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April 29, 2013

HAND DELIVERY

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

RECEIVED-FPSC
13 APR 29 PM 4:12
COMMISSION
CLERK

Re: Docket No. 130003-GU -Purchased Gas Adjustment (PGA) True-Up.

Dear Ms. Cole:

Attached for filing, please find the original and 15 copies of the Direct Testimony and Exhibit TK-1 of Mr. Thomas Kaufmann, submitted in the referenced Docket on behalf of Florida City Gas, along with the original and 15 copies of the Company's Petition for Approval of Purchased Gas Final True-Up. Also enclosed for filing is a CD containing the filed schedules 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 5 (testimony only)
AFD 2
APA 2
ECO 3 + CD
ENG 1
GCL 1
IDM
TEL
CLK 1 + Rep (testimony only)

MEK
cc: Parties of Record

DOCUMENT NUMBER-DATE

02273 APR 29 2013

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment) Docket No. 130003-GU
(PGA) True-Up)
_____) Filed: April 29, 2013

**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, 2012. 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 25th 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

Brian Sulmonetti
Director, Regulatory Affairs
Florida City Gas
10 Peachtree Place
Atlanta, GA 30309

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 2012 through December 2012, 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 2012 through December 2012, including interest, net of the estimated true-up for the same period, is an over-recovery of \$1,408,722.

DOCUMENT NUMBER-DATE

02273 APR 29 2013

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, 2012 through December 31, 2012.

RESPECTFULLY SUBMITTED this 29th day of April, 2013.

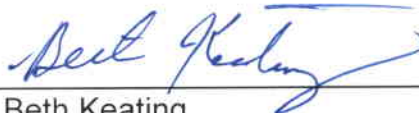


Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

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. 130003-GU has been furnished by regular U.S. Mail to the following parties of record this 29th day of April 2013:

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 th Street Hialeah, FL 33013-3498	



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COMPANY: FLORIDA CITY GAS		FINAL FUEL OVER/UNDER RECOVERY		SCHEDULE A-7
		Docket No. 130003-GU		(REVISED 4/30/01)
FOR THE PERIOD:		JANUARY 12	Through	DECEMBER 12
1	TOTAL ACTUAL FUEL COST FOR THE PERIOD		<i>A-2 Line 3</i>	\$20,959,019
2	TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD		<i>A-2 Line 6</i>	<u>\$19,413,431</u>
3	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 2- Line 1)		<i>A-2 Line 7</i>	(\$1,545,588)
3a	PRIOR PERIOD ADJUSTMENT		<i>A-2 Line 10a</i>	\$1
3b	OSS 50% MARGIN SHARING		<i>A-2 Line 10b</i>	\$757,910
4	INTEREST PROVISION		<i>A-2 Line 8</i>	<u>\$2,356</u>
5	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Lines 3 + 3a + 3b + 4)			(\$785,321)
6	LESS: ESTIMATED/ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 11 Through DECEMBER 11 (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT PERIOD RECOVERY FACTOR (JAN 12 through DEC 12)			<u>(\$2,194,043)</u>
7	FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (JAN 13 through DEC 13) (Line 5- Line 6)			<u>\$1,408,722</u>

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DIRECT TESTIMONY OF
THOMAS KAUFMANN
ON BEHALF OF FLORIDA CITY GAS
(Final True-Up)
DOCKET NO. 130003-GU

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Thomas Kaufmann. My business address is Elizabethtown Gas, 300 Connell Drive, Suite 3000, Berkeley Heights, New Jersey 07922.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am currently employed as a Manager of Rates and Tariffs and have responsibilities for Pivotal Utility Holdings, Inc's., Florida operating division d/b/a Florida City Gas ("City Gas" or "the Company").

Q. BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. In June 1977, I graduated from Rutgers University, Newark with a Bachelor of Arts degree in Business Administration, majoring in accounting and economics. In July 1979, I graduated from

1 Fairleigh Dickinson University, Madison with a Masters of
2 Business Administration, majoring in finance. My professional
3 responsibilities have encompassed financial analysis,
4 accounting, planning, and pricing in manufacturing and energy
5 services companies in both regulated and deregulated
6 industries. In 1977, I was employed by Allied Chemical Corp. as
7 a staff accountant. In 1980, I was employed by Celanese Corp.
8 as a financial analyst. In 1981, I was employed by Suburban
9 Propane as a Strategic Planning Analyst, promoted to Manager
10 of Rates and Pricing in 1986 and to Director of Acquisitions and
11 Business Analysis in 1990. In 1993, I was employed by
12 Concurrent Computer as a Manager, Pricing Administration. In
13 1996 I joined Pivotal Utility Holdings, Inc's., (formerly known as
14 NUI Utilities Inc.) as a Rate Analyst, was promoted to Manager
15 of Regulatory Support in August, 1997 and Manager of
16 Regulatory Affairs in February, 1998, and named Manager of
17 Rates and Tariffs in July 1998.

