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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

RAYMOND A. DEMOINE

ORIGINAL

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Raymond A. DeMoine. My business address is One Elizabethtown Plaza, Union, New Jersey 07083.

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

A. I am currently employed as Director of Rates and Compliance for NUI Corporation which includes the Florida operating division, NUI City Gas Company of Florida.

Q. PLEASE DESCRIBE YOUR PRIOR UTILITY RELATED EXPERIENCE.

A. Upon graduation from Rider College in 1983, I was employed by the State of New Jersey as an Auditor/Investigator with the Division of Criminal Justice. I audited various types of business entities, primarily for the detection of fraud. In December, 1986, I accepted a professional staff position with the certified public accounting firm of Arthur Young (now Ernst and Young), a worldwide accounting and consulting firm. My experience with this public accounting firm included auditing and consulting engagements on a variety of entities and exposure to varied accounting systems.

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1 In July, 1989, I was hired as Administrator of External Reporting
2 by Elizabethtown Gas Company. In that role, I was responsible for
3 the coordination of the Accounting Department's efforts in all
4 regulatory proceedings.

5 In March, 1995, I was promoted to Manager of Regulatory
6 Affairs in the Company's Rate Department. In July, 1995, I assumed
7 additional responsibility as Manager of Rates and Regulatory Affairs.
8 In November, 1996, I was promoted to Director.

9 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

10 A. I received a Bachelor of Science in Commerce degree, with a major in
11 Accounting, from Rider College in June, 1983. In June, 1990, I
12 received a Master of Business Administration degree from Rider
13 College. I am a Certified Public Accountant in the State of New
14 Jersey, a member of the American Institute of Certified Public
15 Accountants, and a member of the New Jersey State Society of
16 Certified Public Accountants.

17 **Q. MR. DeMOINE, WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

18 A. The purpose of my testimony is to present the revised estimate of the
19 Company's projection of gas costs for the period September 1999
20 through December 1999. I will describe, generally, the Company's
21 projection of gas costs and the development of the maximum rate to
22 be charged to customers for the period January 2000 through
23 December 2000.

1 **Q. HAS THE COMPANY PREPARED THE FORMS AS PRESCRIBED**
2 **BY THE COMMISSION FOR THIS PURPOSE?**

3 A. Yes. The forms prescribed by the Commission are being filed at this
4 time. Copies are attached to my testimony.

5 **Q. CAN YOU EXPLAIN THE PROJECTION METHODOLOGY?**

6 A. Yes. Under this methodology, which was adopted by Order No. PSC-
7 93-0708-FOF-GU of this Commission on May 10, 1993 and modified in
8 Docket No. 980269-PU on June 10, 1998 gas companies are to
9 project their gas costs each twelve months for the ensuing twelve
10 month period ending in December. A per therm rate is developed for
11 the weighted average cost of gas (WACOG). This rate, based on the
12 average of the winter and summer seasons, would lead to over or
13 under-recoveries of gas costs in the two seasons. This problem is
14 mitigated by establishing a maximum levelized purchased gas factor
15 based on the Company's expected winter cost of gas, thereby
16 eliminating a large under-recovery in that season. The Company is
17 then able to flex downward in the summer in order to match market
18 conditions and eliminate the potential for a large over-recovery for the
19 remainder of the period.

20 **Q. WHAT IF THE ACTUAL COST EXCEEDS THE MAXIMUM RATE AS**
21 **PROJECTED?**

22 A. If re-projected gas costs for the remaining period exceed projected
23 recoveries by at least 10% for the twelve month period, a mid-course
24 correction may formally be requested by the Company.

1 **Q. WHAT HAPPENS TO THE DIFFERENCES THAT RESULT FROM**
2 **MISESTIMATES, THAT IS, THE MISMATCHES BETWEEN**
3 **ESTIMATED AND ACTUAL COSTS?**

4 A. The forms take this into consideration. Form E-2 calculates the
5 projected differences using estimated figures, and form E-4 calculates
6 the final true-up using actual figures. These differences are flowed
7 back to customers through the true-up factor included in gas costs
8 billed in the subsequent twelve month period.

9 **Q. ARE ANY FGT RATE CHANGES PROPOSED WHICH ARE**
10 **REFLECTED IN THIS FILING?**

11 A. No.

12 **Q. DOES THE COMPANY ANTICIPATE ANY CHANGES TO THE**
13 **CAPACITY PORTFOLIO IN THE COMING YEAR?**

14 A. Yes. NUI's FTS-1 contract expires in 2000 and the Company
15 plans a reduction of 1,000 dth per day in August and September,
16 3,000 dth per day in October, and 4,000 dth per day in November and
17 December.

