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September 10, 2008

**VIA HAND DELIVERY**

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

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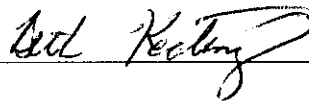
**Re: Docket No. 080003-GU – Purchased Gas Adjustment (PGA) True-Up**

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 Exhibit of 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  
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{TL169369;1}Enclosures

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FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Purchased Gas Adjustment ) Docket No. 080003-GU  
(PGA) True-up )  
\_\_\_\_\_ ) Filed: September 10, 2008

**PETITION BY FLORIDA CITY GAS FOR APPROVAL OF PGA FACTOR  
TO BE APPLIED FOR SERVICE RENDERED  
DURING THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009**

Florida City Gas ("City Gas" or "the Company") hereby submits this petition to the Commission requesting Approval of a Purchased Gas Adjustment ("PGA") factor to be applied for service to be rendered during the projected period of January 1, 2009 through December 31, 2009. In support thereof, City Gas says:

1. City Gas has calculated its total net true-up amount (including interest and applicable regulatory assessment fees) for the period January 2007 through December 2007 to be an over-recovery of \$719,773.
2. Schedule E-4 shows the projected true-up for the current period January 2008 through December 2008 is an over-recovery of \$349,603.
3. The total true-up as shown on Schedule E-4 is an over-recovery of \$1,069,376, to be applied to the projected period.
4. Estimated therm purchases for resale during the projected period are 44,245,473.
5. Schedule E-4 presents a true-up refund factor of 2.417 cents per therm to be applied during the projected period.
6. The total cost of gas for the projected period is \$59,268,219 as shown on Schedule E-1 line 11.

7. The weighted average cost of gas (WACOG) for the projected period is 133.953 cents per therm as shown on Schedule E-1 line 40.

8. The 2.417 cents per therm true up factor decreases the WACOG during the projected period to 131.536 cents per therm (before the regulatory assessment fees) or 132.198 cents per therm after the regulatory assessment fees as shown on Schedule E-1 lines 42 and 44 respectively. In order to avoid a large under-recovery in the winter season, City Gas has chosen to establish a maximum levelized purchased gas factor based on the Company's expected winter cost of gas. The levelized purchased gas factor based on the Company's expected winter cost of gas is 139.771 cents per therm before the regulatory assessment fees and 140.474 cents per therm after the regulatory assessment fees. This is the appropriate levelized gas cost factor (cap) for City Gas for the projected period.

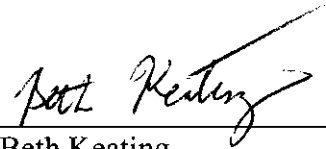
9. City Gas' proposal filed herewith consists of Schedules E-1 (winter), E-1, E-1R, E-2, E-3, E-4, E-5 and the prepared Direct Testimony of Thomas Kaufmann.

WHEREFORE, Florida City Gas Company respectfully requests that the Commission enter its order approving the Company's proposed winter cost based levelized PGA true-up factor for the period January 2009 through December 2009 of 139.771 cents per therm (before the regulatory assessment fees) or 140.474 cents per

Docket No. 080003-GU  
September 10, 2008

them after the regulatory assessment fees.

RESPECTFULLY SUBMITTED this 10th day of September, 2008.



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beth.keating@akerman.com

**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 10<sup>th</sup> day of September, 2008:

Florida Public Utilities Company Mehrdad 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
Peoples 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 Hialeah, 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

  
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