

ORIGINAL

LAW OFFICES  
MESSER, CAPARELLO & SELTZER  
A PROFESSIONAL ASSOCIATION

215 SOUTH MONROE STREET, SUITE 701  
POST OFFICE BOX 1876  
TALLAHASSEE, FLORIDA 32302-1876  
TELEPHONE: (850) 222-0720  
TELECOPIER: (850) 224-4359  
INTERNET: www.lawfla.com

RECEIVED-FPSC

00 JUL 11 PM 4:27

RECORDS AND REPORTING

July 11, 2000

**BY HAND DELIVERY**

Ms. Blanca Bayó, Director  
Division of Records and Reporting  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Re: FPSC Docket 000003-GU

Dear Ms. Bayó:

Enclosed for filing please find the original and twelve copies of the Petition of Atlantic Utilities, a division of Southern Union Company dba South Florida Natural Gas for Approval of Mid-Course Correction in PGA Cap.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

*Norman H. Horton, Jr.*  
Norman H. Horton, Jr.

- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP 3
- COM 3
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- LEG 1
- OPC \_\_\_\_\_
- PAI \_\_\_\_\_
- RGO \_\_\_\_\_
- SEC \_\_\_\_\_
- SER \_\_\_\_\_
- OTH \_\_\_\_\_

NHH/amb  
Enclosure

cc: Mr. Al Kara  
Parties of Record

FPSC BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

08363 JUL 11 8

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas )  
Adjustment (PGA) True-Up )  
\_\_\_\_\_ )

Docket No. 000003-GU  
Submitted for Filing: July 11, 2000

PETITION OF SOUTH FLORIDA NATURAL GAS FOR APPROVAL  
OF MID-COURSE CORRECTION IN PGA CAP

South Florida Natural Gas, a division of Southern Union Company, by the undersigned, hereby files its petition for approval of a revision, through a mid-course correction, to its purchased gas adjustment ("PGA") cap to be applied to bills issued after July 1, 2000, and in support thereof says:

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

Atlantic Utilities, a division of Southern Union Company  
dba South Florida Natural Gas  
P.O. Box 248  
New Smyrna Beach FL 32170-0248

- 2. The names and mailing addresses of the persons authorized to receive notices and communications with respect to this petition are:

Norman H. Horton, Jr.  
Messer, Caparello & Self, P.A.  
P.O. Box 1876  
Tallahassee, FL 323-201876  
(850)222-0720

Al Kara  
South Florida Natural Gas  
P.O. Box 248  
New Smyrna Beach FL 32170-0248

Ken Hubbard  
Southern Union Company  
504 Lavaca Suite 800  
Austin, TX 78741

- 3. This Commission has adopted a method for the recovery of purchased gas costs by regulated natural gas utilities, to be used for the recovery of such costs through the calendar year, commencing January 1, and ending December 31, 2000.

DOCUMENT NUMBER - DATE

08363 JUL 11 8

this period in the Year 2000, each investor-owned natural gas utility has been assigned a levelized PGA factor to serve as a cap, or maximum recovery factor. Order No. PSC -99-2443-FOF-GU, issued by this Commission on December 14, 1999, assigned South Florida Natural Gas a levelized purchased gas cost cap (also referred to as the PGA factor) for the period January 2000 through December 2000 of 31.066 cents per therm.