18 **Q. WHAT IS THE MONETARY IMPACT OF THIS CAPACITY**
19 **REDUCTION ON THE PGA?**

20 A. The savings from this reduction in Florida Gas Transmission capacity
21 is anticipated to be roughly \$150,000.

22 **Q. CAN YOU SUMMARIZE THE CONTENTS OF THE SCHEDULES**
23 **SUBMITTED AS PART OF THIS FILING?**

1 A. Yes. For the projected period, January 1999 through December 1999,
 2 we estimate the gas purchases for resale will be 62,284,488 therms at
 3 a total cost of \$28,168,668, with a resulting WACOG of 45.226 cents
 4 per therm (before the application of the true-up factor and the
 5 regulatory assessment fee). The difference between the estimated
 6 actual and actual true-up for the prior period, April 1998 through
 7 December 1998, is an over-recovery of \$1,121,676. The projected
 8 true-up for the current period, January 1999 through December 1999
 9 is an under-recovery of \$1,096,063. The total true-up as shown on
 10 Schedule E-4 is an over-recovery of \$25,612 for a true-up factor of
 11 negative 0.041 cents per therm that would be applied during the
 12 projected period. This true-up factor decreases the gas cost factor
 13 during the January 2000 through December 2000 period to 45.185
 14 cents per therm (before the regulatory assessment fee). With the
 15 regulatory assessment fee added, the PGA factor is 45.412 cents per
 16 therm based on the average of the winter and summer seasons. City
 17 Gas, however, has chosen to establish a maximum levelized
 18 purchased gas factor based on the Company's expected winter cost of
 19 gas as follows:

	<u>Winter Average</u>	
21	Total Cost (Line 11)	\$16,673,605
22	Total Therm Sales (Line 27)	34,143,144
23	(Line 11/ Line 27)	\$0.48834
24	True-up	\$(0.00041)

1	Before Regulatory Assessment	\$0.48793
2	Revenue Tax Factor	1.00503
3	Purchased Gas Factor	\$0.49039

4 As shown above, the maximum levelized purchased gas factor based
5 on the Company's expected winter cost of gas is 48.793 cents per
6 therm before the regulatory assessment fee. This is the maximum
7 gas cost factor that City Gas may charge its customers for the period
8 January 2000 through December 2000.

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

10 **A.** Yes, it does.

**PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION**

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY 2000 Through DECEMBER 2000

