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April 25, 2012

**HAND DELIVERY**

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

RECEIVED- FPSC  
APR 25 PM 2:23  
COMMISSION  
CLERK

Re: Docket No. 120003-GU - **Purchased gas adjustment (PGA) true-up.**

Dear Ms. Cole:

Attached for filing, please find the original and 15 copies of Direct Testimony and Exhibit TK-1 of Mr. Thomas Kaufmann, submitted in the referenced Docket on behalf of Florida City Gas. Also enclosed for filing is a copy of the filing on CD in native format.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

  
Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

COM \_\_\_\_\_ MEK  
APA 1 cc: Parties of Record  
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02610 APR 25 12

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Purchased Gas Adjustment ) Docket No. 120003-GU  
(PGA) True-Up )  
\_\_\_\_\_ ) Filed: April 25, 2012

**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, 2011. 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  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

Jesse Killings  
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 2011 through December 2011, 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 2011 through December 2011, including interest, net of the estimated true-up for the same period, is a over-recovery of \$1,905,623.

DOCUMENT NUMBER (DATE)

02610 APR 25 2012

FPSC-COMMISSION CLERK

WHEREFORE, Florida City Gas respectfully requests that the Commission enter its Order approving the Company's final true-up amount for the period January 1, 2011 through December 31, 2011.

RESPECTFULLY SUBMITTED this 25th day of April, 2012.



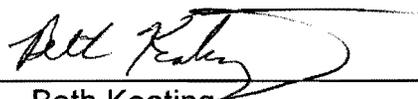
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Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

**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. 120003-GU has been furnished by regular U.S. Mail to the following parties of record this 25th day of April 2012:

Florida Public Utilities Company Cheryl Martin 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409-6703	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Jennifer Crawford Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399	Office of Public Counsel J.R. Kelly/Patricia Christensen 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. Javier Cuebas P.O. Box 111 Tampa, FL 33601-0111	AGL Resources Inc. Elizabeth Wade/Brian Sulmonetti Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Carolyn Bermudez 933 East 25 <sup>th</sup> Street Hialeah, FL 33013-3498	



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bkeating@gunster.com

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
2 DIRECT TESTIMONY OF  
3 THOMAS KAUFMANN  
4 ON BEHALF OF FLORIDA CITY GAS  
5 DOCKET NO. 120003-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

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Ch. Rep. 1

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 2011 through December, 2011 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, 2011?**

19 A. As shown on Schedule A-7, Line 1, the total cost of gas for the  
20 twelve months ended December 31, 2011 is \$25,011,914.

21

1 Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST  
2 RECOVERED BY THE COMPANY DURING THE TWELVE  
3 MONTHS ENDED DECEMBER 31, 2011?

4 A. The Company recovered \$24,218,963 from customer billings  
5 plus an additional \$3,053,480 from margin sharing and pipeline  
6 refunds.

7  
8 Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE  
9 TWELVE MONTHS ENDED DECEMBER 31, 2011?

10 A. The actual true-up amount, including adjustments, margin  
11 sharing and interest, is an over-recovery of \$2,263,262.

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

15 A. Yes. As shown on Schedule A-7, the total fuel cost for the  
16 period is \$25,011,914 and the total fuel revenues are  
17 \$24,218,963. The difference between the fuel cost and fuel  
18 recoveries is an under-recovery of \$792,951. This under-  
19 recovery was more than offset by an adjustment of \$3,053,480  
20 for margin sharing and pipeline refunds, and an interest  
21 provision, during the period, of \$2,739. The sum of these,  
22 inclusive of a \$6 credit from a prior period, is an over-recovery of  
23 \$2,263,262.

1

2 **Q. WHAT IS THE FINAL OVER/UNDER RECOVERY FOR THE**  
3 **JANUARY 2011 THROUGH DECEMBER 2011 PERIOD TO BE**  
4 **INCLUDED IN THE 2012 PROJECTION?**

5 A. The final true-up amount for the period of January 2011 through  
6 December 2011 to be included in the 2012 projection is an over-  
7 recovery \$1,905,623. This is the difference between the  
8 estimated over-recovery of \$357,639 that is included in the  
9 current cost recovery factor being collected during 2012 and the  
10 actual over-recovery of \$2,263,262.

11

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

13 A. Yes.

COMPANY: FLORIDA CITY GAS		FINAL FUEL OVER/UNDER RECOVERY		SCHEDULE A-7
FOR THE PERIOD:		JANUARY 11	Through	DECEMBER 11
1	TOTAL ACTUAL FUEL COST FOR THE PERIOD		<i>A-2 Line 3</i>	\$25,011,914
2	TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD		<i>A-2 Line 6</i>	\$24,218,963
3	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 2- Line 1)		<i>A-2 Line 7</i>	(\$792,951)
3a	PRIOR PERIOD ADJUSTMENT		<i>A-2 Line 10a</i>	(\$6)
3b	OSS 50% MARGIN SHARING & PIPELINE CREDITS		<i>A-2 Line 10b</i>	\$3,053,480
4	INTEREST PROVISION		<i>A-2 Line 8</i>	\$2,739
5	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Lines 3 + 3a + 3b + 4)			\$2,263,262
6	LESS: ESTIMATED/ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 10 Through DECEMBER 10 (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT PERIOD RECOVERY FACTOR (JAN 11 through DEC 11)			<u>\$357,639</u>
7	FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (JAN 12 Through DEC 12) (Line 5- Line 6)			<u>\$1,905,623</u>