4. In Order No. PSC-93-0708-FOF-GU, Issued May 10, 1993, in Docket No. 930003-GU, the commission determined that a utility may at its option, formally request a mid-course correction if re-projected expenses for the remaining period significantly exceed projected revenues for the period, when using the Commission-approved cap.
5. As indicated by the Schedules E-1 and E-2 (attached hereto as Appendix 1), the Company's projected expenses for the period January 2000 through December 2000, will exceed revenues by approximately twenty-five percent (25%). At current gas prices the Company projects that its expenses for the period will exceed its revenues for the same period by \$281,305.
6. The reason the Company's expenses would exceed revenues by twenty-five percent (25%) is that significantly increased demand for gas has caused an unanticipated increase in gas costs on a national basis, since the Company's cap was approved by the Commission in December 1999.
7. South Florida Natural Gas requests that the Commission approve an increase in its PGA cap from 31.066 cents per therm to 51.222 cents per therm. The company proposes that the increased gas costs be phased in as they occur over the remaining four months as set forth in Schedules E-1-R and E-2-R (attached hereto as Appendix 2). By phasing in the increase in this manner the Company may be able to avoid raising the rate to the cap if gas costs do not continue at current levels. Applying the increased PGA factor on a gradual basis as proposed will not eliminate the full amount of re-projected expenses, but will allow the Company to recover a significant portion of these costs during the remaining fall and winter months and will help reduce the impact on ratepayers during the twelve months beginning January 2001. The Company's proposed phased in increase will reduce the projected PGA revenue shortfall for calendar year 2000 from \$281,305 to \$88,038.
8. The Company requests an effective date beginning with the first billing cycle in August, 2000. This treatment is warranted given the magnitude of the projected underrecovery. See Order No. PSC-97-0021-FOF-EI, Issued in Docket No. 970001-EI on January 6, 1997. Because of the need to reduce the projected underrecovery of expenses, it is necessary that the increased cap be approved for application to ratepayers' bills beginning immediately. The commission has previously approved mid-course corrections to become effective at earlier dates under similar circumstances when the amount of the projected underrecovery was


substantial. See for example In re: Purchased Gas Adjustment (PGA) True-up, Order No. PSC-94-0207-FOF-GU (February 21, 1994), approving an increase in the authorized purchase gas adjustment factor (or cap) for West Florida Natural Gas Company. See also In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor Order No. PSC-92-0271-FOF-EI (April 29, 1992), approving a decrease in the fuel adjustment factors for Florida Power Corporation, and In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor, Order No. 2135 (June 5, 1989), approving an increase in the fuel adjustment factors for Florida Power & Light Company.

9. As the Commission has often recognized in approving mid-course corrections in this Docket, there will not be time to conduct a prudency review of the Company's re-projections of purchased gas costs prior to the implementation of the increase in the PGA factor sought by this petition, but such prudency review will occur as a matter of course at the November hearing to be held in this docket. See Order No. PSC-97-0216-FOF-GU, Issued in Docket No. 970003-GU on February 24, 1997; Order No. PSC-97-0090-FOD-GU, Issued in Docket No. 970003-GU on January 27, 1997; and Order NO. PSC-97-0089-FOF-GU, also issued in Docket No. 970003 on January 27, 1997. If the increase in the cost recovery cap is ultimately found imprudent, ratepayers will suffer no harm, since any costs found imprudent will be disallowed for recovery (and such disallowance will flow to the ratepayers through the true-up mechanism which is an integral part of the procedures in this docket). On the other hand, if the mid-course correction is not implemented and the Company's costs are found to have been prudently incurred, the Company would be entitled to collect interest from its ratepayers on the amount of the underrecovery, thereby further increasing the cost of gas to the ratepayers.

WHEREFORE, South Florida Natural Gas respectfully requests that the Commission enter its order approving an increase in the South Florida Natural Gas maximum PGA cap.

Respectfully submitted,

MESSER, CAPARELLO, & SELF, P. A.  
Post Office Box 1876  
Tallahassee, FL 32302-1876  
(850) 222-0720