COST OF GAS PURCHASED	PROJECTION												TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1 COMMODITY (Pipeline)	\$22,264	\$24,282	\$21,363	\$19,209	\$17,402	\$16,546	\$15,655	\$15,869	\$16,775	\$16,018	\$17,069	\$21,147	\$224,499
2 NO NOTICE RESERVATION	\$17,741	\$16,024	\$17,741	\$8,850	\$6,859	\$6,638	\$6,859	\$6,859	\$6,638	\$7,316	\$17,169	\$17,741	\$136,435
3 SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 COMMODITY (Other)	\$1,987,450	\$2,033,956	\$1,670,221	\$1,394,032	\$1,215,360	\$1,146,025	\$1,084,316	\$1,101,368	\$1,168,887	\$1,133,234	\$1,341,614	\$1,662,889	\$16,939,351
5 DEMAND	\$1,224,550	\$1,145,547	\$1,224,550	\$895,012	\$677,530	\$655,874	\$677,530	\$665,865	\$644,385	\$687,065	\$1,139,893	\$1,177,889	\$10,815,519
6 OTHER	\$5,624	\$5,759	\$5,219	\$4,364	\$4,904	\$4,499	\$3,869	\$3,689	\$3,599	\$4,004	\$3,194	\$4,139	\$52,864
LESS END-USE CONTRACT													
7 COMMODITY (Pipeline)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$3,257,630	\$3,225,568	\$2,939,095	\$2,321,467	\$1,922,055	\$1,829,381	\$1,788,229	\$1,793,649	\$1,840,284	\$1,847,668	\$2,519,839	\$2,883,805	\$28,168,668
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 COMPANY USE (\$7,887)	(\$7,887)	(\$7,161)	(\$7,416)	(\$6,516)	(\$5,952)	(\$5,959)	(\$6,158)	(\$6,094)	(\$5,915)	(\$6,218)	(\$7,564)	(\$7,354)	(\$80,193)
14 THERM SALES REVENUES	\$3,249,743	\$3,218,407	\$2,931,678	\$2,314,951	\$1,916,103	\$1,823,422	\$1,782,071	\$1,787,556	\$1,834,368	\$1,841,450	\$2,512,276	\$2,876,451	\$28,088,475
THERMS PURCHASED													
15 COMMODITY (Pipeline)	6,183,164	6,743,364	5,932,924	5,334,754	4,832,924	4,594,984	4,347,564	4,407,094	4,658,624	4,448,544	4,990,254	5,872,794	62,346,988
16 NO NOTICE RESERVATION	3,007,000	2,716,000	3,007,000	1,500,000	1,162,500	1,125,000	1,162,500	1,162,500	1,125,000	1,240,000	2,910,000	3,007,000	23,124,500
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY (Other)	6,183,164	6,743,364	5,932,924	5,334,754	4,832,924	4,594,984	4,347,564	4,407,094	4,658,624	4,448,544	4,990,254	5,872,794	62,346,988
19 DEMAND	24,495,270	22,914,930	24,495,270	15,997,500	13,354,800	12,924,000	13,354,800	13,044,800	12,624,000	13,609,000	22,505,100	23,255,270	212,574,740
20 OTHER	12,500	12,800	11,600	9,700	10,900	10,000	8,600	8,200	8,000	8,900	7,100	9,200	117,500
LESS END-USE CONTRACT													
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (+17+18+20)-(21+23)	6,195,664	6,756,164	5,944,524	5,344,454	4,843,824	4,604,984	4,356,164	4,415,294	4,666,624	4,457,444	4,997,354	5,881,994	62,464,488
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE (15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(180,000)
27 TOTAL THERM SALES (24-26)	6,180,664	6,741,164	5,929,524	5,329,454	4,828,824	4,589,984	4,341,164	4,400,294	4,651,624	4,442,444	4,982,354	5,866,994	62,284,488
CENTS PER THERM													
28 COMMODITY (Pipeline) (1/15)	0.00360	0.00360	0.00360	0.00360	0.00360	0.00360	0.00360	0.00360	0.00360	0.00360	0.00360	0.00360	0.00360
29 NO NOTICE RESERVATION (2/16)	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590
30 SWING SERVICE (3/17)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
31 COMMODITY (Other) (4/18)	0.32143	0.30162	0.28152	0.26131	0.25148	0.24941	0.24941	0.24991	0.25091	0.25474	0.26885	0.28315	0.27169
32 DEMAND (5/19)	0.04999	0.04999	0.04999	0.05595	0.05073	0.05073	0.05073	0.05104	0.05104	0.05049	0.05065	0.05065	0.05088
33 OTHER (6/20)	0.44991	0.44991	0.44991	0.44991	0.44991	0.44991	0.44991	0.44991	0.44991	0.44991	0.44991	0.44991	0.44991
LESS END-USE CONTRACT													
34 COMMODITY Pipeline (7/21)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35 DEMAND (8/22)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
36 (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37 TOTAL COST (11/24)	0.52579	0.47743	0.49442	0.43437	0.39681	0.39726	0.41051	0.40624	0.39435	0.41451	0.50423	0.49028	0.45095
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39 COMPANY USE (13/26)	0.52579	0.47743	0.49442	0.43437	0.39681	0.39726	0.41051	0.40624	0.39435	0.41451	0.50423	0.49028	0.45095
40 TOTAL THERM SALES (11/27)	0.52707	0.47849	0.49567	0.43559	0.39804	0.39856	0.41192	0.40762	0.39562	0.41591	0.50575	0.49153	0.45226
41 TRUE-UP (E-2)	(0.00041)	(0.00041)	(0.00041)	(0.00041)	(0.00041)	(0.00041)	(0.00041)	(0.00041)	(0.00041)	(0.00041)	(0.00041)	(0.00041)	(0.00041)
42 TOTAL COST OF GAS (40+41)	0.52666	0.47808	0.49526	0.43518	0.39763	0.39815	0.41151	0.40721	0.39521	0.41550	0.50534	0.49112	0.45185
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.52931	0.48048	0.49775	0.43737	0.39963	0.40015	0.41358	0.40926	0.39720	0.41759	0.50788	0.49359	0.45412
45 PGA FACTOR ROUNDED TO NEAREST .001	0.529	0.480	0.498	0.437	0.400	0.400	0.414	0.409	0.397	0.418	0.508	0.494	0.454

