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Suite 1200  
106 East College Avenue  
Tallahassee, FL 32301  
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850 224 9634 tel 850 222 0103 fax

April 28, 2010

**VIA HAND DELIVERY**

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

RECEIVED-FPSC  
10 APR 28 AM 11:44  
COMMISSION  
CLERK

**Re: Docket No. 100003-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 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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Enclosures

DOCUMENT NUMBER: 03420 APR 28 2010

FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Purchased Gas Adjustment ) Docket No. 100003-GU  
(PGA) True-Up )  
\_\_\_\_\_ ) Filed: April 28, 2010

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

Florida City Gas (“Florida 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, 2009. In support of this Petition, Florida City Gas states:

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

Florida City Gas  
933 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  
933 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3498

3. Pursuant to the requirements in this docket, Florida City Gas, concurrently with the filing of this petition, files testimony and PGA Schedule A-7 for the period of January 2009 through December 2009, consisting of the purchased gas adjustment true-up reporting form supplied by the Commission Staff.
4. As indicated in the testimony of Thomas Kaufmann, Florida City Gas’s final true-up amount for the period January 2009 through December 2009, including interest, net of the estimated true-up for the same period, is a over-recovery of \$2,308,521.

WHEREFORE, Florida City Gas respectfully requests that the Commission enter its Order approving the Company's true-up amount for the period January 1, 2009 through December 31, 2009.

RESPECTFULLY SUBMITTED this 28th day of April 2010.

A handwritten signature in cursive script, appearing to read "Beth Keating", is written over a horizontal line.

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. 100003-GU has been furnished by regular U.S. Mail to the following parties of record this 28th day of April 2010:

Florida Public Utilities Company 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
Charles A. Costin Costin and Costin Law Firm P.O. Box 98 Port Saint Joe, FL 32457-1159	Office of Public Counsel J.R. Kelly/Patricia Christensen 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/David Weaver Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Melvin Williams 933 East 25 <sup>th</sup> Street Hialeah, FL 33013-3498	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

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
2 DIRECT TESTIMONY OF  
3 THOMAS KAUFMANN  
4 ON BEHALF OF FLORIDA CITY GAS  
5 DOCKET NO. 100003-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, 300 Connell Drive, Suite 3000, Berkeley  
10 Heights, New Jersey 07922  
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 2009 through December, 2009 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, 2009?**

19 A. As shown on Schedule A-7, Line 1, the total cost of gas for the  
20 twelve months ended December 31, 2009 is \$25,340,897.

21

1 Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST  
2 RECOVERED BY THE COMPANY DURING THE TWELVE  
3 MONTHS ENDED DECEMBER 31, 2009?

4 A. The Company recovered \$26,737,546.

5

6 Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE  
7 TWELVE MONTHS ENDED DECEMBER 31, 2009?

8 A. The actual true-up amount, including adjustments, margin  
9 sharing and interest, is a over-recovery of \$2,308,521.

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 \$26,737,546 and the total fuel cost is \$25,340,897.  
15 The difference between the fuel cost and fuel recoveries is an  
16 over-recovery of \$1,396,649. This over-recovery is increased by  
17 an adjustment of \$911,477 for margin sharing and the interest  
18 provision, during the period, of \$395. The sum of these,  
19 inclusive of any rounding, is a under-recovery of \$2,308,521.

20

21 Q. WHAT IS THE FINAL OVER/UNDER RECOVERY FOR THE  
22 JANUARY 2009 THROUGH DECEMBER 2009 PERIOD TO BE  
23 INCLUDED IN THE 2010 PROJECTION?

1 A. The final true-up amount for the period of January 2009 through  
2 December 2009 to be included in the 2010 projection is an over-  
3 recovery \$836,302. This is the difference between the  
4 estimated over-recovery of \$1,472,219 that is included in the  
5 current cost recovery factor being collected during 2010 and the  
6 actual over-recovery of \$2,308,521.

7

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

9 A. Yes.

COMPANY: FLORIDA CITY GAS		FINAL FUEL OVER/UNDER RECOVERY		SCHEDULE A-7
FOR THE PERIOD:		JANUARY 09	Through	DECEMBER 09
1	TOTAL ACTUAL FUEL COST FOR THE PERIOD		<i>A-2 Line 3</i>	\$25,340,897
2	TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD		<i>A-2 Line 6</i>	\$26,737,546
3	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 2- Line 1)		<i>A-2 Line 7</i>	\$1,396,649
3a	ADJUSTMENTS		<i>A-2 Line 10a</i>	\$0
3b	OSS 50% MARGIN SHARING		<i>A-2 Line 10b</i>	\$911,477
4	INTEREST PROVISION		<i>A-2 Line 8</i>	\$395
5	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Lines 3 + 3a + 3b + 4)			\$2,308,521
6	LESS: ESTIMATED/ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 08 Through DECEMBER 08 (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT PERIOD RECOVERY FACTOR (JAN 09 through DEC 09)			<u>\$1,472,219</u>
7	FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (JAN 10 Through DEC 10) (Line 5- Line 6)			<u>\$836,302</u>