  
NORMAN H. HORTON, JR., ESQ.  
Attorneys for South Florida Natural Gas

Company: SOUTH FLORIDA NATURAL GAS		PURCHASED GAS ADJUSTMENT COST RECOVERY CLAUSE CALCULATION											Appendix 1		SCHEDULE E-1 EXHIBIT NO. _____ DOCKET NO. 000003-GU SOUTH FLA NATURAL GAS AK-1 PAGE ___ OF ___		
ORIGINAL ESTIMATE FOR THE PERIOD OF :		JANUARY 00 Through DECEMBER 00															
		ACTUALS					PROJECTION										
COST OF GAS PURCHASED		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL			
1	COMMODITY	1,549	1,593	1,138	986	750	703	784	784	759	1,238	2,871	2,967	16,122			
2	NO NOTICE SERVICE	1,280	770	823	407	219	212	219	201	177	183	797	823	6,112			
3	OTHER	(2,625)	-	-	-	-	-	-	-	-	-	-	-	(2,625)			
4	COMMODITY (Other)	98,707	105,170	55,929	62,082	55,692	58,666	55,007	54,945	54,590	54,381	105,585	163,599	924,353			
5	DEMAND	25,654	23,999	25,654	20,176	6,783	6,564	6,783	6,783	6,564	10,704	24,826	25,654	190,143			
6	MGMT FEE	1,000	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-	-	6,000			
<b>LESS END-USE CONTRACT</b>																	
7	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-			
8	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-			
9		-	-	-	-	-	-	-	-	-	-	-	-	-			
10	Second Prior Month Adj. (OPTIONAL)	-	-	-	-	-	-	-	-	-	-	-	-	-			
11	TOTAL COST (1+2+3+4+5+6+10)-(7+8+9)	125,565	132,532	84,544	84,651	64,444	67,146	62,793	62,713	62,090	66,505	134,078	193,043	1,140,104			
12	NET UNBILLED	-	-	5,790	(6,792)	(6,792)	-	-	-	-	-	-	-	(7,794)			
13	COMPANY USE	-	-	-	-	-	-	-	-	-	-	-	-	-			
14	TOTAL THERM SALES	92,138	121,158	97,697	72,600	73,804	40,411	38,926	38,820	38,808	38,792	74,294	113,319	840,767			
<b>THERMS PURCHASED</b>																	
15	COMMODITY (Pipeline)	396,990	367,000	282,250	232,450	176,490	162,000	180,730	180,730	174,900	285,200	661,500	683,550	3,783,790			
16	NO NOTICE SERVICE	217,000	130,500	139,500	69,000	37,200	36,000	37,200	34,100	30,000	31,000	135,000	139,500	1,036,000			
17	SWING SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-			
18	COMMODITY (Other)	396,990	367,000	252,250	232,450	176,490	130,080	125,300	124,960	124,920	124,870	239,150	364,770	2,659,230			
19	DEMAND	683,550	639,450	683,550	537,600	180,730	174,900	180,730	180,730	174,900	285,200	661,500	683,550	5,066,390			
20	OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>LESS END-USE CONTRACT</b>																	
21	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-			
22	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-			