REVISED ESTIMATE FOR THE PROJECTED PERIOD: APRIL 99 Through DECEMBER 99

COST OF GAS PURCHASED	ACTUAL												REVISED PROJECTION	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
1 COMMODITY (Pipeline)	\$20,260	\$19,862	\$26,829	\$23,051	\$38,113	\$34,207	\$35,913	\$36,479	\$16,370	\$15,792	\$17,355	\$20,576	\$304,806	
2 NO NOTICE RESERVATION	16,869	15,237	16,869	8,415	6,311	6,311	6,859	6,859	6,638	7,316	17,169	17,741	\$132,594	
3 SWING SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	\$0	
4 COMMODITY (Other)	1,104,389	922,340	876,282	868,208	808,478	786,073	1,033,201	922,201	1,467,319	1,422,643	1,614,217	1,968,891	\$13,792,243	
5 DEMAND	1,236,015	1,113,226	1,231,280	866,452	634,344	673,215	663,871	675,764	656,635	722,152	1,185,018	1,224,519	\$10,881,490	
6 OTHER	4,500	5,172	4,474	4,762	3,921	3,767	3,741	3,575	3,599	4,004	3,194	4,139	\$48,849	
LESS END-USE CONTRACT														
7 COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	\$0	
8 DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	\$0	
9	-	-	-	-	-	-	-	-	-	-	-	-	\$0	
10	-	-	-	-	-	-	-	-	-	-	-	-	\$0	
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$2,382,033	\$2,075,837	\$2,155,734	\$1,768,888	\$1,491,167	\$1,503,573	\$1,743,585	\$1,644,878	\$2,149,560	\$2,171,907	\$2,836,953	\$3,235,866	\$25,159,981	
12 NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	\$0	
13 COMPANY USE	(4,571)	(3,662)	-	(3,447)	(7,449)	-	(1,182)	(1,851)	-	-	-	-	(\$22,162)	
14 THERM SALES REVENUES	\$2,014,309	\$2,194,545	\$2,320,479	\$1,919,843	\$1,728,079	\$1,832,960	\$1,635,139	\$1,383,636	\$2,149,560	\$2,171,907	\$2,836,953	\$3,235,866	\$25,423,276	
THERMS PURCHASED														
15 COMMODITY (Pipeline)	8,636,300	7,633,970	10,512,900	11,537,460	12,736,880	10,212,680	11,868,710	11,870,580	4,546,224	4,385,604	4,819,624	5,714,184	104,475,116	
16 NO NOTICE RESERVATION	3,007,000	2,716,000	3,007,000	1,500,000	1,125,000	1,125,000	1,162,500	1,162,500	1,125,000	1,240,000	2,910,000	3,007,000	23,087,000	
17 SWING SERVICE	-	-	-	-	-	-	-	-	0	0	0	0	0	
18 COMMODITY (Other)	6,077,736	4,860,463	4,941,700	4,606,678	3,944,858	4,103,570	4,394,914	4,009,221	4,546,224	4,385,604	4,819,624	5,714,184	56,404,776	
19 DEMAND	23,721,510	21,381,080	23,670,860	13,462,460	15,299,430	13,905,270	10,685,590	12,986,210	12,924,000	14,539,000	23,705,100	24,495,270	210,775,780	
20 OTHER	9,329	10,722	9,133	9,873	8,129	8,315	8,315	7,446	8,000	8,900	7,100	9,200	104,462	
LESS END-USE CONTRACT														
21 COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	0	0	0	0	0	
