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Via Hand Delivery

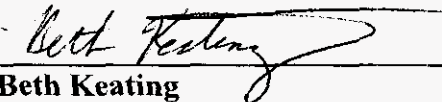
Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32309

Re: Docket No. 090004-GU: Natural Gas Conservation Cost Recovery

Dear Ms. Cole:

Attached for filing in the above referenced Docket, please find Florida City Gas's second supplemental response to the Audit Report issued for the Company in this Docket (Audit Control No.: 09-028-4-3). The attachment referenced in this response is being filed today under separate cover as a confidential document.

Thank you for your assistance. Should you have any questions, please do not hesitate to contact me.


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Enclosures

cc: Devlin Higgins (Division of Economic Regulation)
Katherine Fleming (Office of the General Counsel)
Office of Public Counsel

{TL203009;1}

DOCUMENT NUMBER-DATE

09221 SEP-3 8

FPSC-COMMISSION CLERK

**Florida City Gas
Second Supplemental Response**

RE: Docket No. 090004-GU; Audit Finding No.1; Audit Control No. 09-028-4-3

COMPANY SUPPLEMENTAL RESPONSE:

FCG hereby submits this second supplemental response to Audit Finding No. 1, Audit Control No. 09-028-4-3. Based on further discussions, it is now the Company's understanding that the basis for the audit finding is that the Company had not adequately demonstrated that there has been any change in ECP-related activities since the Company's last rate case that would generate any incremental difference in costs attributable solely to ECP for the items addressed in Audit Finding No. 1.

Upon additional review and investigation, the Company submits this supplemental documentation, demonstrating that prior to the last rate case, ECP-related rebates were electronically applied to customers' accounts in the form of a line item credit. That practice has, however, changed, and the Company now distributes rebate checks to customers via the U.S. Postal Service. Thus, the Company incurs additional, incremental costs in the amount of \$109,468 for labor, materials, and postage associated with the preparation and mailing of these rebate checks, as further demonstrated by the Attachment to this Response.