23		-	-	-	-	-	-	-	-	-	-	-	-	-			
24	TOTAL PURCHASES (+17+18+20)-(21+23)	396,990	367,000	252,250	232,450	176,490	130,080	125,300	124,960	124,920	124,870	239,150	364,770	2,659,230			
25	NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-			
26	COMPANY USE	-	-	-	-	-	-	-	-	-	-	-	-	-			
27	TOTAL THERM SALES (24-26 ESTIMATED ONLY)	396,990	367,000	252,250	232,450	176,490	130,080	125,300	124,960	124,920	124,870	239,150	364,770	2,659,230			
<b>CENTS PER THERM</b>																	
28	COMMODITY (Pipeline)	(1/15)	\$0.390	\$0.434	\$0.403	\$0.424	\$0.425	\$0.434	\$0.434	\$0.434	\$0.434	\$0.434	\$0.434	\$0.426			
29	NO NOTICE SERVICE	(2/16)	\$0.590	\$0.590	\$0.590	\$0.590	\$0.589	\$0.590	\$0.590	\$0.590	\$0.590	\$0.590	\$0.590	\$0.590			
30	SWING SERVICE	(3/17)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000			
31	COMMODITY (Other)	(4/18)	\$24.864	\$28.657	\$22.172	\$26.708	\$31.555	\$45.100	\$43.900	\$43.970	\$43.700	\$44.150	\$44.850	\$36.931			
32	DEMAND	(5/19)	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753			
33	OTHER	(6/20)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000			
<b>LESS END-USE CONTRACT</b>																	
34	COMMODITY (Pipeline)	(7/21)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000			
35	DEMAND	(8/22)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000			
36		(9/23)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000			
37	TOTAL PURCHASES	(11/24)	\$31.629	\$36.112	\$33.516	\$36.417	\$36.514	\$51.619	\$50.114	\$50.187	\$49.704	\$53.259	\$56.064	\$52.922	\$44.838		
38	NET UNBILLED	(12/25)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000			
39	COMPANY USE	(13/26)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000			
40	TOTAL COST OF THERMS SOLD	(11/27)	\$37.858	\$36.607	\$33.516	\$36.417	\$36.514	\$51.619	\$50.114	\$50.187	\$49.704	\$53.259	\$56.064	\$52.922	\$44.838		
41	TRUE-UP	(E-2)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)			
42	TOTAL COST OF GAS	(40+41)	\$32.888	\$26.437	\$21.289	\$31.247	\$21.910	\$46.449	\$44.944	\$45.017	\$44.534	\$48.089	\$50.894	\$47.752	\$38.438		
43	REVENUE TAX FACTOR		\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030			
44	PGA FACTOR ADJUSTED FOR TAXES	(42*43)	\$32.853	\$26.570	\$21.396	\$31.404	\$22.020	\$46.682	\$45.170	\$45.243	\$44.758	\$48.331	\$51.150	\$47.892	\$38.631		
45	PGA FACTOR ROUNDED TO NEAREST .001		\$32.853	\$26.570	\$21.396	\$31.404	\$22.020	\$46.682	\$45.170	\$45.243	\$44.758	\$48.331	\$51.150	\$47.892	\$38.631		

