | 7,512,740               |                   | 7,512,740                 |                           | \$21,411        |                       |                                     | \$0.285                            |
| 4                  | FGT                      | PGS                     | FTS-1 DEMAND       | 40,731,000              |                   | 40,731,000                |                           |                 | \$1,651,642           |                                     | \$4.055                            |
| 5                  | FGT                      | PGS                     | FTS-1 DEMAND       |                         | 24,291,735        | 24,291,735                |                           |                 | \$985,030             |                                     | \$4.055                            |
| 6                  | FGT                      | PGS                     | FTS-2 DEMAND       | 14,121,000              |                   | 14,121,000                |                           |                 | \$1,085,905           |                                     | \$7.690                            |
| 7                  | FGT                      | PGS                     | NO NOTICE          | 6,450,000               |                   | 6,450,000                 |                           |                 | \$31,928              |                                     | \$0.495                            |
| 8                  | THIRD PARTY              | PGS                     | SWING SERVICE      | 5,172,474               |                   | 5,172,474                 | \$5,653,916               |                 | \$5,173               |                                     | \$0.000                            |
| 9                  | SOUTHERN                 | PGS                     | SONAT TRANS COMM   | 6,475,585               |                   | 6,475,585                 |                           | \$51,713        |                       |                                     | \$0.799                            |
| 10                 | SOUTHERN                 | PGS                     | SO GA TRANS COMM   | 0                       |                   | 0                         |                           | \$0             |                       |                                     | \$0.000                            |
| 11                 | SOUTHERN                 | PGS                     | SONAT DEMAND       | 10,797,600              |                   | 10,797,600                |                           |                 | \$393,752             |                                     | \$3.647                            |
| 12                 | SOUTHERN                 | PGS                     | SO GA DEMAND       | 0                       |                   | 0                         |                           |                 | \$0                   |                                     | \$0.000                            |
| 13                 | GULFSTREAM               | PGS                     | GULFSTREAM COMM    | 3,876,775               |                   | 3,876,775                 |                           | \$8,490         |                       |                                     | \$0.219                            |
| 14                 | GULFSTREAM               | PGS                     | GULFSTREAM DEMAND  | 10,500,000              |                   | 10,500,000                |                           |                 | \$585,060             |                                     | \$5.572                            |
| 15                 | THIRD PARTY              | PGS                     | COMMODITY          | 3,315,940               |                   | 3,315,940                 | \$2,424,580               |                 |                       |                                     | \$73.119                           |
| 16                 | FGT                      | PGS                     | BAL. CHGS./OTHER   | 0                       |                   | 0                         |                           |                 |                       | \$400,000                           | \$0.000                            |
| 17                 | FGT                      | PGS                     | SWING SERVICE REV. |                         | 0                 | 0                         |                           |                 |                       | \$199,490                           | \$0.000                            |
| 18 SEPTEMBER TOTAL |                          |                         |                    | 133,516,742             | 51,756,464        | 185,273,206               | \$8,078,496               | \$372,973       | \$4,738,489           | \$599,490                           | \$7.443                            |

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-3

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 10 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH     | (B)<br>PURCHASED<br>FROM | (C)<br>PURCHASED<br>FOR | (D)<br>SCH<br>TYPE | (E)<br>SYSTEM<br>SUPPLY | (F)<br>END<br>USE | (G)<br>TOTAL<br>PURCHASED | (H) (I)<br>COMMODITY COST |           | (J)<br>DEMAND<br>COST | (K)<br>OTHER<br>CHARGES<br>ACA/FUEL | (L)<br>TOTAL<br>CENTS PER<br>THERM |
|------------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|---------------------------|-----------|-----------------------|-------------------------------------|------------------------------------|
|                  |                          |                         |                    |                         |                   |                           | THIRD<br>PARTY            | PIPELINE  |                       |                                     |                                    |
|                  |                          |                         |                    |                         |                   |                           |                           |           |                       |                                     |                                    |
| 1 OCT 2008       | FGT                      | PGS                     | FTS-1 COMM         | 27,837,588              |                   | 27,837,588                |                           | \$155,890 |                       |                                     | \$0.560                            |
| 2                | FGT                      | PGS                     | FTS-1 COMM         |                         | 28,380,220        | 28,380,220                |                           | \$158,929 |                       |                                     | \$0.560                            |
| 3                | FGT                      | PGS                     | FTS-2 COMM         | 4,844,450               |                   | 4,844,450                 |                           | \$13,807  |                       |                                     | \$0.285                            |
| 4                | FGT                      | PGS                     | FTS-1 DEMAND       | 67,241,480              |                   | 67,241,480                |                           |           | \$2,726,642           |                                     | \$4.055                            |
| 5                | FGT                      | PGS                     | FTS-1 DEMAND       |                         | 25,101,460        | 25,101,460                |                           |           | \$1,017,864           |                                     | \$4.055                            |
| 6                | FGT                      | PGS                     | FTS-2 DEMAND       | 14,591,700              |                   | 14,591,700                |                           |           | \$1,122,102           |                                     | \$7.690                            |
| 7                | FGT                      | PGS                     | NO NOTICE          | 6,665,000               |                   | 6,665,000                 |                           |           | \$32,992              |                                     | \$0.495                            |
| 8                | THIRD PARTY              | PGS                     | SWING SERVICE      | 5,344,890               |                   | 5,344,890                 | \$6,147,731               |           | \$5,345               |                                     | \$0.000                            |
| 9                | SOUTHERN                 | PGS                     | SONAT TRANS COMM   | 6,691,438               |                   | 6,691,438                 |                           | \$53,436  |                       |                                     | \$0.799                            |
| 10               | SOUTHERN                 | PGS                     | SO GA TRANS COMM   | 0                       |                   | 0                         |                           | \$0       |                       |                                     | \$0.000                            |
| 11               | SOUTHERN                 | PGS                     | SONAT DEMAND       | 11,157,520              |                   | 11,157,520                |                           |           | \$393,752             |                                     | \$3.529                            |
| 12               | SOUTHERN                 | PGS                     | SO GA DEMAND       | 0                       |                   | 0                         |                           |           | \$0                   |                                     | \$0.000                            |
| 13               | GULFSTREAM               | PGS                     | GULFSTREAM COMM    | 4,006,001               |                   | 4,006,001                 |                           | \$8,773   |                       |                                     | \$0.219                            |
| 14               | GULFSTREAM               | PGS                     | GULFSTREAM DEMAND  | 10,850,000              |                   | 10,850,000                |                           |           | \$604,562             |                                     | \$5.572                            |
| 15               | THIRD PARTY              | PGS                     | COMMODITY          | 2,962,929               |                   | 2,962,929                 | \$2,807,982               |           |                       |                                     | \$94.770                           |
| 16               | FGT                      | PGS                     | BAL. CHGS./OTHER   | 0                       |                   | 0                         |                           |           |                       | \$400,000                           | \$0.000                            |
| 17               | FGT                      | PGS                     | SWING SERVICE REV. |                         | 0                 | 0                         |                           |           |                       | \$206,140                           | \$0.000                            |
| 18 OCTOBER TOTAL |                          |                         |                    | 162,192,996             | 53,481,680        | 215,674,676               | \$8,955,714               | \$390,836 | \$5,903,259           | \$606,140                           | \$7.352                            |

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-3

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 11 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH      | (B)<br>PURCHASED<br>FROM | (C)<br>PURCHASED<br>FOR | (D)<br>SCH<br>TYPE | (E)<br>SYSTEM<br>SUPPLY | (F)<br>END<br>USE | (G)<br>TOTAL<br>PURCHASED | (H) COMMODITY COST    |                 | (J)<br>DEMAND<br>COST | (K)<br>OTHER<br>CHARGES<br>ACA/FUEL | (L)<br>TOTAL<br>CENTS PER<br>THERM |
|-------------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|-----------------------|-----------------|-----------------------|-------------------------------------|------------------------------------|
|                   |                          |                         |                    |                         |                   |                           | (H)<br>THIRD<br>PARTY | (I)<br>PIPELINE |                       |                                     |                                    |
|                   |                          |                         |                    |                         |                   |                           | 1 NOV 2008            | FGT             |                       |                                     |                                    |
| 2                 | FGT                      | PGS                     | FTS-1 COMM         |                         | 27,464,729        | 27,464,729                |                       | \$153,802       |                       | \$0.560                             |                                    |
| 3                 | FGT                      | PGS                     | FTS-2 COMM         | 2,946,970               |                   | 2,946,970                 |                       | \$8,399         |                       | \$0.285                             |                                    |
| 4                 | FGT                      | PGS                     | FTS-1 DEMAND       | 77,820,000              |                   | 77,820,000                |                       |                 | \$3,155,601           | \$4.055                             |                                    |
| 5                 | FGT                      | PGS                     | FTS-1 DEMAND       |                         | 24,291,735        | 24,291,735                |                       |                 | \$985,030             | \$4.055                             |                                    |
| 6                 | FGT                      | PGS                     | FTS-2 DEMAND       | 15,426,000              |                   | 15,426,000                |                       |                 | \$1,186,259           | \$7.690                             |                                    |
| 7                 | FGT                      | PGS                     | NO NOTICE          | 7,050,000               |                   | 7,050,000                 |                       |                 | \$34,898              | \$0.495                             |                                    |
| 8                 | THIRD PARTY              | PGS                     | SWING SERVICE      | 5,172,474               |                   | 5,172,474                 | \$5,898,443           |                 | \$5,172               | \$0.000                             |                                    |
| 9                 | SOUTHERN                 | PGS                     | SONAT TRANS COMM   | 6,475,585               |                   | 6,475,585                 |                       | \$51,713        |                       | \$0.799                             |                                    |
| 10                | SOUTHERN                 | PGS                     | SO GA TRANS COMM   | 0                       |                   | 0                         |                       | \$0             |                       | \$0.000                             |                                    |
| 11                | SOUTHERN                 | PGS                     | SONAT DEMAND       | 10,797,600              |                   | 10,797,600                |                       |                 | \$393,752             | \$3.647                             |                                    |
| 12                | SOUTHERN                 | PGS                     | SO GA DEMAND       | 0                       |                   | 0                         |                       |                 | \$0                   | \$0.000                             |                                    |
| 13                | GULFSTREAM               | PGS                     | GULFSTREAM COMM    | 3,876,775               |                   | 3,876,775                 |                       | \$8,490         |                       | \$0.219                             |                                    |
| 14                | GULFSTREAM               | PGS                     | GULFSTREAM DEMAND  | 10,500,000              |                   | 10,500,000                |                       |                 | \$585,060             | \$5.572                             |                                    |
| 15                | THIRD PARTY              | PGS                     | COMMODITY          | 4,395,879               |                   | 4,395,879                 | \$4,412,851           |                 |                       | \$100.386                           |                                    |
| 16                | FGT                      | PGS                     | BAL. CHGS./OTHER   | 0                       |                   | 0                         |                       |                 |                       | \$400,000                           |                                    |
| 17                | FGT                      | PGS                     | SWING SERVICE REV. |                         | 0                 | 0                         |                       |                 |                       | \$199,490                           |                                    |
| 18 NOVEMBER TOTAL |                          |                         |                    | 174,670,620             | 51,756,464        | 226,427,084               | \$10,311,294          | \$391,576       | \$6,345,772           | \$599,490                           | \$7.794                            |