22 DEMAND	-	-	-	-	-	-	-	-	0	0	0	0	0	
23	-	-	-	-	-	-	-	-	0	0	0	0	0	
24 TOTAL PURCHASES (17+18+20)-(21+23)	6,087,065	4,871,185	4,950,833	4,616,551	3,952,987	4,111,885	4,403,229	4,016,667	4,554,224	4,394,504	4,826,724	5,723,384	56,509,238	
25 NET UNBILLED	-	-	-	-	-	-	-	-	0	0	0	0	0	
26 COMPANY USE	(10,144)	(8,127)	-	(7,442)	(16,532)	-	(3,826)	(4,109)	(15,000)	(15,000)	(15,000)	(15,000)	(110,180)	
27 TOTAL THERM SALES (24-26)	5,301,322	5,582,958	5,902,824	4,889,831	4,411,438	4,511,759	4,368,423	3,964,786	4,539,224	4,379,504	4,811,724	5,708,384	58,372,157	
CENTS PER THERM														
28 COMMODITY (Pipeline) (1/15)	0.00235	0.00260	0.00255	0.00200	0.00299	0.00563	0.00563	0.00563	0.00360	0.00360	0.00360	0.00360	0.00292	
29 NO NOTICE RESERVATION (2/16)	0.00561	0.00561	0.00561	0.00561	0.00561	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00574	
30 SWING SERVICE (3/17)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
31 COMMODITY (Other) (4/18)	0.18171	0.18978	0.17732	0.18803	0.20494	0.26351	0.26511	0.27912	0.32276	0.32439	0.33493	0.34456	0.24452	
32 DEMAND (5/19)	0.05211	0.05207	0.05202	0.06436	0.04146	0.05187	0.05081	0.05118	0.05073	0.04967	0.04999	0.04999	0.05163	
33 OTHER (6/20)	0.48237	0.48237	0.48987	0.48233	0.48235	0.53394	0.53394	0.53394	0.44991	0.44991	0.44991	0.44991	0.46762	
LESS END-USE CONTRACT														
34 COMMODITY Pipeline (7/21)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
35 DEMAND (8/22)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
36	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
37 TOTAL COST (11/24)	0.39133	0.42615	0.43543	0.38316	0.37723	0.36567	0.39598	0.40951	0.47199	0.49423	0.58776	0.56538	0.44524	
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
39 COMPANY USE (13/26)	0.45061	0.45060	0.00000	0.46318	0.45058	0.36567	0.39598	0.40951	0.00000	0.00000	0.00000	0.00000	0.20114	
40 TOTAL THERM SALES (11/27)	0.44933	0.37182	0.36520	0.36175	0.33802	0.33326	0.39913	0.41487	0.47355	0.49583	0.58959	0.56686	0.43103	
41 TRUE-UP (E-2)	(0.02577)	(0.02577)	(0.02577)	(0.02577)	(0.02577)	(0.02577)	(0.02577)	(0.02577)	(0.02577)	(0.02577)	(0.02577)	(0.02577)	(0.02577)	
42 TOTAL COST OF GAS (40+41)	0.42356	0.34605	0.33943	0.33598	0.31225	0.30749	0.37336	0.38910	0.44778	0.47016	0.56382	0.54109	0.40528	
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.42589	0.34779	0.34114	0.33767	0.31382	0.30903	0.37524	0.39106	0.45003	0.47252	0.56686	0.54381	0.40730	
45 PGA FACTOR ROUNDED TO NEAREST .001	0.426	0.348	0.341	0.338	0.314	0.309	0.375	0.391	0.45	0.473	0.567	0.544	0.407	