Company: SFNG		CALCULATION OF TRUE-UP AND INTEREST PROVISION											Appendix 1	SCHEDULE E-2 EXHIBIT NO. _____ DOCKET NO. 000003-GU SOUTH FLA NATURAL GAS AK-1 PAGE ___ OF ___
FOR THE PERIOD OF JANUARY 99 Through DECEMBER 99														
	ACTUAL					PROJECTION						Total Period		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV		DEC	
<b>TRUE-UP CALCULATION</b>														
1 PURCHASED GAS COST	99,707	106,170	56,929	63,082	56,692	59,666	55,007	54,945	54,590	54,381	105,585	163,599	930,353	
2 TRANSPORTATION COST	25,858	26,362	27,815	21,571	7,752	7,479	7,787	7,768	7,500	12,124	28,494	29,443	209,754	
3 TOTAL	125,565	132,532	84,544	84,653	64,444	67,146	62,793	62,713	62,090	66,505	134,078	193,043	1,140,106	
4 FUEL REVENUES (NET OF REVENUE TAX)	92,138	121,158	97,697	72,600	73,804	40,411	38,926	38,820	38,808	38,792	74,294	113,319	840,767	
5 TRUE-UP (COLLECTED) OR REFUNDED	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	142,080	
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	103,978	132,998	109,537	84,440	85,644	52,251	50,766	50,660	50,648	50,632	86,134	125,159	982,847	
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(21,587)	466	24,993	(213)	21,200	(14,895)	(12,028)	(12,053)	(11,442)	(15,873)	(47,944)	(67,883)	(157,259)	
8 INTEREST PROVISION - THIS PERIOD (21)	156	53	59	(80)	(91)	(115)	(227)	(334)	(440)	(554)	(750)	(1,062)	(3,384)	
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	49,623	16,659	5,339	(9,654)	(21,788)	(12,518)	(39,368)	(63,463)	(87,689)	(111,411)	(139,679)	(200,213)	49,623	
10 TRUE-UP COLLECTED OR (RDFUNDED) (REVERSE OF LINE 5)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(142,080)	
10a FLEX RATE REFUND (if applicable)	-	-	(28,205)	-	-	-	-	-	-	-	-	-	(28,205)	
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	16,352	5,339	(9,654)	(21,788)	(12,518)	(39,368)	(63,463)	(87,689)	(111,411)	(139,679)	(200,213)	(280,998)	(281,305)	
<b>INTEREST PROVISION</b>														
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	49,623	16,659	5,339	(9,654)	(21,788)	(12,518)	(39,368)	(63,463)	(87,689)	(111,411)	(139,679)	(200,213)		
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	16,196	5,285	18,492	(21,707)	(12,428)	(39,253)	(63,236)	(87,356)	(110,972)	(139,124)	(199,463)	(279,936)		
14 TOTAL (12+13)	65,819	21,945	23,830	(31,362)	(34,215)	(51,772)	(102,603)	(150,818)	(198,661)	(250,536)	(339,141)	(480,149)		
15 AVERAGE (50% OF 14)	32,910	10,972	11,915	(15,681)	(17,108)	(25,886)	(51,302)	(75,409)	(99,331)	(125,268)	(169,571)	(240,075)		
16 INTEREST RATE - FIRST DAY OF MONTH	5.600%	5.800%	5.800%	6.070%	6.180%	5.320%	5.320%	5.320%	5.320%	5.320%	5.320%	5.320%		
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.800%	5.850%	6.070%	6.180%	6.570%	5.300%	5.300%	5.300%	5.300%	5.300%	5.300%	5.300%		
18 TOTAL (16+17)	11.400%	11.650%	11.870%	12.250%	12.750%	10.620%	10.620%	10.620%	10.620%	10.620%	10.620%	10.620%		
19 AVERAGE (50% OF 18)	5.700%	5.825%	5.935%	6.125%	6.375%	5.310%	5.310%	5.310%	5.310%	5.310%	5.310%	5.310%		
20 MONTHLY AVERAGE (19/12 Months)	0.475%	0.485%	0.495%	0.510%	0.531%	0.443%	0.443%	0.443%	0.443%	0.443%	0.443%	0.443%		
21 INTEREST PROVISION (15*20)	156	53	59	(80)	(91)	(115)	(227)	(334)	(440)	(554)	(750)	(1,062)		