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-3

TRANSPORTATION PURCHASES  
SYSTEM SUPPLY AND END USE

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 12 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '08 Through DECEMBER '08

| (A)<br>MONTH      | (B)<br>PURCHASED<br>FROM | (C)<br>PURCHASED<br>FOR | (D)<br>SCH<br>TYPE | (E)<br>SYSTEM<br>SUPPLY | (F)<br>END<br>USE | (G)<br>TOTAL<br>PURCHASED | (H) (I)<br>COMMODITY COST |           | (J)<br>DEMAND<br>COST | (K)<br>OTHER<br>CHARGES<br>ACA/FUEL | (L)<br>TOTAL<br>CENTS PER<br>THERM |
|-------------------|--------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|---------------------------|-----------|-----------------------|-------------------------------------|------------------------------------|
|                   |                          |                         |                    |                         |                   |                           | THIRD                     | PIPELINE  |                       |                                     |                                    |
|                   |                          |                         |                    |                         |                   |                           | PARTY                     |           |                       |                                     |                                    |
| 1 DEC 2008        | FGT                      | PGS                     | FTS-1 COMM         | 34,972,601              |                   | 34,972,601                |                           | \$195,847 |                       |                                     | \$0.560                            |
| 2                 | FGT                      | PGS                     | FTS-1 COMM         |                         | 28,380,220        | 28,380,220                |                           | \$158,929 |                       |                                     | \$0.560                            |
| 3                 | FGT                      | PGS                     | FTS-2 COMM         | 3,008,490               |                   | 3,008,490                 |                           | \$8,574   |                       |                                     | \$0.285                            |
| 4                 | FGT                      | PGS                     | FTS-1 DEMAND       | 80,428,880              |                   | 80,428,880                |                           |           | \$3,261,391           |                                     | \$4.055                            |
| 5                 | FGT                      | PGS                     | FTS-1 DEMAND       |                         | 25,101,460        | 25,101,460                |                           |           | \$1,017,864           |                                     | \$4.055                            |
| 6                 | FGT                      | PGS                     | FTS-2 DEMAND       | 15,940,200              |                   | 15,940,200                |                           |           | \$1,225,801           |                                     | \$7.690                            |
| 7                 | FGT                      | PGS                     | NO NOTICE          | 10,385,000              |                   | 10,385,000                |                           |           | \$51,406              |                                     | \$0.495                            |
| 8                 | THIRD PARTY              | PGS                     | SWING SERVICE      | 5,344,890               |                   | 5,344,890                 | \$6,379,805               |           | \$5,345               |                                     | \$0.000                            |
| 9                 | SOUTHERN                 | PGS                     | SONAT TRANS COMM   | 6,691,438               |                   | 6,691,438                 |                           | \$53,436  |                       |                                     | \$0.799                            |
| 10                | SOUTHERN                 | PGS                     | SO GA TRANS COMM   | 0                       |                   | 0                         |                           | \$0       |                       |                                     | \$0.000                            |
| 11                | SOUTHERN                 | PGS                     | SONAT DEMAND       | 11,157,520              |                   | 11,157,520                |                           |           | \$393,752             |                                     | \$3.529                            |
| 12                | SOUTHERN                 | PGS                     | SO GA DEMAND       | 0                       |                   | 0                         |                           |           | \$0                   |                                     | \$0.000                            |
| 13                | GULFSTREAM               | PGS                     | GULFSTREAM COMM    | 4,006,001               |                   | 4,006,001                 |                           | \$8,773   |                       |                                     | \$0.219                            |
| 14                | GULFSTREAM               | PGS                     | GULFSTREAM DEMAND  | 10,850,000              |                   | 10,850,000                |                           |           | \$604,562             |                                     | \$5.572                            |
| 15                | THIRD PARTY              | PGS                     | COMMODITY          | 8,261,982               |                   | 8,261,982                 | \$9,261,724               |           |                       |                                     | \$112.101                          |
| 16                | FGT                      | PGS                     | BAL. CHGS./OTHER   | 0                       |                   | 0                         |                           |           |                       | \$400,000                           | \$0.000                            |
| 17                | FGT                      | PGS                     | SWING SERVICE REV. |                         | 0                 | 0                         |                           |           |                       | \$206,140                           | \$0.000                            |
| 18 DECEMBER TOTAL |                          |                         |                    | 191,047,002             | 53,481,680        | 244,528,682               | \$15,641,529              | \$425,560 | \$6,560,122           | \$606,140                           | \$9.501                            |



COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-4

CALCULATION OF TRUE-UP AMOUNT  
PROJECTED PERIOD

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 1 of 1

ESTIMATED FOR THE PROJECTED PERIOD: JANUARY '08 through DECEMBER '08

|  | PRIOR PERIOD: JAN '06 - DEC '06              |               |                              | CURRENT PERIOD: JAN '07 - DEC '07            |                                    |
|--|--|---------------|------------------------------|--|------------------------------------|
|  | (1)<br>8 MOS. ACT.<br>4 MOS.<br>REVISED EST. | (2)<br>ACTUAL | (3)<br>(2)-(1)<br>DIFFERENCE | (4)<br>8 MOS. ACT.<br>4 MOS.<br>REVISED EST. | (5)<br>(3)+(4)<br>TOTAL<br>TRUE-UP |
| 1 TOTAL THERM SALES \$   | \$302,356,097                                | \$357,245,701 | \$54,889,604                 | \$305,141,693                                | \$360,031,297                      |
| 2 TRUE-UP PROVISION FOR THIS PERIOD<br>OVER (UNDER) COLLECTION | \$15,001,736                                 | \$13,568,686  | (\$1,433,050)                | \$6,880,721                                  | \$5,447,671                        |
| 2a MISCELLANEOUS ADJUSTMENTS                                   | (\$33)                                       | (\$32)        | \$1                          | \$0  | \$1                                |
| 3 INTEREST PROVISION FOR THIS PERIOD                           | \$610,008                                    | \$587,003     | (\$23,005)                   | \$370,293                                    | \$347,288                          |
| 3a TRUE-UP (COLLECTED) OR REFUNDED                             | \$0  | \$0           | \$0                          | \$0  | \$0                                |
| 4 END OF PERIOD TOTAL NET TRUE-UP                              | \$15,611,711                                 | \$14,155,657  | (\$1,456,054)                | \$7,251,014                                  | \$5,794,960                        |

NOTE: FIVE MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM CURRENT PERIOD SCHEDULE (E-2).

COL.(1)SAME AS COL. (4 Less Line 3a) PRIOR PER. SCH.(E-4)  
COL.(2)DATA OBTAINED FROM DEC'06 SCHEDULE (A-2)  
LINE 4 COLUMN (2) SAME AS LINE 7 SCHEDULE (A-7), Dec'06  
LINE 4 COLUMN (3) SAME AS LINE 9 SCHEDULE (A-7),Dec'06  
LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)  
LINE 2a COLUMN (4) SAME AS LINES 10a SCHEDULE (E-2)  
LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

|                    |        |                         |
|--------------------|--------|-------------------------|
| TOTAL TRUE-UP \$   | equals | CENTS PER THERM TRUE-UP |
| PROJ. TH. SALES    |        |                         |
| <u>\$5,794,960</u> | equals | 0.04038                 |
| <u>143,527,282</u> |        |                         |