FOR THE CURRENT PERIOD:

APRIL 98

Through

MARCH 99

(REVISED 9/24/99)

	ACTUAL												TOTAL PERIOD
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	\$1,108,889	\$927,512	\$880,756	\$870,970	\$812,399	\$789,840	\$1,036,942	\$925,776	\$1,470,918	\$1,993,074	\$2,039,715	\$1,675,440	\$14,532,232
2 TRANSPORTATION COST	\$1,273,144	\$1,148,325	\$1,274,978	\$897,918	\$678,768	\$713,733	\$706,643	\$719,102	\$678,642	\$1,264,556	\$1,185,853	\$1,263,655	\$11,805,316
3 TOTAL COST	\$2,382,033	\$2,075,837	\$2,155,734	\$1,768,888	\$1,491,167	\$1,503,573	\$1,743,585	\$1,644,878	\$2,149,560	\$3,257,630	\$3,225,568	\$2,939,095	\$26,337,548
4 FUEL REVENUES (Net of Revenue Tax)	\$2,014,309	\$2,194,545	\$2,320,479	\$1,919,843	\$1,728,079	\$1,832,960	\$1,635,139	\$1,383,636	\$2,149,560	\$3,249,743	\$3,218,407	\$2,931,678	\$26,578,379
4a Under-recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$445,324)	(\$528,024)	(\$1,032,059)	(\$1,093,694)	(\$3,099,102)
4b ADJUSTED NET FUEL REVENUES *	\$2,014,309	\$2,194,545	\$2,320,479	\$1,919,843	\$1,728,079	\$1,832,960	\$1,635,139	\$1,383,636	\$1,704,237	\$2,721,719	\$2,186,347	\$1,837,985	\$23,479,277
5 TRUE-UP COLLECTED OR (REFUNDED)	\$136,075	\$136,075	\$136,075	\$136,075	\$136,075	\$136,075	\$136,075	\$136,075	\$136,075	\$136,075	\$136,075	\$136,075	\$1,632,900
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	\$2,150,384	\$2,330,620	\$2,456,554	\$2,055,918	\$1,864,154	\$1,969,035	\$1,771,214	\$1,519,711	\$1,840,312	\$2,857,794	\$2,322,422	\$1,974,060	\$25,112,177
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(\$231,649)	\$254,783	\$300,820	\$287,030	\$372,987	\$465,462	\$27,629	(\$125,167)	(\$309,249)	(\$399,836)	(\$903,146)	(\$965,035)	(\$1,225,371)
8 INTEREST PROVISION THIS PERIOD (21)	\$10,411	\$9,900	\$10,563	\$11,190	\$11,987	\$13,534	\$14,386	\$14,021	\$12,818	\$10,699	\$7,255	\$2,543	\$129,308
9a ADJUST PRIOR MONTHS' INTEREST													
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	\$2,754,582	\$2,397,269	\$2,525,877	\$2,701,185	\$2,863,330	\$3,112,229	\$3,455,150	\$3,361,090	\$3,113,868	\$2,681,362	\$2,156,150	\$1,124,185	\$2,754,582
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(\$136,075)	(\$136,075)	(\$136,075)	(\$136,075)	(\$136,075)	(\$136,075)	(\$136,075)	(\$136,075)	(\$136,075)	(\$136,075)	(\$136,075)	(\$136,075)	(\$1,632,900)
10a FLEX RATE REFUND (if applicable)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	\$2,397,269	\$2,525,877	\$2,701,185	\$2,863,330	\$3,112,229	\$3,455,150	\$3,361,090	\$3,113,868	\$2,681,362	\$2,156,150	\$1,124,185	\$25,618	\$25,618
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	\$2,754,582	\$2,397,269	\$2,525,877	\$2,701,185	\$2,863,330	\$3,112,229	\$3,455,150	\$3,361,090	\$3,113,868	\$2,681,362	\$2,156,150	\$1,124,185	
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	\$2,386,858	\$2,515,977	\$2,690,622	\$2,852,140	\$3,100,242	\$3,441,616	\$3,346,704	\$3,099,848	\$2,668,545	\$2,145,451	\$1,116,930	\$23,075	
14 TOTAL (12+13)	\$5,141,440	\$4,913,245	\$5,216,497	\$5,553,324	\$5,963,572	\$6,553,846	\$6,801,852	\$6,460,937	\$5,782,413	\$4,826,813	\$3,273,080	\$1,147,260	
15 AVERAGE (50% OF 14)	\$2,570,720	\$2,456,623	\$2,608,249	\$2,776,663	\$2,981,786	\$3,276,923	\$3,400,926	\$3,230,469	\$2,891,206	\$2,413,407	\$1,636,540	\$573,630	
16 INTEREST RATE - FIRST DAY OF MONTH	0.04900	0.04810	0.04850	0.04880	0.04800	0.04850	0.05050	0.05100	0.05320	0.05320	0.05320	0.05320	
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	0.04810	0.04850	0.04880	0.04800	0.04850	0.05050	0.05100	0.05320	0.05320	0.05320	0.05320	0.05320	
18 TOTAL (16+17)	0.09710	0.09660	0.09730	0.09680	0.09650	0.09900	0.10150	0.10420	0.10640	0.10640	0.10640	0.10640	
19 AVERAGE (50% OF 18)	0.04855	0.04830	0.04865	0.04840	0.04825	0.04950	0.05075	0.05210	0.05320	0.05320	0.05320	0.05320	
20 MONTHLY AVERAGE (19/12 Months)	0.00405	0.00403	0.00405	0.00403	0.00402	0.00413	0.00423	0.00434	0.00443	0.00443	0.00443	0.00443	
21 INTEREST PROVISION (15x20)	10,411	9,900	10,563	11,190	11,987	13,534	14,386	14,021	12,818	10,699	7,255	2,543	