Company: SOUTH FLORIDA NATURAL GAS		PURCHASED GAS ADJUSTMENT COST RECOVERY CLAUSE CALCULATION												Appendix 2	SCHEDULE E-1 EXHIBIT NO. _____ DOCKET NO. 000003-GU SOUTH FLA NATURAL GAS AK-1 PAGE OF _____
ORIGINAL ESTIMATE FOR THE PERIOD OF :		JANUARY 00 Through DECEMBER 00													
		ACTUALS					PROJECTION								
COST OF GAS PURCHASED		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
1	COMMODITY	1,549	1,593	1,138	986	750	703	784	784	759	1,238	2,871	2,967	16,122	
2	NO NOTICE SERVICE	1,280	770	823	407	219	212	219	201	177	183	797	823	6,112	
3	OTHER	(2,625)	-	-	-	-	-	-	-	-	-	-	-	(2,625)	
4	COMMODITY (Other)	98,707	105,170	55,929	62,082	55,692	58,666	55,007	54,945	54,590	54,381	105,585	163,599	924,353	
5	DEMAND	25,654	23,999	25,654	20,176	6,783	6,564	6,783	6,783	6,564	10,704	24,826	25,654	190,143	
6	MGMT FEE	1,000	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-	-	6,000	
<b>LESS END-USE CONTRACT</b>															
7	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-	
9		-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Second Prior Month Adj. (OPTIONAL)	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	TOTAL COST (1+2+3+4+5+6+10)-(7+8+9)	125,565	132,532	84,544	84,651	64,444	67,146	62,793	62,713	62,090	66,505	134,078	193,043	1,140,104	
12	NET UNBILLED	-	-	5,790	(6,792)	(6,792)	-	-	-	-	-	-	-	(7,794)	
13	COMPANY USE	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	TOTAL THERM SALES	92,138	121,158	97,697	72,600	73,804	40,410.65	38,925.70	60,928	61,514	63,961	122,497	186,842	1,032,477	
<b>THERMS PURCHASED</b>															
15	COMMODITY (Pipeline)	396,990	367,000	282,250	232,450	176,490	162,000	180,730	180,730	174,900	285,200	661,500	683,550	3,783,790	
16	NO NOTICE SERVICE	217,000	130,500	139,500	69,000	37,200	36,000	37,200	34,100	30,000	31,000	135,000	139,500	1,036,000	
17	SWING SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	COMMODITY (Other)	396,990	367,000	252,250	232,450	176,490	130,080	125,300	124,960	124,920	124,870	239,150	364,770	2,659,230	
19	DEMAND	683,550	639,450	683,550	537,600	180,730	174,900	180,730	180,730	174,900	285,200	661,500	683,550	5,066,390	
20	OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>LESS END-USE CONTRACT</b>															
21	COMMODITY (Pipeline)	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	-	
23		-	-	-	-	-	-	-	-	-	-	-	-	-	
24	TOTAL PURCHASES (+17+18+20)-(21+23)	396,990	367,000	252,250	232,450	176,490	130,080	125,300	124,960	124,920	124,870	239,150	364,770	2,659,230	
25	NET UNBILLED	-	-	-	-	-	-	-	-	-	-	-	-	-	
26	COMPANY USE	-	-	-	-	-	-	-	-	-	-	-	-	-	
27	TOTAL THERM SALES (24-26 ESTIMATED ONLY)	331,672	419,317	319,528	232,450	237,975	130,080	125,300	124,960	124,920	124,870	239,150	364,770	2,774,992	
<b>CENTS PER THERM</b>															
28	COMMODITY (Pipeline)	\$0.390	\$0.434	\$0.403	\$0.424	\$0.425	\$0.434	\$0.434	\$0.434	\$0.434	\$0.434	\$0.434	\$0.434	\$0.426	
29	NO NOTICE SERVICE	\$0.590	\$0.590	\$0.590	\$0.590	\$0.589	\$0.590	\$0.590	\$0.590	\$0.590	\$0.590	\$0.590	\$0.590	\$0.590	
30	SWING SERVICE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
31	COMMODITY (Other)	\$24.864	\$28.657	\$22.172	\$26.708	\$31.555	\$45.100	\$43.900	\$43.970	\$43.700	\$43.550	\$44.150	\$44.850	\$36.931	
32	DEMAND	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	
33	OTHER	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
<b>LESS END-USE CONTRACT</b>															
34	COMMODITY (Pipeline)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
35	DEMAND	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
36		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
37	TOTAL PURCHASES	\$31.629	\$36.112	\$33.516	\$36.417	\$36.514	\$51.619	\$50.114	\$50.187	\$49.704	\$53.259	\$56.064	\$52.922	\$44.838	
38	NET UNBILLED	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
39	COMPANY USE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
40	TOTAL COST OF THERMS SOLD	\$37.858	\$31.607	\$26.459	\$36.417	\$27.080	\$51.619	\$50.114	\$50.187	\$49.704	\$53.259	\$56.064	\$52.922	\$43.806	
41	TRUE-UP	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	
42	TOTAL COST OF GAS	\$32.688	\$26.437	\$21.289	\$31.247	\$21.910	\$46.449	\$44.944	\$45.017	\$44.534	\$48.089	\$50.894	\$47.752	\$38.636	
43	REVENUE TAX FACTOR	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	
44	PGA FACTOR ADJUSTED FOR TAXES	\$32.853	\$26.570	\$21.396	\$31.404	\$22.020	\$46.682	\$45.170	\$45.243	\$44.758	\$48.331	\$51.150	\$47.992	\$38.631	
45	PGA FACTOR ROUNDED TO NEAREST .001	\$32.853	\$26.570	\$21.396	\$31.404	\$22.020	\$46.682	\$45.170	\$45.243	\$44.758	\$48.331	\$51.150	\$47.992	\$38.631	