|                                     | JAN         | FEB        | MAR         | APR         | MAY         | JUN        | JUL         | AUG        | SEP        | OCT        | NOV        | DEC        | TOTAL         |
|-------------------------------------|-------------|------------|-------------|-------------|-------------|------------|-------------|------------|------------|------------|------------|------------|---------------|
| <b>THERM SALES (FIRM)</b>           |             |            |             |             |             |            |             |            |            |            |            |            |               |
| 1 RESIDENTIAL                       | 10,978,919  | 10,452,953 | 8,402,190   | 6,438,253   | 5,121,869   | 4,106,134  | 3,607,977   | 3,477,960  | 3,482,570  | 3,614,176  | 4,263,943  | 6,943,296  | 70,890,240    |
| 2 SMALL GENERAL SERVICE             | 304,136     | 300,651    | 252,400     | 202,639     | 192,016     | 172,552    | 162,354     | 159,178    | 166,794    | 165,651    | 179,707    | 220,747    | 2,478,825     |
| 3 GENERAL SERVICE-1                 | 5,057,129   | 5,014,669  | 4,446,181   | 4,055,926   | 3,597,822   | 3,285,305  | 3,065,843   | 2,974,343  | 2,958,043  | 2,937,438  | 3,269,648  | 4,143,152  | 44,805,499    |
| 4 GENERAL SERVICE-2                 | 1,653,617   | 1,597,310  | 1,427,446   | 1,295,981   | 1,167,600   | 1,019,219  | 952,757     | 911,968    | 893,561    | 858,710    | 1,010,982  | 1,287,516  | 14,076,667    |
| 5 GENERAL SERVICE-3                 | 823,720     | 823,689    | 798,191     | 690,476     | 658,710     | 539,763    | 527,224     | 537,863    | 538,182    | 519,553    | 573,979    | 730,084    | 7,761,434     |
| 6 GENERAL SERVICE-4                 | 59,680      | 67,023     | 71,128      | 86,628      | 82,061      | 72,783     | 76,172      | 77,057     | 72,547     | 64,964     | 86,713     | 78,375     | 895,131       |
| 7 GENERAL SERVICE-5                 | 231,051     | 195,369    | 186,184     | 170,897     | 169,001     | 118,233    | 139,958     | 117,445    | 345,619    | 114,940    | 146,557    | 155,293    | 2,090,547     |
| 8 NATURAL GAS VEHICLES              | 3,255       | 3,273      | 3,498       | 3,390       | 4,476       | 3,920      | 4,277       | 3,806      | 3,880      | 3,550      | 3,491      | 3,151      | 43,967        |
| 9 COMMERCIAL STREET LIGHTING        | 16,013      | 14,102     | 13,177      | 14,098      | 13,477      | 14,358     | 12,659      | 13,912     | 12,807     | 12,431     | 12,242     | 15,045     | 164,321       |
| 10 WHOLESALE                        | 44,560      | 48,096     | 34,370      | 32,250      | 24,134      | 19,179     | 16,241      | 19,700     | 14,411     | 16,406     | 21,091     | 30,213     | 320,651       |
| 11 TOTAL FIRM SALES                 | 19,172,080  | 18,517,135 | 15,634,765  | 12,990,538  | 11,031,166  | 9,351,446  | 8,565,462   | 8,293,232  | 8,488,414  | 8,307,819  | 9,568,353  | 13,606,872 | 143,527,282   |
| <b>THERM SALES (INTERRUPTIBLE)</b>  |             |            |             |             |             |            |             |            |            |            |            |            |               |
| 12 SMALL INTERRUPTIBLE              | 0           | 0          | 0           | 0           | 0           | 0          | 0           | 0          | 0          | 0          | 0          | 0          | 0             |
| 13 INTERRUPTIBLE                    | 0           | 0          | 0           | 0           | 0           | 0          | 0           | 0          | 0          | 0          | 0          | 0          | 0             |
| 14 LARGE INTERRUPTIBLE              | 0           | 0          | 0           | 0           | 0           | 0          | 0           | 0          | 0          | 0          | 0          | 0          | 0             |
| 15 TOTAL INTERRUPTIBLE              | 0           | 0          | 0           | 0           | 0           | 0          | 0           | 0          | 0          | 0          | 0          | 0          | 0             |
| 16 TOTAL SALES                      | 19,172,080  | 18,517,135 | 15,634,765  | 12,990,538  | 11,031,166  | 9,351,446  | 8,565,462   | 8,293,232  | 8,488,414  | 8,307,819  | 9,568,353  | 13,606,872 | 143,527,282   |
| <b>THERM SALES (TRANSPORTATION)</b> |             |            |             |             |             |            |             |            |            |            |            |            |               |
| 17 CONDOMINIUM                      | 511,990     | 548,963    | 433,433     | 378,787     | 266,436     | 179,530    | 148,005     | 136,930    | 102,385    | 113,971    | 215,322    | 377,745    | 3,413,497     |
| 18 WHOLESALE                        | 7,108       | 9,108      | 9,059       | 12,918      | 42,368      | 36,733     | 39,601      | 37,012     | 62,410     | 24,145     | 6,144      | 4,732      | 291,338       |
| 19 COMMERCIAL STREET LIGHTING       | 68,565      | 57,737     | 58,021      | 56,313      | 63,035      | 60,021     | 65,216      | 62,703     | 59,639     | 57,802     | 54,387     | 57,847     | 721,286       |
| 20 NATURAL GAS VEHICLES             | 40,308      | 41,566     | 40,266      | 41,813      | 43,693      | 39,910     | 41,479      | 36,083     | 35,692     | 38,337     | 33,641     | 38,013     | 470,801       |
| 21 SMALL GENERAL SERVICE            | 46,131      | 46,772     | 42,921      | 37,121      | 34,313      | 29,635     | 27,360      | 27,853     | 28,286     | 29,231     | 35,206     | 43,601     | 428,430       |
| 22 GENERAL SERVICE-1                | 7,210,669   | 6,785,473  | 6,417,496   | 6,236,405   | 5,686,779   | 5,319,349  | 5,018,899   | 5,014,036  | 5,002,670  | 5,032,829  | 5,448,919  | 6,479,777  | 69,653,301    |
| 23 GENERAL SERVICE-2                | 6,769,853   | 6,539,531  | 6,136,560   | 5,832,644   | 5,252,413   | 4,821,958  | 4,704,353   | 4,557,855  | 4,464,794  | 4,448,748  | 4,847,553  | 5,984,486  | 64,360,748    |
| 24 GENERAL SERVICE-3                | 6,608,958   | 6,781,953  | 6,342,191   | 6,027,450   | 5,516,460   | 5,022,406  | 4,896,755   | 4,696,440  | 4,634,601  | 4,683,279  | 5,217,078  | 6,333,269  | 66,760,840    |
| 25 GENERAL SERVICE-4                | 4,450,884   | 4,181,101  | 4,222,585   | 4,068,291   | 3,922,298   | 3,672,098  | 3,640,438   | 3,538,011  | 3,390,375  | 3,638,622  | 3,891,239  | 4,377,264  | 46,993,206    |
| 26 GENERAL SERVICE-5                | 6,456,104   | 5,781,247  | 5,954,119   | 5,640,474   | 5,343,761   | 5,115,549  | 4,932,684   | 5,090,034  | 4,845,350  | 5,259,783  | 5,380,666  | 6,015,717  | 65,815,488    |
| 27 SMALL INTERRUPTIBLE              | 4,353,103   | 4,688,177  | 4,322,327   | 4,632,041   | 5,426,288   | 4,285,210  | 3,494,806   | 3,451,338  | 3,683,797  | 3,850,324  | 3,997,446  | 4,630,318  | 50,815,175    |
| 28 INTERRUPTIBLE                    | 15,633,059  | 17,283,616 | 15,399,063  | 16,404,060  | 15,595,427  | 16,200,598 | 15,294,590  | 14,266,672 | 14,361,608 | 14,495,414 | 14,324,433 | 15,388,311 | 184,646,851   |
| 29 LARGE INTERRUPTIBLE              | 29,553,010  | 28,418,413 | 38,457,654  | 37,996,847  | 50,621,931  | 44,029,634 | 53,863,221  | 30,601,004 | 32,718,581 | 26,427,349 | 29,421,751 | 26,310,612 | 428,420,007   |
| 30 TOTAL TRANSPORTATION SALES       | 81,709,742  | 81,163,657 | 87,835,695  | 87,365,164  | 97,815,202  | 88,812,631 | 96,167,407  | 71,515,971 | 73,390,188 | 68,099,834 | 72,873,785 | 76,041,692 | 982,790,968   |
| 31 TOTAL THROUGHPUT                 | 100,881,822 | 99,680,792 | 103,470,460 | 100,355,702 | 108,846,368 | 98,164,077 | 104,732,869 | 79,809,203 | 81,878,602 | 76,407,653 | 82,442,138 | 89,648,564 | 1,126,318,250 |

COMPANY: PEOPLES GAS SYSTEM  
SCHEDULE E-5

THERM SALES AND CUSTOMER DATA

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 2 of 2

ESTIMATED FOR THE PROJECTED PERIOD:

JANUARY '08 Through DECEMBER '08

|  | JAN       | FEB       | MAR       | APR       | MAY       | JUN       | JUL       | AUG       | SEP       | OCT       | NOV       | DEC       | TOTAL     |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>NUMBER OF CUSTOMERS (FIRM)</b>      |           |           |           |           |           |           |           |           |           |           |           |           |           |
| 32 RESIDENTIAL                         | 309,062   | 309,637   | 310,212   | 310,788   | 311,363   | 311,939   | 312,514   | 313,090   | 313,665   | 314,240   | 314,816   | 315,391   | 312,226   |
| 33 SMALL GENERAL SERVICE               | 5,632     | 5,618     | 5,603     | 5,589     | 5,574     | 5,560     | 5,545     | 5,531     | 5,516     | 5,502     | 5,487     | 5,473     | 5,553     |
| 34 GENERAL SERVICE-1                   | 10,331    | 10,341    | 10,352    | 10,362    | 10,373    | 10,384    | 10,394    | 10,405    | 10,415    | 10,426    | 10,436    | 10,447    | 10,389    |
| 35 GENERAL SERVICE-2                   | 633       | 633       | 633       | 633       | 633       | 633       | 633       | 633       | 633       | 633       | 633       | 633       | 633       |
| 36 GENERAL SERVICE-3                   | 112       | 112       | 112       | 112       | 112       | 112       | 112       | 112       | 112       | 112       | 112       | 112       | 112       |
| 37 GENERAL SERVICE-4                   | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         |
| 38 GENERAL SERVICE-5                   | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         |
| 39 NATURAL GAS VEHICALS                | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         |
| 40 COMMERCIAL STREET LIGHTING          | 31        | 31        | 31        | 31        | 31        | 31        | 31        | 31        | 31        | 31        | 31        | 31        | 31        |
| 41 WHOLESALE                           | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         |
| 42 TOTAL FIRM                          | 325,828   | 326,399   | 326,970   | 327,542   | 328,113   | 328,686   | 329,256   | 329,829   | 330,399   | 330,971   | 331,542   | 332,114   | 328,971   |
| <b>NUMBER OF CUSTOMERS (INT.)</b>      |           |           |           |           |           |           |           |           |           |           |           |           |           |
| 43 SMALL INTERRUPTIBLE                 | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| 44 INTERRUPTIBLE                       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| 45 LARGE INTERRUPTIBLE                 | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| 46 TOTAL INTERRUPTIBLE CUSTOMERS       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| 47 TOTAL SALES CUSTOMERS               | 325,828   | 326,399   | 326,970   | 327,542   | 328,113   | 328,686   | 329,256   | 329,829   | 330,399   | 330,971   | 331,542   | 332,114   | 328,971   |
| <b>NUMBER OF CUSTOMERS (TRANS.)</b>    |           |           |           |           |           |           |           |           |           |           |           |           |           |
| 48 CONDOMINIUM                         | 298       | 298       | 298       | 298       | 298       | 298       | 298       | 298       | 298       | 298       | 298       | 298       | 298       |
| 49 WHOLESALE                           | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| 50 COMMERCIAL STREET LIGHTING          | 32        | 32        | 32        | 32        | 32        | 32        | 32        | 32        | 32        | 32        | 32        | 32        | 32        |
| 51 NATURAL GAS VEHICALS                | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 11        | 11        |
| 52 SMALL GENERAL SERVICE               | 459       | 459       | 459       | 459       | 459       | 459       | 459       | 459       | 459       | 459       | 459       | 459       | 459       |
| 53 GENERAL SERVICE-1                   | 8,937     | 8,976     | 9,015     | 9,054     | 9,093     | 9,132     | 9,171     | 9,210     | 9,250     | 9,289     | 9,328     | 9,367     | 9,152     |
| 54 GENERAL SERVICE-2                   | 2,442     | 2,448     | 2,454     | 2,460     | 2,465     | 2,471     | 2,477     | 2,483     | 2,489     | 2,495     | 2,501     | 2,507     | 2,474     |
| 55 GENERAL SERVICE-3                   | 667       | 667       | 667       | 667       | 668       | 668       | 668       | 668       | 669       | 669       | 669       | 669       | 668       |
| 56 GENERAL SERVICE-4                   | 139       | 139       | 139       | 139       | 139       | 139       | 139       | 140       | 140       | 140       | 140       | 140       | 139       |
| 57 GENERAL SERVICE-5                   | 93        | 93        | 93        | 93        | 93        | 93        | 93        | 93        | 93        | 93        | 93        | 93        | 93        |
| 58 SMALL INTERRUPTIBLE                 | 30        | 30        | 30        | 30        | 30        | 30        | 30        | 30        | 30        | 30        | 30        | 30        | 30        |
| 59 INTERRUPTIBLE                       | 14        | 14        | 14        | 14        | 14        | 14        | 14        | 14        | 14        | 14        | 14        | 14        | 14        |
| 60 LARGE INTERRUPTIBLE                 | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         |
| 61 TOTAL TRANSPORTATION CUSTOMERS      | 13,131    | 13,176    | 13,221    | 13,266    | 13,311    | 13,356    | 13,401    | 13,447    | 13,494    | 13,539    | 13,584    | 13,629    | 13,380    |
| 62 TOTAL CUSTOMERS                     | 338,959   | 339,575   | 340,191   | 340,808   | 341,424   | 342,042   | 342,657   | 343,276   | 343,893   | 344,510   | 345,126   | 345,743   | 342,350   |
| <b>THERM USE PER CUSTOMER</b>          |           |           |           |           |           |           |           |           |           |           |           |           |           |
| 63 RESIDENTIAL                         | 36        | 34        | 27        | 21        | 16        | 13        | 12        | 11        | 11        | 12        | 14        | 22        | 19        |
| 64 SMALL GENERAL SERVICE               | 54        | 54        | 45        | 36        | 34        | 31        | 29        | 29        | 30        | 30        | 33        | 40        | 37        |
| 65 GENERAL SERVICE-1                   | 490       | 485       | 429       | 391       | 347       | 316       | 295       | 286       | 284       | 282       | 313       | 397       | 359       |
| 66 GENERAL SERVICE-2                   | 2,612     | 2,523     | 2,255     | 2,047     | 1,845     | 1,610     | 1,505     | 1,441     | 1,412     | 1,357     | 1,597     | 2,034     | 1,853     |
| 67 GENERAL SERVICE-3                   | 7,355     | 7,354     | 7,127     | 6,165     | 5,881     | 4,819     | 4,707     | 4,802     | 4,805     | 4,639     | 5,125     | 6,519     | 5,775     |
| 68 GENERAL SERVICE-4                   | 9,947     | 11,171    | 11,855    | 14,438    | 13,677    | 12,131    | 12,695    | 12,843    | 12,091    | 10,827    | 14,452    | 13,063    | 12,432    |
| 69 GENERAL SERVICE-5                   | 38,509    | 32,562    | 31,031    | 28,483    | 28,167    | 19,706    | 23,326    | 19,574    | 57,603    | 19,157    | 24,426    | 25,882    | 29,035    |
| 70 NATURAL GAS VEHICALS                | 543       | 546       | 583       | 565       | 746       | 653       | 713       | 634       | 647       | 592       | 582       | 525       | 611       |
| 71 COMMERCIAL STREET LIGHTING          | 517       | 455       | 425       | 455       | 435       | 463       | 408       | 449       | 413       | 401       | 395       | 485       | 442       |
| 72 WHOLESALE                           | 4,951     | 5,344     | 3,819     | 3,583     | 2,682     | 2,131     | 1,805     | 2,189     | 1,601     | 1,823     | 2,343     | 3,357     | 2,969     |
| 73 SMALL INTERRUPTIBLE                 | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| 74 INTERRUPTIBLE                       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| 75 LARGE INTERRUPTIBLE                 | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| 76 CONDOMINIUM (TRANS.)                | 1,718     | 1,842     | 1,454     | 1,271     | 894       | 602       | 497       | 459       | 344       | 382       | 723       | 1,268     | 955       |
| 77 WHOLESALE (TRANS.)                  | 7,108     | 9,108     | 9,059     | 12,918    | 42,368    | 36,733    | 39,601    | 37,012    | 62,410    | 24,145    | 6,144     | 4,732     | 24,278    |
| 78 COMMERCIAL STREET LIGHTING (TRANS.) | 2,143     | 1,804     | 1,813     | 1,760     | 1,970     | 1,876     | 2,038     | 1,959     | 1,864     | 1,806     | 1,700     | 1,808     | 1,878     |
| 79 NATURAL GAS VEHICALS (TRANS.)       | 3,664     | 3,779     | 3,661     | 3,801     | 3,972     | 3,628     | 3,771     | 3,280     | 3,245     | 3,485     | 3,058     | 3,456     | 3,567     |
| 80 SMALL GENERAL SERVICE (TRANS.)      | 101       | 102       | 94        | 81        | 75        | 65        | 60        | 61        | 62        | 64        | 77        | 95        | 78        |
| 81 GENERAL SERVICE-1 (TRANS.)          | 807       | 756       | 712       | 689       | 625       | 582       | 547       | 544       | 541       | 542       | 584       | 692       | 634       |
| 82 GENERAL SERVICE-2 (TRANS.)          | 2,772     | 2,671     | 2,501     | 2,371     | 2,131     | 1,951     | 1,899     | 1,836     | 1,794     | 1,783     | 1,938     | 2,387     | 2,168     |
| 83 GENERAL SERVICE-3 (TRANS.)          | 9,908     | 10,168    | 9,509     | 9,037     | 8,258     | 7,519     | 7,330     | 7,031     | 6,928     | 7,000     | 7,798     | 9,467     | 8,328     |
| 84 GENERAL SERVICE-4 (TRANS.)          | 32,021    | 30,080    | 30,378    | 29,268    | 28,218    | 26,418    | 26,190    | 25,272    | 24,217    | 25,990    | 27,795    | 31,266    | 28,089    |
| 85 GENERAL SERVICE-5 (TRANS.)          | 69,420    | 62,164    | 64,023    | 60,650    | 57,460    | 55,006    | 53,040    | 54,732    | 52,101    | 56,557    | 57,857    | 64,685    | 58,974    |
| 86 SMALL INTERRUPTIBLE (TRANS.)        | 145,103   | 156,273   | 144,078   | 154,401   | 180,876   | 142,840   | 116,494   | 115,045   | 122,793   | 128,344   | 133,248   | 154,344   | 141,153   |
| 87 INTERRUPTIBLE (TRANS.)              | 1,116,647 | 1,234,544 | 1,099,933 | 1,171,719 | 1,113,959 | 1,157,186 | 1,092,471 | 1,019,048 | 1,025,829 | 1,035,387 | 1,023,174 | 1,099,165 | 1,099,088 |
| 88 LARGE INTERRUPTIBLE (TRANS.)        | 3,694,126 | 3,552,302 | 4,807,207 | 4,749,606 | 6,327,741 | 5,503,704 | 6,732,903 | 3,825,126 | 4,089,823 | 3,303,419 | 3,677,719 | 3,288,827 | 4,462,708 |

PEOPLES GAS SYSTEM  
PURCHASED GAS ADJUSTMENT  
COST RECOVERY CLAUSE CALCULATION

Docket No. 070003-GU  
PGA CAP 2008  
Exhibit EE-2, Page 1 of 1

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '08 through DECEMBER '08

Attachment

|                            | Demand Allocation Factors-Winter Season            |                            | Demand Allocation Factors-Summer Season            |                            |
|----------------------------|--|----------------------------|--|----------------------------|
|                            | Peak Month<br>February 2007<br><u>Actual Sales</u> | Percent of<br><u>Total</u> | Current Month<br>April 2007<br><u>Actual Sales</u> | Percent of<br><u>Total</u> |
| <u>Residential</u>         | 10,003,643.5                                       |                            | 6,643,432.8  |                            |
| Residential PGA Factor     | 10,003,643.5                                       | 57.72%                     | 6,643,432.8  | 49.98%                     |
| Small General Service      | 273,266.5  |                            | 215,533.4  |                            |
| General Service-1          | 4,244,251.0  |                            | 3,965,154.6  |                            |
| General Service-2          | 1,467,553.6  |                            | 1,238,195.4  |                            |
| General Service-3          | 862,139.5  |                            | 752,557.2  |                            |
| General Service-4          | 130,648.4  |                            | 129,792.9  |                            |
| General Service-5          | 265,883.7  |                            | 272,445.5  |                            |
| Natural Gas Vehicles       | 1,989.1  |                            | 2,236.4  |                            |
| Commercial Street Lighting | 8,262.5  |                            | 8,661.0  |                            |
| Wholesale                  | 74,273.0   |                            | 64,802.7   |                            |
| Small Interruptible        | 0.0  |                            | 0.0  |                            |
| Interruptible              | 0.0  |                            | 0.0  |                            |
| Large Interruptible        | 0.0  |                            | 0.0  |                            |
| Commercial PGA Factor      | 7,328,267.3  | 42.28%                     | 6,649,379.1  | 50.02%                     |
| Total System               | 17,331,910.8                                       | 100.00%                    | 13,292,811.9                                       | 100.00%                    |

DOCKET NO. 070003-GU

EXHIBIT SLS-1

ST. JOE NATURAL GAS COMPANY, INC.