COMPANY: NUI CITY GAS COMPANY OF FLORIDA

**TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE**

**SCHEDULE E-3
(REVISED 9/24/99)**

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY 2000 Through DECEMBER 2000

MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	COMMODITY COST			DEMAND COST	OTHER CHARGES ACA/GRI/FUEL	TOTAL CENTS PER THERM
						TOTAL PURCHASED	THIRD PARTY	PIPELINE			
01/99	Various	Sys/End-Use	FTS	6,183,164		6,183,164		\$16,205	\$1,242,291	\$6,060	20.45160
02/99	Various	Sys/End-Use	FTS	6,743,364		6,743,364		\$17,673	\$1,161,571	\$6,608	17.58548
03/99	Various	Sys/End-Use	FTS	5,932,924		5,932,924		\$15,549	\$1,242,291	\$5,814	21.29902
04/99	Various	Sys/End-Use	FTS	5,334,754		5,334,754		\$13,981	\$903,862	\$5,228	17.30297
05/99	Various	Sys/End-Use	FTS	4,832,924		4,832,924		\$12,666	\$684,389	\$4,736	14.52105
06/99	Various	Sys/End-Use	FTS	4,594,984		4,594,984		\$12,043	\$662,312	\$4,503	14.77388
07/99	Various	Sys/End-Use	FTS	4,347,564		4,347,564		\$11,394	\$684,389	\$4,261	16.10197
08/99	Various	Sys/End-Use	FTS	4,407,094		4,407,094		\$11,550	\$672,723	\$4,319	15.62464
09/99	Various	Sys/End-Use	FTS	4,658,624		4,658,624		\$12,209	\$651,023	\$4,565	14.33465
10/99	Various	Sys/End-Use	FTS	4,448,544		4,448,544		\$11,659	\$694,411	\$4,360	15.96994
11/99	Various	Sys/End-Use	FTS	4,990,254		4,990,254		\$13,078	\$1,157,062	\$4,890	23.54651
12/99	Various	Sys/End-Use	FTS	5,872,794		5,872,794		\$15,391	\$1,195,630	\$5,755	20.71888
TOTAL				62,346,988		62,346,988		\$163,399	\$10,951,954	\$61,100	17.92621

COMPANY: NUI CITY GAS COMPANY OF FLORIDA		CALCULATION OF TRUE-UP AMOUNT PROJECTED PERIOD					SCHEDULE E-4 (REVISED 9/24/99)	
ESTIMATED FOR THE PROJECTED PERIOD:		JANUARY 99		Through	DECEMBER 99			
		PRIOR PERIOD: APRIL 98 - DECEMBER 98			CURRENT PERIOD: JAN'99 - DEC'99			
		(1) FIVE MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) Col(2)-Col(1) DIFFERENCE	(4) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) Col(3)+Col(4) TOTAL TRUE-UP		
1	TOTAL THERM SALES \$ E-2 Line 6	\$17,087,430	A-2 Line 6 \$16,364,616	(\$722,814)	E-2 Line 6 \$25,112,177	\$24,389,363		
2	TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION E-2 Line 7	(\$185,414)	A-2 Line 7 \$927,152	\$1,112,566	E-2 Line 7 (\$1,225,371)	(\$112,805)		
3	INTEREST PROVISION FOR THIS PERIOD E-2 Line 8	\$120,745	A-2 Line 8 \$129,855	\$9,110	E-2 Line 8 \$129,308	\$138,418		
4	END OF PERIOD TOTAL NET TRUE-UP L2+L3+L3a	(\$64,669)	\$1,057,007	\$1,121,676	(\$1,096,063)	\$25,612		
<p><u>NOTE:</u> EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).</p> <p>COLUMN (1) DATA OBTAINED FROM SCHEDULE (E-2) COLUMN (2) DATA OBTAINED FROM SCHEDULE (A-2) LINE 4 COLUMN (3) SAME AS LINE 7 SCHEDULE (A-7) LINE 4 COLUMN (1) SAME AS LINE 8 SCHEDULE (A-7) LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2) LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)</p> <p style="text-align: right;"> TOTAL TRUE-UP DOLLARS <u>\$25,612</u> PROJECTED THERM SALES 62,284,488 equals -0.00041 \$/Therm (0.041) Cents Per Therm True-Up</p>								