Company: SFNG	CALCULATION OF TRUE-UP AND INTEREST PROVISION												Appendix 2	SCHEDULE E-2
	FOR THE PERIOD OF JANUARY 99 Through DECEMBER 99													EXHIBIT NO _____
														DOCKET NO. 000003-GU
														SOUTH FLA NATURAL GAS
														AK-1
														PAGE ___ OF ___
	ACTUAL					PROJECTION						Total Period		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV		DEC	
<b>TRUE-UP CALCULATION</b>														
1 PURCHASED GAS COST	99,707	106,170	96,929	63,082	56,892	59,666	55,007	54,945	54,590	54,381	105,585	163,599	930,353	
2 TRANSPORTATION COST	25,858	26,362	27,615	21,571	7,752	7,479	7,787	7,768	7,500	12,124	28,494	29,443	209,754	
3 TOTAL	125,565	132,532	84,544	84,653	64,444	67,146	62,793	62,713	62,090	66,505	134,078	193,043	1,140,106	
4 FUEL REVENUES (NET OF REVENUE TAX)	92,138	121,158	97,697	72,600	73,804	40,411	38,926	80,928	61,514	63,961	122,497	186,842	1,032,477	
5 TRUE-UP (COLLECTED) OR REFUNDED	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	142,080	
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	103,978	132,998	109,537	84,440	85,644	52,251	50,766	72,768	73,354	75,801	134,337	198,682	1,174,557	
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(21,587)	466	24,993	(213)	21,200	(14,895)	(12,028)	10,055	11,264	9,296	259	5,640	34,450	
8 INTEREST PROVISION - THIS PERIOD (21)	156	52	59	(80)	(91)	(115)	(227)	(285)	(291)	(299)	(332)	(373)	(1,826)	
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	49,623	16,659	5,337	(9,656)	(21,789)	(12,520)	(39,369)	(63,464)	(65,534)	(66,401)	(69,245)	(81,158)	49,623	
10 TRUE-UP COLLECTED OR (RDFUNDED) (REVERSE OF LINE 5)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(142,080)	
10a FLEX RATE REFUND (if applicable)	-	-	(28,205)	-	-	-	-	-	-	-	-	-	(28,205)	
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	16,352	5,337	(9,656)	(21,789)	(12,520)	(39,369)	(63,464)	(65,534)	(66,401)	(69,245)	(81,158)	(87,731)	(88,038)	
<b>INTEREST PROVISION</b>														
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	49,623	16,352	5,337	(9,656)	(21,789)	(12,520)	(39,369)	(63,464)	(65,534)	(66,401)	(69,245)	(81,158)		
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	16,196	4,978	18,490	(21,709)	(12,429)	(39,255)	(63,237)	(65,249)	(66,110)	(68,945)	(80,826)	(87,358)		
14 TOTAL (12+13)	65,819	21,331	23,827	(31,365)	(34,218)	(51,775)	(102,606)	(128,713)	(131,644)	(135,346)	(150,070)	(168,515)		
15 AVERAGE (50% OF 14)	32,910	10,665	11,914	(15,682)	(17,109)	(25,887)	(51,303)	(64,357)	(65,822)	(67,673)	(75,035)	(84,258)		
16 INTEREST RATE - FIRST DAY OF MONTH	5.600%	5.800%	5.800%	6.070%	6.180%	5.320%	5.320%	5.320%	5.320%	5.320%	5.320%	5.320%		
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.800%	5.850%	6.070%	6.180%	6.570%	5.300%	5.300%	5.300%	5.300%	5.300%	5.300%	5.300%		
18 TOTAL (16+17)	11.400%	11.650%	11.870%	12.250%	12.750%	10.620%	10.620%	10.620%	10.620%	10.620%	10.620%	10.620%		
19 AVERAGE (50% OF 18)	5.700%	5.825%	5.935%	6.125%	6.375%	5.310%	5.310%	5.310%	5.310%	5.310%	5.310%	5.310%		
20 MONTHLY AVERAGE (19/12 Months)	0.475%	0.485%	0.495%	0.510%	0.531%	0.443%	0.443%	0.443%	0.443%	0.443%	0.443%	0.443%		
21 INTEREST PROVISION (15*20)	156	52	59	(80)	(91)	(115)	(227)	(285)	(291)	(299)	(332)	(373)		