Final True-Up for the Period  
January 2006 through December 2006

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070003 EXHIBIT 8

COMPANY SJNG

WITNESS Stuart L. Shaef (SLS-1)

DATE 11-06-07

| COMPANY: ST. JOE NATURAL GAS |   | FINAL FUEL OVER/UNDER RECOVERY |                  | SCHEDULE A-7<br>525-1 |
|------------------------------|---|--------------------------------|------------------|-----------------------|
| FOR THE PERIOD:              |   | JANUARY 06                     | Through          | DECEMBER 06           |
| 1                            | TOTAL ACTUAL FUEL COST FOR THE PERIOD   |                                | A-2 Line 3       | \$746,598.73          |
| 2                            | TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD   |                                | A-2 Line 6       | \$951,636.19          |
| 3                            | ACTUAL OVER/UNDER RECOVERY<br>FOR THE PERIOD (2-1)  |                                |                  | \$205,037.46          |
| 4                            | INTEREST PROVISION<br>ACTUAL OVER/UNDER RECOVERY  |                                | A-2 Line 8       | \$14,005.69           |
| 5                            | FOR THE PERIOD (3+4)  |                                |                  | \$219,043.15          |
| 6                            | LESS: ESTIMATED/ACTUAL OVER/UNDER RECOVERY<br>FOR THE PERIOD January Through December 2006<br>(From Schedule E-2) WHICH WAS INCLUDED IN THE<br>CURRENT January Through December 2007 PERIOD |                                | E-4 Line 4 Col.4 | \$208,831.00          |
| 7                            | FINAL FUEL OVER/UNDER RECOVERY<br>TO BE INCLUDED IN THE PROJECTED<br>January Through December 2008 PERIOD   | (5-6)                          |                  | \$10,212.15           |

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070003-64 EXHIBIT 9

COMPANY SJNG

WITNESS Stuart L. Shoaf (SLS-2)

DATE 11-06-07

| COMPANY: ST JOE NATURAL GAS CO              |                                       | PURCHASED GAS ADJUSTMENT<br>COST RECOVERY CLAUSE CALCULATION |           |           |           |           |           |           |           |           |           |           | Schedule E-1     |             |
|---|---------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|-------------|
| ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: |                                       | JANUARY 2008 Through DECEMBER 2008                           |           |           |           |           |           |           |           |           |           |           | Exhibit#         |             |
|   |                                       |  |           |           |           |           |           |           |           |           |           |           | Docket#070003-GU |             |
|   |                                       |  |           |           |           |           |           |           |           |           |           |           | SL S-2           |             |
| COST OF GAS PURCHASED                       |                                       | PROJECTION   |           |           |           |           |           |           |           |           |           |           |                  |             |
|   |                                       | JAN  | FEB       | MAR       | APR       | MAY       | JUN       | JUL       | AUG       | SEP       | OCT       | NOV       | DEC              | TOTAL       |
| 1   | COMMODITY (Pipeline)                  | \$343  | \$483     | \$396     | \$304     | \$187     | \$176     | \$135     | \$161     | \$159     | \$130     | \$249     | \$366            | \$3,092     |
| 2   | NO NOTICE SERVICE                     |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 3   | SWING SERVICE                         |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 4   | COMMODITY (Other)                     | \$124,606  | \$175,502 | \$143,991 | \$110,432 | \$68,019  | \$63,769  | \$49,118  | \$58,597  | \$57,820  | \$47,383  | \$90,585  | \$133,024        | \$1,122,848 |
| 5   | DEMAND                                | \$11,920   | \$10,766  | \$11,920  | \$4,614   | \$4,768   | \$4,614   | \$4,768   | \$4,768   | \$4,614   | \$4,768   | \$11,535  | \$11,920         | \$90,973    |
| 6   | OTHER                                 |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| <b>LESS END-USE CONTRACT</b>                |                                       |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 7   | COMMODITY (Pipeline)                  |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 8   | DEMAND                                |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 9   |                                       |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 10  |                                       |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 11  | TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)   | \$136,868  | \$186,751 | \$156,307 | \$115,351 | \$72,974  | \$68,559  | \$54,021  | \$63,526  | \$62,593  | \$52,282  | \$102,370 | \$145,310        | \$1,216,912 |
| 12  | NET UNBILLED                          |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 13  | COMPANY USE                           | \$32   | \$62      | \$63      | \$34      | \$32      | \$41      | \$32      | \$25      | \$29      | \$30      | \$52      | \$34             | \$466       |
| 14  | TOTAL THERM SALES                     | \$136,836  | \$186,689 | \$156,244 | \$115,316 | \$72,943  | \$68,518  | \$53,989  | \$63,501  | \$62,564  | \$52,252  | \$102,318 | \$145,276        | \$1,216,447 |
| <b>THERMS PURCHASED</b>                     |                                       |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 15  | COMMODITY (Pipeline)                  | 120,392  | 169,567   | 139,122   | 106,698   | 65,719    | 61,613    | 47,457    | 56,615    | 55,865    | 45,781    | 87,522    | 128,526          | 1,084,877   |
| 16  | NO NOTICE SERVICE                     |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 17  | SWING SERVICE                         |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 18  | COMMODITY (Other)                     | 124,606  | 175,502   | 143,991   | 110,432   | 68,019    | 63,769    | 49,118    | 58,597    | 57,820    | 47,383    | 90,585    | 133,024          | 1,122,848   |
| 19  | DEMAND                                | 155,000  | 140,000   | 155,000   | 60,000    | 62,000    | 60,000    | 62,000    | 62,000    | 60,000    | 62,000    | 150,000   | 155,000          | 1,183,000   |
| 20  | OTHER                                 |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| <b>LESS END-USE CONTRACT</b>                |                                       |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 21  | COMMODITY (Pipeline)                  |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 22  | DEMAND                                |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 23  |                                       |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 24  | TOTAL PURCHASES (18)                  | 124,606  | 175,502   | 143,991   | 110,432   | 68,019    | 63,769    | 49,118    | 58,597    | 57,820    | 47,383    | 90,585    | 133,024          | 1,122,848   |
| 25  | NET UNBILLED                          |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 26  | COMPANY USE                           | 29   | 58        | 58        | 33        | 29        | 38        | 30        | 23        | 27        | 27        | 46        | 31               | 428.8       |
| 27  | TOTAL THERM SALES                     | 124,577  | 175,444   | 143,933   | 110,399   | 67,990    | 63,732    | 49,088    | 58,574    | 57,793    | 47,356    | 90,539    | 132,993          | 1,122,419   |
| <b>CENTS PER THERM</b>                      |                                       |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 28  | COMMODITY (Pipeline) (1/15)           | 0.00285  | 0.00285   | 0.00285   | 0.00285   | 0.00285   | 0.00285   | 0.00285   | 0.00285   | 0.00285   | 0.00285   | 0.00285   | 0.00285          | 0.00285     |
| 29  | NO NOTICE SERVICE (2/16)              |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 30  | SWING SERVICE (3/17)                  |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 31  | COMMODITY (Other) (4/18)              | 1.00000  | 1.00000   | 1.00000   | 1.00000   | 1.00000   | 1.00000   | 1.00000   | 1.00000   | 1.00000   | 1.00000   | 1.00000   | 1.00000          | 1.00000     |
| 32  | DEMAND (5/19)                         | 0.07690  | 0.07690   | 0.07690   | 0.07690   | 0.07690   | 0.07690   | 0.07690   | 0.07690   | 0.07690   | 0.07690   | 0.07690   | 0.07690          | 0.07690     |
| 33  | OTHER (6/20)                          |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| <b>LESS END-USE CONTRACT</b>                |                                       |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 34  | COMMODITY Pipeline (7/21)             |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 35  | DEMAND (8/22)                         |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 36  |                                       |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 37  | TOTAL COST (11/24)                    | 1.09841  | 1.06410   | 1.08553   | 1.04453   | 1.07285   | 1.07511   | 1.09982   | 1.08412   | 1.08255   | 1.10338   | 1.13009   | 1.09236          | 1.08377     |
| 38  | NET UNBILLED (12/25)                  |  |           |           |           |           |           |           |           |           |           |           |                  |             |
| 39  | COMPANY USE (13/26)                   | 1.09841  | 1.06410   | 1.08553   | 1.04453   | 1.07285   | 1.07511   | 1.09982   | 1.08412   | 1.08255   | 1.10338   | 1.13009   | 1.09236          | 1.08567     |
| 40  | TOTAL THERM SALES (11/27)             | 1.09867  | 1.06445   | 1.08597   | 1.04485   | 1.07331   | 1.07575   | 1.10048   | 1.08455   | 1.08306   | 1.10400   | 1.13067   | 1.09261          | 1.08419     |
| 41  | TRUE-UP (E-2)                         | (0.11732)  | (0.11732) | (0.11732) | (0.11732) | (0.11732) | (0.11732) | (0.11732) | (0.11732) | (0.11732) | (0.11732) | (0.11732) | (0.11732)        | (0.11732)   |
| 42  | TOTAL COST OF GAS (40+41)             | 0.98135  | 0.94713   | 0.96866   | 0.92753   | 0.95600   | 0.95843   | 0.98317   | 0.96723   | 0.96574   | 0.98669   | 1.01335   | 0.97530          | 0.96687     |
| 43  | REVENUE TAX FACTOR                    | 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     |
| 44  | PGA FACTOR ADJUSTED FOR TAXES (42x43) | 0.98629  | 0.95190   | 0.97353   | 0.93220   | 0.96081   | 0.96325   | 0.98811   | 0.97210   | 0.97060   | 0.99165   | 1.01845   | 0.98020          | 0.97174     |
| 45  | PGA FACTOR ROUNDED TO NEAREST .001    | 0.986  | 0.952     | 0.974     | 0.932     | 0.961     | 0.963     | 0.988     | 0.972     | 0.971     | 0.992     | 1.018     | 0.98             | 0.972       |



**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070003-G4 EXHIBIT 10

COMPANY SJNG

WITNESS Stuart L. Shoen (SLS-3)

