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May 1, 2008

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**VIA HAND DELIVERY**

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

**Re: Docket No. 080003-GU – Purchased Gas Adjustment (PGA) True-Up.**

Dear Ms. Cole:

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

Your assistance in this matter is greatly appreciated.

Sincerely,

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

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- SEC \_\_\_\_\_
- OTH \_\_\_\_\_

Enclosures

DOCUMENT NUMBER-DATE

03589 MAY-1 08

FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Purchased Gas Adjustment ) Docket No. 080003-GU  
(PGA) True-Up )  
\_\_\_\_\_ ) Filed: May 1, 2008

**PETITION FOR APPROVAL OF THE PURCHASED GAS (PGA)  
TRUE-UP AMOUNT FOR FLORIDA CITY GAS**

Florida City Gas ("City Gas" or "the Company") hereby files its petition for approval of its final purchased gas true-up amount related to the twelve month period ended December 31, 2007. In support of this Petition, City Gas states:

1. The name of the petitioner and mailing address of its principal office is:

Florida City Gas  
955 East 25<sup>th</sup> Street  
Hialeah, Florida 33013-3498

2. The name and mailing address of the persons authorized to receive notices are:

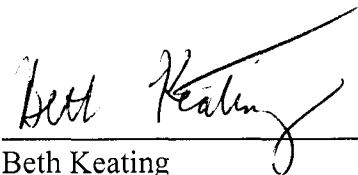
Beth Keating  
Akerman Senterfitt  
106 East College Avenue  
Suite 1200  
Tallahassee, Florida 32301

Melvin D. Williams  
Florida City Gas  
955 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3498

3. Pursuant to the requirements in this docket, City Gas, concurrently with the filing of this petition, files testimony and PGA Schedule A-7 for the period of January 2007 through December 2007, consisting of the purchased gas adjustment true-up reporting form supplied by the Commission Staff.
4. As indicated in the testimony of Thomas Kaufmann, City Gas's final true-up amount for the period January 2007 through December 2007, including interest, net of the estimated true-up for the same period, is a under-recovery of \$312,139.

WHEREFORE, City Gas respectfully requests that the Commission enter its Order approving the Company's true-up amount for the period January 1, 2007 through December 31, 2007.

RESPECTFULLY SUBMITTED this 1st day of May 2008.

A handwritten signature in cursive script that reads "Beth Keating". The signature is written in black ink and is positioned above a horizontal line.

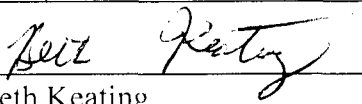
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Beth Keating  
Akerman Senterfitt Attorneys at Law  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32301  
(850) 224-9634

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida City Gas's Petition for Approval of the Purchased Gas (PGA) True-Up Amount in Docket No. 080003-GU has been furnished by regular U.S. Mail to the following parties of record this 1st day of May 2008:

Florida Public Utilities Company Mehrddad Khojasteh 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 J.R. Kelly/Patricia Christensen/S.Burgess c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
People Gas System Paula Brown P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Matthew Costa P.O. Box 111 Tampa, FL 33601-0111	AGL Resources Inc. Elizabeth Wade Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Melvin Williams 955 East 25 <sup>th</sup> Street Hiialeah, FL 33013-3498	Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399
Florida City Gas Jay Sutton 4180 South US Hwy. 1 Rockledge, FL 32955-5309	Charles A. Costin Costin and Costin Law Firm P.O. Box 98 Port Saint Joe, FL 32457-1159



Beth Keating

Akerman Senterfitt, Attorneys at Law  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32301



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 2007 through December, 2007 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, 2007?

19 A. As shown on Schedule A-7, Line 1, the total cost of gas for the  
20 twelve months ended December 31, 2007 is \$36,498,497.

21

1 Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST  
2 RECOVERED BY THE COMPANY DURING THE TWELVE  
3 MONTHS ENDED DECEMBER 31, 2007?

4 A. The Company recovered \$35,396,635.

5

6 Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE  
7 TWELVE MONTHS ENDED DECEMBER 31, 2007?

8 A. The actual true-up amount, including adjustments, margin  
9 sharing and interest, is a under-recovery of \$312,139.

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 \$35,396,635 and the total fuel cost is \$36,498,497.

15 The difference between the fuel cost and fuel recoveries is a  
16 under -recovery of \$1,101,862. This under-recovery is

17 decreased by an adjustment of \$641,646 for margin sharing and  
18 the interest provision, during the period, of \$148,077. The sum

19 of these, inclusive of any rounding, is a under-recovery of  
20 \$312,139.

21



1 Q. WHAT IS THE FINAL OVER/UNDER RECOVERY FOR THE  
2 JANUARY 2007 THROUGH DECEMBER 2007 PERIOD TO BE  
3 INCLUDED IN THE 2008 PROJECTION?

4 A. The final true-up amount for the period of January 2007 through  
5 December 2007 to be included in the 2008 projection is an over-  
6 recovery \$719,773. This is the difference between the  
7 estimated under-recovery of \$1,031,912 that is included in the  
8 current cost recovery factor being collected during 2008 and the  
9 actual under-recovery of \$312,139

10

11 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

12 A. Yes.

COMPANY: FLORIDA CITY GAS		FINAL FUEL OVER/UNDER RECOVERY		SCHEDULE A-7
FOR THE PERIOD:		JANUARY 07	Through	DECEMBER 07
1	TOTAL ACTUAL FUEL COST FOR THE PERIOD		<i>A-2 Line 3</i>	\$36,498,497
2	TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD		<i>A-2 Line 6</i>	\$35,396,635
3	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 2- Line 1)		<i>A-2 Line 7</i>	(\$1,101,862)
3a	ADJUSTMENTS		<i>A-2 Line 10a</i>	\$0
3b	OSS 50% MARGIN SHARING		<i>A-2 Line 10b</i>	\$641,646
4	INTEREST PROVISION		<i>A-2 Line 8</i>	\$148,077
5	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Lines 3 + 3a + 3b + 4)			(\$312,139)
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>(\$1,031,912)</u>
7	FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (JAN 08 Through DEC 08) (Line 5- Line 6)			<u>\$719,773</u>