**Appendix 2**  
**South Florida Natural Gas**  
**Purchased Gas Adjustment Factor (Cap)**  
**For the Period January 2000 through December 2000**

**Without Midcourse Correction**

	April 1, 2000 Through <u>Dec. 31, 2000</u>
PGA Factor	\$ 0.31066

**Without Midcourse Correction**

	Aug. 1, 2000 Through <u>Aug. 31, 2000</u>	Sept. 1, 2000 Through <u>Sept. 30, 2000</u>	Oct. 1, 2000 Through <u>Oct. 31, 2000</u>	Nov. 1, 2000 Through <u>Nov. 30, 2000</u>	Dec. 1, 2000 Through <u>Dec. 31, 2000</u>
PGA Factor	\$ 0.48758	\$ 0.49243	\$ 0.51222	\$ 0.51222	\$ 0.51222

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that true and correct copies of Petition of Atlantic Utilities, a division of Southern Union Company dba South Florida Natural Gas for Approval of Mid-Course Correction in PGA Cap in Docket No. 000003-GU have been served by hand delivery (\*) and/or U. S. Mail this 11th day of July, 2000 upon the following:

Cochran Keating, Esq.\*  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd., Room 370  
Tallahassee, FL 32399-0850

Lee L. Willis, Esq.  
James D. Beasley, Esq.  
Ausley & McMullen  
Post Office Box 391  
Tallahassee, FL 32302

Ms. Angela Llewellyn  
Administrator, Regulatory Coordination  
Tampa Electric Co.  
P.O. Box 111  
Tampa, FL 33601-0111

Joseph A. McGlothlin, Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson Rief & Bakas, P.A.  
117 S. Gadsden St  
Tallahassee, FL 32301

Stephen C. Burgess  
Deputy Public Counsel  
Office of the Public Counsel  
111 West Madison St., Rm 812  
Tallahassee, FL 32399-1400

Wayne L. Schiefelbein, Esq.  
Wiggins & Villacorta  
P.O. Drawer 1657  
Tallahassee, FL 32302

Ansley Watson, Jr., Esq.  
MacFarlane, Ferguson, Allison  
& Kelly  
Post Office Box 1531  
Tampa, FL 33601

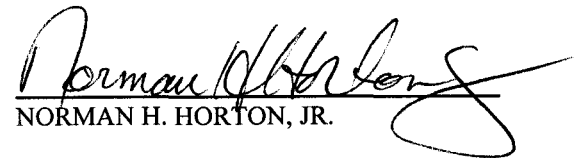
John W. McWhirter, Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas, P.A.  
Post Office Box 3350  
Tampa, FL 33601-3350

Mr. Robert Cooper  
U.S. Gypsum Company  
P.O. Box 806278  
Chicago, IL 60680-4124

Mr. John T. English  
President  
Florida Public Utilities Company  
P.O. Box 3395  
West Palm Beach, FL 33402-3395

Mr. David M. Nicholson  
Mrs. Ellen W. Anderton  
Corporate Counsel  
TECO Energy, Inc.  
P.O. Box 111  
Tampa, FL 33601-0111

Mr. David M. Nicholson  
Mrs. Ellen W. Anderton  
Corporate Counsel  
TECO Energy, Inc.  
P.O. Box 111  
Tampa, FL 33601-0111

  
NORMAN H. HORTON, JR.