DATE 11-06-07

| COMPANY: ST. JOE NATURAL GAS CO. |   | CALCULATION OF TRUE-UP AMOUNT |            |            |            |             |                    |            |            |            |            |            | Schedule E-2     |             |
|----------------------------------|---|-------------------------------|------------|------------|------------|-------------|--------------------|------------|------------|------------|------------|------------|------------------|-------------|
| FOR THE CURRENT PERIOD:          |   | JANUARY 06                    |            | Through    |            | DECEMBER 06 |                    |            |            |            | Exhibit#   |            | Docket#070003-GU |             |
|                                  |   | ACTUAL                        |            |            |            |             | REVISED PROJECTION |            |            |            |            |            | TOTAL            |             |
|                                  |   | JAN                           | FEB        | MAR        | APR        | MAY         | JUN                | JUL        | AUG        | SEP        | OCT        | NOV        | DEC              | PERIOD      |
| TRUE-UP CALCULATION              |   |                               |            |            |            |             |                    |            |            |            |            |            |                  |             |
| 1                                | PURCHASED GAS COST  | \$103,452                     | \$78,365   | \$41,791   | \$68,478   | \$47,813    | \$34,056           | \$51,536   | \$9,720    | \$31,920   | \$37,696   | \$86,769   | \$190,030        | \$781,626   |
| 2                                | TRANSPORTATION COST   | \$10,355                      | \$5,540    | \$9,550    | \$11,095   | \$4,944     | \$3,523            | (\$13,619) | \$3,286    | \$4,740    | \$4,898    | \$11,792   | \$12,443         | \$68,546    |
| 3                                | TOTAL   | \$113,807                     | \$83,905   | \$51,341   | \$79,572   | \$52,757    | \$37,579           | \$37,918   | \$13,006   | \$36,660   | \$42,594   | \$98,561   | \$202,473        | \$850,172   |
| 4                                | FUEL REVENUES<br>(NET OF REVENUE TAX)                         | \$72,947                      | \$103,495  | \$84,898   | \$65,114   | \$41,642    | \$37,019           | \$45,005   | \$34,621   | \$11,632   | \$17,556   | \$73,509   | \$157,435        | \$744,871   |
| 5                                | TRUE-UP (COLLECTED) OR REFUNDED                               | \$17,948                      | \$17,948   | \$17,948   | \$17,948   | \$17,948    | \$17,948           | \$17,948   | \$17,948   | \$17,948   | \$17,948   | \$17,948   | \$17,948         | \$215,373   |
| 6                                | FUEL REVENUE APPLICABLE TO PERIOD<br>(LINE 4 (+ or -) LINE 5) | \$90,895                      | \$121,443  | \$102,846  | \$83,061   | \$59,589    | \$54,967           | \$62,952   | \$52,568   | \$29,579   | \$35,503   | \$91,456   | \$175,382        | \$960,244   |
| 7                                | TRUE-UP PROVISION - THIS PERIOD<br>(LINE 6 - LINE 3)          | (\$22,912)                    | \$37,538   | \$51,505   | \$3,489    | \$6,833     | \$17,388           | \$25,035   | \$39,562   | (\$7,080)  | (\$7,090)  | (\$7,104)  | (\$27,090)       | \$110,072   |
| 8                                | INTEREST PROVISION-THIS PERIOD (21                            | \$898                         | \$855      | \$975      | \$1,021    | \$970       | \$950              | \$969      | \$1,069    | \$1,102    | \$990      | \$877      | \$717            | \$11,392    |
| 9                                | BEGINN. OF PERIOD TRUE-UP & INTER.                            | \$225,189                     | \$185,228  | \$205,673  | \$240,204  | \$226,767   | \$216,621          | \$217,012  | \$225,068  | \$247,751  | \$223,825  | \$199,777  | \$175,602        | \$225,189   |
| 9a                               | PSC Audit Discl #1  |                               |            |            |            |             |                    |            |            |            |            |            |                  | \$396       |
| 10                               | TRUE-UP COLLECTED OR (REFUNDED)<br>(REVERSE OF LINE 5)        | (\$17,948)                    | (\$17,948) | (\$17,948) | (\$17,948) | (\$17,948)  | (\$17,948)         | (\$17,948) | (\$17,948) | (\$17,948) | (\$17,948) | (\$17,948) | (\$17,948)       | (\$215,373) |
| 10a                              | FLEX RATE REFUND (if applicable)                              | \$0                           | \$0        | \$0        | \$0        | \$0         | \$0                | \$0        | \$0        | \$0        | \$0        | \$0        | \$0              | \$0         |
| 11                               | TOTAL ESTIMATED/ACTUAL TRUE-UP<br>(7+8+9+10+10a)              | \$185,228                     | \$205,673  | \$240,204  | \$226,767  | \$216,621   | \$217,012          | \$225,068  | \$247,751  | \$223,825  | \$199,777  | \$175,602  | \$131,281        | \$131,677   |
| INTEREST PROVISION               |   |                               |            |            |            |             |                    |            |            |            |            |            |                  |             |
| 12                               | BEGINNING TRUE-UP AND<br>INTEREST PROVISION (9)               | \$225,189                     | \$185,228  | \$205,673  | \$240,204  | \$226,767   | \$216,621          | \$217,012  | \$225,068  | \$247,751  | \$223,825  | \$199,777  | \$175,602        |             |
| 13                               | ENDING TRUE-UP BEFORE<br>INTEREST (12+7-5)                    | \$184,329                     | \$204,818  | \$239,229  | \$225,746  | \$215,652   | \$216,062          | \$224,099  | \$246,682  | \$222,723  | \$198,787  | \$174,725  | \$130,564        |             |
| 14                               | TOTAL (12+13)   | \$409,518                     | \$390,045  | \$444,902  | \$465,950  | \$442,418   | \$432,683          | \$441,111  | \$471,750  | \$470,475  | \$422,612  | \$374,501  | \$306,165        |             |
| 15                               | AVERAGE (50% OF 14)   | \$204,759                     | \$195,023  | \$222,451  | \$232,975  | \$221,209   | \$216,342          | \$220,555  | \$235,875  | \$235,237  | \$211,306  | \$187,251  | \$153,083        |             |
| 16                               | INTEREST RATE - FIRST<br>DAY OF MONTH                         | 5.27                          | 5.26       | 5.26       | 5.26       | 5.26        | 5.26               | 5.28       | 5.26       | 5.62       | 5.62       | 5.62       | 5.62             |             |
| 17                               | INTEREST RATE - FIRST<br>DAY OF SUBSEQUENT MONTH              | 5.26                          | 5.26       | 5.26       | 5.26       | 5.26        | 5.28               | 5.26       | 5.62       | 5.62       | 5.62       | 5.62       | 5.62             |             |
| 18                               | TOTAL (16+17)   | 10.53                         | 10.52      | 10.52      | 10.52      | 10.52       | 10.54              | 10.54      | 10.88      | 11.24      | 11.24      | 11.24      | 11.24            |             |
| 19                               | AVERAGE (50% OF 18)   | 5.265                         | 5.26       | 5.26       | 5.26       | 5.26        | 5.27               | 5.27       | 5.44       | 5.62       | 5.62       | 5.62       | 5.62             |             |
| 20                               | MONTHLY AVERAGE (19/12 Months)                                | 0.439                         | 0.438      | 0.438      | 0.438      | 0.438       | 0.439              | 0.439      | 0.453      | 0.468      | 0.468      | 0.468      | 0.468            |             |
| 21                               | INTEREST PROVISION (15x20)                                    | 898                           | 855        | 975        | 1021       | 970         | 950                | 969        | 1069       | 1102       | 990        | 877        | 717              | \$11,392    |

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070003-G4 EXHIBIT 11

COMPANY SJNG

WITNESS Stuart L. Shorff (SLS-4)

DATE 11-06-07

| -A-<br>DATE | -B-<br>PURCHASED FROM | -C-<br>PURCHASED FOR | -D-<br>SCH TYPE | -E-<br>SYSTEM SUPPLY | -F-<br>END USE | -G-<br>TOTAL PURCHASED | -H-<br>COMMODITY COST |  | -I-<br>PIPELINE | -J-<br>DEMAND COST | -K-<br>OTHER CHARGES<br>ACA/GRI/FUEL | -L-<br>TOTAL CENTS PER THERM |
|-------------|-----------------------|----------------------|-----------------|----------------------|----------------|------------------------|-----------------------|--|-----------------|--------------------|--------------------------------------|------------------------------|
|             |                       |                      |                 |                      |                |                        | THIRD PARTY           |  |                 |                    |                                      |                              |
| 1 JAN       | VARIOUS               | SYSTEM               | NA              | 124,606              |                | 124,606                | \$124,605.72          |  | \$343.12        | \$11,919.50        | INCLUDED IN COST                     | 109.84                       |
| 2 FEB       | VARIOUS               | SYSTEM               | NA              | 175,502              |                | 175,502                | \$175,501.85          |  | \$483.27        | \$10,766.00        | INCLUDED IN COST                     | 106.41                       |
| 3 MAR       | VARIOUS               | SYSTEM               | NA              | 143,991              |                | 143,991                | \$143,991.27          |  | \$396.50        | \$11,919.50        | INCLUDED IN COST                     | 108.55                       |
| 4 APR       | VARIOUS               | SYSTEM               | NA              | 110,432              |                | 110,432                | \$110,432.43          |  | \$304.09        | \$4,614.00         | INCLUDED IN COST                     | 104.45                       |
| 5 MAY       | VARIOUS               | SYSTEM               | NA              | 68,019               |                | 68,019                 | \$68,019.17           |  | \$187.30        | \$4,767.80         | INCLUDED IN COST                     | 107.28                       |
| 6 JUN       | VARIOUS               | SYSTEM               | NA              | 63,769               |                | 63,769                 | \$63,769.46           |  | \$175.60        | \$4,614.00         | INCLUDED IN COST                     | 107.51                       |
| 7 JUL       | VARIOUS               | SYSTEM               | NA              | 49,118               |                | 49,118                 | \$49,118.00           |  | \$135.25        | \$4,767.80         | INCLUDED IN COST                     | 109.98                       |
| 8 AUG       | VARIOUS               | SYSTEM               | NA              | 58,597               |                | 58,597                 | \$58,596.53           |  | \$161.35        | \$4,767.80         | INCLUDED IN COST                     | 108.41                       |
| 9 SEP       | VARIOUS               | SYSTEM               | NA              | 57,820               |                | 57,820                 | \$57,820.28           |  | \$159.22        | \$4,614.00         | INCLUDED IN COST                     | 108.26                       |
| 10 OCT      | VARIOUS               | SYSTEM               | NA              | 47,383               |                | 47,383                 | \$47,383.34           |  | \$130.48        | \$4,767.80         | INCLUDED IN COST                     | 110.34                       |
| 11 NOV      | VARIOUS               | SYSTEM               | NA              | 90,585               |                | 90,585                 | \$90,585.27           |  | \$249.44        | \$11,535.00        | INCLUDED IN COST                     | 113.01                       |
| 12 DEC      | VARIOUS               | SYSTEM               | NA              | 133,024              |                | 133,024                | \$133,024.41          |  | \$366.30        | \$11,919.50        | INCLUDED IN COST                     | 109.24                       |
| 13          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 14          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 15          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 16          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 17          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 18          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 19          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 20          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 21          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 22          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 23          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 24          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 25          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 26          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 27          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 28          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 29          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 30          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 31          |                       |                      |                 |                      |                |                        |                       |  |                 |                    |                                      |                              |
| 32 TOTAL    |                       |                      |                 | 1,122,848            | 0              | 1,122,848              | \$1,122,847.70        |  | \$3,091.90      | \$90,972.70        |                                      | 108.38                       |