18

19 **Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY?**

20 A. The purpose of my testimony is to present the comparison of
21 Actual versus Original estimate of the purchased gas adjustment
22 cost recovery factor and true-up provision for the period January,
23 2012 through December, 2012 for City Gas.

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Q. HAS THE COMPANY PREPARED THE FORM PRESCRIBED BY THIS COMMISSION FOR THIS PURPOSE?

A. Yes. The Company has prepared the form prescribed by the Commission attached as Schedule A-7, and identified as Exhibit ___ (TK-1).

Q. HAS CITY GAS PREPARED A SCHEDULE WHICH SHOWS THE ACTUAL GAS COSTS ASSOCIATED WITH THE GAS ADJUSTMENT COST RECOVERY FACTOR?

A. Yes. City Gas prepared Schedule A-7, attached, which describes the total fuel cost for the period in question, recovery of such cost from ratepayers through the Purchased Gas Adjustment (PGA) Cost Recovery Factor, and remaining over or under-recovery of gas cost.

Q. WHAT WAS THE TOTAL GAS COST INCURRED BY THE COMPANY DURING THE TWELVE MONTHS ENDED DECEMBER 31, 2012?

A. As shown on Schedule A-7, Line 1, the total cost of gas for the twelve months ended December 31, 2012 is \$20,959,019.

1 Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST
2 RECOVERED BY THE COMPANY DURING THE TWELVE
3 MONTHS ENDED DECEMBER 31, 2012?

4 A. The Company recovered \$19,413,431 from customer billings
5 plus an additional \$757,910 from margin sharing credits.
6

7 Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE
8 TWELVE MONTHS ENDED DECEMBER 31, 2012?

9 A. The actual true-up amount, including adjustments, margin
10 sharing and interest, is an under-recovery of \$785,321.
11

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

14 A. Yes. As shown on Schedule A-7, the total fuel cost for the
15 period is \$20,959,019 and the total fuel revenues are
16 \$19,413,431. The difference between the fuel cost and fuel
17 recoveries is an under-recovery of \$1,545,588. This under-
18 recovery was somewhat offset by an adjustment of \$757,910 for
19 margin, and an interest provision, during the period, of \$2,356.
20 The sum of these, inclusive of a \$1 credit from a prior period, is
21 an under-recovery of \$785,321.
22

1 Q. WHAT IS THE FINAL OVER/UNDER RECOVERY FOR THE
2 JANUARY 2012 THROUGH DECEMBER 2012 PERIOD TO BE
3 INCLUDED IN THE 2013 PROJECTION?

4 A. The final true-up amount for the period of January 2012 through
5 December 2012 to be included in the 2013 projection is an over-
6 recovery \$1,408,722. This is the difference between the
7 estimated under-recovery of \$2,194,043 that is included in the
8 current cost recovery factor being collected during 2013 and the
9 actual under-recovery of \$785,321.

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 12	Through	DECEMBER 12
1	TOTAL ACTUAL FUEL COST FOR THE PERIOD		A-2 Line 3	\$20,959,019
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3	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 2- Line 1)		A-2 Line 7	(\$1,545,588)
3a	PRIOR PERIOD ADJUSTMENT		A-2 Line 10a	\$1
3b	OSS 50% MARGIN SHARING & PIPELINE CREDITS		A-2 Line 10b	\$757,910
4	INTEREST PROVISION		A-2 Line 8	\$2,356
5	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Lines 3 + 3a + 3b + 4)			(\$785,321)
6	LESS: ESTIMATED/ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 11 Through DECEMBER 11 (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT PERIOD RECOVERY FACTOR (JAN 12 through DEC 12)			<u>(\$2,194,043)</u>
7	FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (JAN 13 Through DEC 13) (Line 5- Line 6)			<u>\$1,408,722</u>