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070003-G EXHIBIT 12

COMPANY SJNG

WITNESS Stuart L. Shorff (SLS-5)

DATE 11-06-07

**COMPANY:** ST JOE NATURAL GAS      **CALCULATION OF TRUE-UP AMOUNT**      Schedule E-4  
**PROJECTED PERIOD**      Exhibit#  
**ESTIMATED FOR THE PROJECTED PERIOD:**      **JAN 2007**      **Through**      **DEC 2007**      Docket#070003-GU  
**St. Joe Natural Gas Company**  
**SLS-5**

|   | <b>PRIOR PERIOD: JAN 06 - DEC 06</b>                                       |                              |   | <b>CURRENT PERIOD: JAN 07 - DEC 07</b>                                     |  |
|---|--|------------------------------|---|--|--|
|   | <b>(1)</b><br><b>EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE</b> | <b>(2)</b><br><b>ACTUAL</b>  | <b>(3)</b><br><b>(2)-(1)</b><br><b>DIFFERENCE</b> | <b>(4)</b><br><b>EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE</b> | <b>(5)</b><br><b>(3)+(4)</b><br><b>TOTAL TRUE-UP</b> |
| 1 TOTAL THERM SALES \$                                      | E-4 Line 1<br>\$981,214  | A-2 Line 6<br>\$951,636      | Col.2 - Col.1<br>(\$29,578)                       | E-2 Line 6<br>\$960,244  | Col.3 + Col.4<br>\$930,666                           |
| 1a PSC Audit Adj. (Disc. #1)                                |  |                              | \$0   |  | \$0  |
| 2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION | E-4 Line 2<br>\$195,124  | A-2 Line 7<br>\$205,037      | Col.2 - Col.1<br>\$9,913                          | E-2 Line 7<br>\$110,072  | Col.3 + Col.4<br>\$119,985                           |
| 3 INTEREST PROVISION FOR THIS PERIOD                        | E-4 Line 3<br>\$13,707   | A-2 Line 8<br>\$14,006       | Col.2 - Col.1<br>\$299                            | E-2 Line 8<br>\$11,392   | Col.3 + Col.4<br>\$11,691                            |
| 4 END OF PERIOD TOTAL NET TRUE-UP                           | Line 2 + Line 3<br>\$208,831   | Line 2 + Line 3<br>\$219,043 | Col.2 - Col.1<br>\$10,212                         | Line 2 + Line 3<br>\$121,465   | Col.3 + Col.4<br>\$131,677                           |

**NOTE:** EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

|   |                              |        |                   |
|---|------------------------------|--------|-------------------|
| COLUMN (1) DATA OBTAINED FROM SCHEDULE (E-4) PRIOR PERIOD | <u>L TRUE-UP DOLLARS</u>     | equals | PER THERM TRUE-UP |
| COLUMN (2) DATA OBTAINED FROM SCHEDULE (A-2)              | <u>PROJECTED THERM SALES</u> |        |                   |
| LINE 4 COLUMN (3) SAME AS LINE 7 SCHEDULE (A-7)           |                              |        |                   |
| LINE 4 COLUMN (1) SAME AS LINE 8 SCHEDULE (A-7)           | \$131,676.67                 | =      | 0.11732           |
| LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)           | 1,122,419                    |        |                   |
| LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)           |                              |        |                   |

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070003-G EXHIBIT 13

COMPANY SJNG

WITNESS Stuart L. Shady (SLS-6)

DATE 11-06-07

| COMPANY: ST. JOE NATURAL GAS COMPANY, INC. |         |         |         |         |         |         |         |         |         |         |         |         | THERM SALES AND CUSTOMER DATA |       | SCHEDULE E-5           |  |          |  |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------------------|-------|------------------------|--|----------|--|
| ESTIMATED FOR THE PROJECTED PERIOD:        |         |         |         |         |         |         |         |         |         |         |         |         | JANUARY 2008                  |       | Through: DECEMBER 2008 |  | Exhibit# |  |
|  |         |         |         |         |         |         |         |         |         |         |         |         |                               |       | Docket#070003-GU       |  | SLS-6    |  |
|  | JAN     | FEB     | MAR     | APR     | MAY     | JUN     | JUL     | AUG     | SEP     | OCT     | NOV     | DEC     | TOTAL                         |       |                        |  |          |  |
| <b>THERM SALES (FIRM)</b>                  |         |         |         |         |         |         |         |         |         |         |         |         |                               |       |                        |  |          |  |
| RESIDENTIAL                                | 85,698  | 120,702 | 99,030  | 75,950  | 46,780  | 43,858  | 33,781  | 40,300  | 39,766  | 32,588  | 62,300  | 91,488  | 772,242                       |       |                        |  |          |  |
| SMALL COMMERCIAL                           | 10,918  | 15,378  | 12,617  | 9,676   | 5,960   | 5,588   | 4,304   | 5,134   | 5,066   | 4,152   | 7,937   | 11,656  | 98,385                        |       |                        |  |          |  |
| COMMERCIAL                                 | 23,776  | 33,488  | 27,475  | 21,072  | 12,979  | 12,168  | 9,372   | 11,181  | 11,033  | 9,041   | 17,285  | 25,382  | 214,251                       |       |                        |  |          |  |
| LARGE COMMERCIAL                           | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0                             |       |                        |  |          |  |
| LARGE INTERRUPTIBLE                        | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0                             |       |                        |  |          |  |
| TOTAL FIRM SALES                           | 120,392 | 169,567 | 139,122 | 106,698 | 65,719  | 61,613  | 47,457  | 56,615  | 55,865  | 45,781  | 87,522  | 128,526 | 1,084,877                     |       |                        |  |          |  |
| <b>THERM SALES TRANSPORTATION</b>          |         |         |         |         |         |         |         |         |         |         |         |         |                               |       |                        |  |          |  |
| TRANSPORT - INT (TS5)                      | 67,364  | 61,751  | 48,178  | 35,921  | 20,946  | 18,985  | 18,907  | 17,890  | 17,613  | 18,507  | 47,960  | 61,094  | 435,116                       |       |                        |  |          |  |
| TRANSPORT - INT (TS6)                      | 508,140 | 473,560 | 216,390 | 521,310 | 493,520 | 422,950 | 540,660 | 411,340 | 529,850 | 535,670 | 506,072 | 513,640 | 5,673,102                     |       |                        |  |          |  |
| TOTAL TRANSPORT                            | 575,504 | 535,311 | 264,568 | 557,231 | 514,466 | 441,935 | 559,567 | 429,230 | 547,463 | 554,177 | 554,032 | 574,734 | 6,108,218                     |       |                        |  |          |  |
| TOTAL THERM SALES                          | 695,896 | 704,878 | 403,690 | 663,929 | 580,185 | 503,548 | 607,024 | 485,845 | 603,328 | 599,958 | 641,554 | 703,260 | 7,193,095                     |       |                        |  |          |  |
| <b>NUMBER OF CUSTOMERS (FIRM)</b>          |         |         |         |         |         |         |         |         |         |         |         |         |                               |       |                        |  |          |  |
| RESIDENTIAL                                | 2,826   | 2,826   | 2,826   | 2,826   | 2,826   | 2,826   | 2,826   | 2,826   | 2,826   | 2,826   | 2,826   | 2,826   | 2,826                         | 2,826 |                        |  |          |  |
| SMALL COMMERCIAL                           | 222     | 222     | 222     | 222     | 222     | 222     | 222     | 222     | 222     | 222     | 222     | 222     | 222                           | 222   |                        |  |          |  |
| COMMERCIAL                                 | 32      | 32      | 32      | 32      | 32      | 32      | 32      | 32      | 32      | 32      | 32      | 32      | 32                            | 32    |                        |  |          |  |
| LARGE COMMERCIAL                           | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0                             | 0     |                        |  |          |  |
| LARGE INTERRUPTIBLE                        | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0                             | 0     |                        |  |          |  |
| TOTAL FIRM                                 | 3,080   | 3,080   | 3,080   | 3,080   | 3,080   | 3,080   | 3,080   | 3,080   | 3,080   | 3,080   | 3,080   | 3,080   | 3,080                         | 3,080 |                        |  |          |  |
| <b>NUMBER OF CUSTOMERS (TRANSP)</b>        |         |         |         |         |         |         |         |         |         |         |         |         |                               |       |                        |  |          |  |
| TRANSPORT - INT (TS5)                      | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1                             | 1     |                        |  |          |  |
| TRANSPORT - INT (TS6)                      | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3                             | 3     |                        |  |          |  |
| TOTAL TRANSPORT                            | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 4                             | 4     |                        |  |          |  |
| TOTAL CUSTOMERS                            | 3,084   | 3,084   | 3,084   | 3,084   | 3,084   | 3,084   | 3,084   | 3,084   | 3,084   | 3,084   | 3,084   | 3,084   | 3,084                         | 3,084 |                        |  |          |  |
| <b>THERM USE PER CUSTOMER</b>              |         |         |         |         |         |         |         |         |         |         |         |         |                               |       |                        |  |          |  |
| RESIDENTIAL                                | 30      | 43      | 35      | 27      | 17      | 16      | 12      | 14      | 14      | 12      | 22      | 32      | 273                           |       |                        |  |          |  |
| SMALL COMMERCIAL                           | 49      | 69      | 57      | 44      | 27      | 25      | 19      | 23      | 23      | 19      | 36      | 53      | 443                           |       |                        |  |          |  |
| COMMERCIAL                                 | 743     | 1,046   | 859     | 658     | 406     | 380     | 293     | 349     | 345     | 283     | 540     | 793     | 6,695                         |       |                        |  |          |  |
| LARGE COMMERCIAL                           |         |         |         |         |         |         |         |         |         |         |         |         |                               |       |                        |  |          |  |
| TRANSPORT - INT (TS5)                      | 67,364  | 61,751  | 48,178  | 35,921  | 20,946  | 18,985  | 18,907  | 17,890  | 17,613  | 18,507  | 47,960  | 61,094  | 435,116                       |       |                        |  |          |  |
| TRANSPORT - INT (TS6)                      | 169,380 | 157,853 | 72,130  | 173,770 | 164,507 | 140,983 | 180,220 | 137,113 | 176,617 | 178,557 | 168,691 | 171,213 | 1,891,034                     |       |                        |  |          |  |



**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 070003-G4 EXHIBIT 14

COMPANY SJNG

WITNESS Stuart L. Shoaf (SLS-7)

DATE 11-06-07

| COMPANY:                                   |  | PURCHASED GAS ADJUSTMENT           |              |              |             |             |              |               |              |                    |             |             | Schedule E-1/R   |               |
|--|--|------------------------------------|--------------|--------------|-------------|-------------|--------------|---------------|--------------|--------------------|-------------|-------------|------------------|---------------|
| ST. JOE NATURAL GAS CO.                    |  | COST RECOVERY CLAUSE CALCULATION   |              |              |             |             |              |               |              |                    |             |             | Exhibit#         |               |
| REVISED ESTIMATE FOR THE PROJECTED PERIOD: |  | JANUARY 2007 Through DECEMBER 2007 |              |              |             |             |              |               |              |                    |             |             | Docket#070003-GU |               |
|  |  | SLS-7                              |              |              |             |             |              |               |              |                    |             |             |                  |               |
| COST OF GAS PURCHASED                      |  | ACTUAL                             |              |              |             |             |              |               |              | REVISED PROJECTION |             |             |                  |               |
|  |  | JAN                                | FEB          | MAR          | APR         | MAY         | JUN          | JUL           | AUG          | SEP                | OCT         | NOV         | DEC              | TOTAL         |
| 1  | COMMODITY (Pipeline)                     | \$372.00                           | \$336.00     | \$232.87     | \$222.30    | \$176.42    | \$162.63     | \$129.88      | \$129.88     | \$125.69           | \$129.87    | \$256.50    | \$523.03         | \$2,797.07    |
| 2  | NO NOTICE SERVICE                        |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 3  | SWING SERVICE                            |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 4  | COMMODITY (Other)                        | \$103,452.03                       | \$78,365.21  | \$41,791.03  | \$68,477.51 | \$47,812.53 | \$34,056.38  | \$51,536.44   | \$9,719.70   | \$31,920.00        | \$37,696.00 | \$86,769.00 | \$190,030.00     | \$781,625.83  |
| 5  | DEMAND                                   | \$11,919.50                        | \$10,766.00  | \$11,919.50  | \$11,535.00 | \$4,767.80  | \$4,614.00   | \$4,767.80    | \$4,767.80   | \$4,614.00         | \$4,767.80  | \$11,535.00 | \$11,919.50      | \$97,893.70   |
| 6  | OTHER                                    | (\$1,936.47)                       | (\$5,562.21) | (\$2,602.06) | (\$662.36)  | \$0.00      | (\$1,253.98) | (\$18,516.52) | (\$1,611.44) | \$0.00             | \$0.00      | \$0.00      | \$0.00           | (\$32,145.04) |
| <b>LESS END-USE CONTRACT</b>               |  |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 7  | COMMODITY (Pipeline)                     |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 8  | DEMAND                                   |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 9  |  |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 10   |  |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 11   | TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)      | \$113,807.06                       | \$83,905.00  | \$51,341.34  | \$79,572.45 | \$52,756.75 | \$37,579.03  | \$37,917.60   | \$13,005.94  | \$36,659.69        | \$42,593.67 | \$98,560.50 | \$202,472.53     | \$850,171.56  |
| 12   | NET UNBILLED                             |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 13   | COMPANY USE                              | \$17.70                            | \$35.41      | \$35.41      | \$17.09     | \$17.95     | \$23.14      | \$18.01       | \$14.04      | \$28.00            | \$38.00     | \$52.00     | \$38.00          | \$334.75      |
| 14   | TOTAL THERM SALES                        | \$72,947.24                        | \$103,495.21 | \$84,898.14  | \$65,113.55 | \$41,641.69 | \$37,019.49  | \$45,004.61   | \$34,620.55  | \$11,631.69        | \$17,555.67 | \$73,508.50 | \$157,434.53     | \$744,870.87  |
| <b>THERMS PURCHASED</b>                    |  |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 15   | COMMODITY (Pipeline)                     | 155,000                            | 140,000      | 97,030       | 78,000      | 61,900      | 57,060       | 45,570        | 45,570       | 44,100             | 45,570      | 90,000      | 183,520          | 1,043,320     |
| 16   | NO NOTICE SERVICE                        |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 17   | SWING SERVICE                            |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 18   | COMMODITY (Other)                        | 192,450                            | 156,712      | 85,033       | 87,813      | 62,830      | 49,564       | 65,940        | 12,050       | 45,600             | 47,120      | 96,410      | 190,030          | 1,091,551     |
| 19   | DEMAND                                   | 155,000                            | 140,000      | 155,000      | 150,000     | 62,000      | 60,000       | 62,000        | 62,000       | 60,000             | 62,000      | 150,000     | 155,000          | 1,273,000     |
| 20   | OTHER                                    |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| <b>LESS END-USE CONTRACT</b>               |  |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 21   | COMMODITY (Pipeline)                     |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 22   | DEMAND                                   |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 23   |  |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 24   | TOTAL PURCHASES (15+16+17+18+20)-(21+23) | 155,000                            | 140,000      | 97,030       | 78,000      | 61,900      | 57,060       | 45,570        | 45,570       | 44,100             | 45,570      | 90,000      | 183,520          | 1,043,320     |
| 25   | NET UNBILLED                             |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 26   | COMPANY USE                              | 29                                 | 58           | 58           | 33          | 29          | 38           | 30            | 23           | 44                 | 54          | 46          | 45               | 487           |
| 27   | TOTAL THERM SALES                        | 115,363                            | 223,540      | 108,596      | 134,962     | 60,294      | 55,063       | 58,450        | 53,066       | 44,056             | 45,516      | 89,954      | 183,475          | 1,172,336     |
| <b>CENTS PER THERM</b>                     |  |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 28   | COMMODITY (Pipeline) (1/15)              | 0.00240                            | 0.00240      | 0.00240      | 0.00285     | 0.00285     | 0.00285      | 0.00285       | 0.00285      | 0.00285            | 0.00285     | 0.00285     | 0.00285          | 0.00268       |
| 29   | NO NOTICE SERVICE (2/16)                 |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 30   | SWING SERVICE (3/17)                     |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 31   | COMMODITY (Other) (4/18)                 | 0.53755                            | 0.50006      | 0.49147      | 0.77982     | 0.76098     | 0.68712      | 0.78157       | 0.80661      | 0.70000            | 0.80000     | 0.90000     | 1.00000          | 0.71607       |
| 32   | DEMAND (5/19)                            | 0.07690                            | 0.07690      | 0.07690      | 0.07690     | 0.07690     | 0.07690      | 0.07690       | 0.07690      | 0.07690            | 0.07690     | 0.07690     | 0.07690          | 0.07690       |
| 33   | OTHER (6/20)                             |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| <b>LESS END-USE CONTRACT</b>               |  |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 34   | COMMODITY Pipeline (7/21)                |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 35   | DEMAND (8/22)                            |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 36   |  |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 37   | TOTAL COST (11/24)                       | 0.73424                            | 0.59932      | 0.52913      | 1.02016     | 0.85229     | 0.65859      | 0.83207       | 0.28541      | 0.83129            | 0.93469     | 1.09512     | 1.10327          | 0.81487       |
| 38   | NET UNBILLED (12/25)                     |                                    |              |              |             |             |              |               |              |                    |             |             |                  |               |
| 39   | COMPANY USE (13/26)                      | 0.61050                            | 0.61050      | 0.61050      | 0.51800     | 0.61050     | 0.61050      | 0.61050       | 0.61050      | 0.63636            | 0.70370     | 1.13043     | 0.84444          | 0.68766       |
| 40   | TOTAL THERM SALES (11/27)                | 0.98651                            | 0.37535      | 0.47277      | 0.58959     | 0.87499     | 0.68247      | 0.64871       | 0.24509      | 0.83212            | 0.93580     | 1.09568     | 1.10354          | 0.72519       |
| 41   | TRUE-UP (E-2)                            | -0.19297                           | -0.19297     | -0.19297     | -0.19297    | -0.19297    | -0.19297     | -0.19297      | -0.19297     | -0.19297           | -0.19297    | -0.19297    | -0.19297         | -0.19297      |
| 42   | TOTAL COST OF GAS (40+41)                | 0.79354                            | 0.18238      | 0.27980      | 0.39662     | 0.68202     | 0.48950      | 0.45574       | 0.05212      | 0.63915            | 0.74283     | 0.90271     | 0.91057          | 0.53222       |
| 43   | REVENUE TAX FACTOR                       | 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       |
| 44   | PGA FACTOR ADJUSTED FOR TAXES (42x43)    | 0.79754                            | 0.18329      | 0.28121      | 0.39862     | 0.68545     | 0.49196      | 0.45804       | 0.05238      | 0.64236            | 0.74656     | 0.90725     | 0.91515          | 0.53490       |
| 45   | PGA FACTOR ROUNDED TO NEAREST .001       | 0.798                              | 0.183        | 0.281        | 0.399       | 0.685       | 0.492        | 0.458         | 0.052        | 0.642              | 0.747       | 0.907       | 0.915            | 0.535         |