

ORIGINAL



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NUI Corporation (NYSE: NUI)

October 16, 1998

Ms. Blanca Bayo
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0868

Re: **Docket No. 980003-GU**

Dear Ms. Bayo:

Enclosed herewith for filing in the above referenced docket on behalf of NUI City Gas Company of Florida (City Gas) are the original and ten copies of City Gas' Petition for Approval of PGA Factor to be Applied for Service Rendered During the Period January 1999 through December 1999 and attached testimony of Raymond A. DeMoine.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to me.

Thank you for your assistance in connection with this matter.

Very truly yours,

Michael A. Palecki

Michael A. Palecki
Attorney, Legal & Regulatory Affairs

- ACK
- AFA Under
- APP _____
- CAT _____
- CMU _____
- CTR _____
- EAG Mabin
- LEG 1
- LIN 3
- OPC _____
- RCH _____
- SEC 1

RECEIVED & FILED
[Signature]
FPSC BUREAU OF RECORDS

NUI Companies and Affiliates:
WAS City Gas Company of Florida
Elizabethtown Gas
OTH Eliton Gas
North Carolina Gas

NUI Capital Corp
NUI Energy
NUI Energy Brokers
NUI Environmental Group

TIC Enterprises, LLC
Utility Business Services
Valley Cities Gas
Waverly Gas

1636 OCT 19 98
REC'D - RECORDS

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchase Gas Adjustment
 (PGA) True-up

) DOCKET NO. 98003-GU
) Filed: October 16, 1998
)

**THE PETITION BY NUI CITY GAS OF FLORIDA,
 FOR APPROVAL OF PGA FACTOR
 TO BE APPLIED FOR SERVICE RENDERED
 DURING THE PERIOD JANUARY 1999 THROUGH DECEMBER 1999**

NUI City Gas of Florida ("City Gas or "the Company") submits this petition to the Commission for Approval of a Purchased Gas Adjustment ("PGA") factor to be applied for service to be rendered during the period of January 1, 1999 through December 1, 1999. In support thereof, says:

1. City Gas has calculated its total net true-up amount (including interest and applicable regulatory assessment fees) for the period April 1997 through March 1998 to be an over-recovery of \$1,706,048.
2. Schedule E-4 shows the projected true-up for the current period April 1998 through December 1998 is an under-recovery of \$81,637.
3. The total true-up as shown on Schedule E-4 is an over-recovery of \$1,624,412.
4. Estimated therm purchases for resale are 63,364,924.
5. Schedule E-4 presents a true-up recovery factor of negative 2.564 cents per therm to be applied during the projected period.
6. The total cost of gas is \$28,522,114.
7. The weighted average cost of gas (WACOG) for the January 1999 through December 1999 period is 45.012 cents per therm.

8. The negative 2.564 cents per therm true up factor decreases the WACOG during the January 1999 through December 1999 period to 42.449 cents per therm (before the regulatory assessment fees) or 42.608 cents per therm after the regulatory assessment fees. In order to avoid large under-recovery in the winter season, City Gas has chosen to establish a maximum levelized purchased gas factor based on the Company's expected winter cost of gas. The levelized purchased gas factor based on the Company's expected winter cost of gas is 45.923 cents per therm before the regulatory assessment fees and 46.096 cents per therm after the regulatory assessment fees. This is the appropriate levelized gas cost factor (cap) for City Gas for the period January 1999 through December 1999.

9. City Gas' proposal filed herewith consists of Schedules E-1, E-1R, E-2, E-3, E-4, and E-5. The confidential version of City Gas' filing is submitted in a sealed envelope concurrently with this request, with a separate specific request for confidential treatment.

Wherefore, City Gas Company of Florida respectfully requests that the Commission enter its order approving the Company's proposed winter cost based levelized PGA true-up factor for the period January 1999 through December 1999 of 45.923 cents per therm (before the regulatory assessment fees) or 46.096 cents per therm after the regulatory assessment fees.



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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **RAYMOND A. DEMOINE**

5
6 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

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

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

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

13 **Q. PLEASE DESCRIBE YOUR PRIOR UTILITY RELATED**
14 **EXPERIENCE.**

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

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 1998
20 through December 1998. 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 1999 through
23 December 1999.

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?

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

4 **Q. WHAT HAPPENS TO THE DIFFERENCES THAT RESULT FROM**
5 **MISESTIMATES, THAT IS, THE MISMATCHES BETWEEN**
6 **ESTIMATED AND ACTUAL COSTS?**

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

12 **Q. ARE ANY FGT RATE CHANGES PROPOSED WHICH ARE**
13 **REFLECTED IN THIS FILING?**

14 A. No.

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

17 A. Yes. For the projected period, January 1999 through December 1999,
18 we estimate the gas purchases for resale will be 63,364,924 therms at
19 a total cost of \$28,522,114, with a resulting WACOG of 45.012 cents
20 per therm (before the application of the true-up factor and the
21 regulatory assessment fee). The difference between the estimated
22 actual and actual true-up for the prior period, April 1997 through March
23 1998, is an over-recovery of \$1,706,048. The projected true-up for the

1 current period, April 1998 through December 1998 is an under-
 2 recovery of \$81,637. The total true-up as shown on Schedule E-4 is
 3 an over-recovery of \$1,624,412 for a true-up factor of negative 2.564
 4 cents per therm that would be applied during the projected period.
 5 This true-up factor decreases the gas cost factor during the January
 6 1999 through December 1999 period to 42.449 cents per therm
 7 (before the regulatory assessment fee). With the regulatory
 8 assessment fee added, the PGA factor is 42.608 cents per therm
 9 based on the average of the winter and summer seasons. City Gas,
 10 however, has chosen to establish a maximum levelized purchased gas
 11 factor based on the Company's expected winter cost of gas as follows:

12 Winter Average

13	Total Cost (Line 11)	\$16,691,235
14	Total Therm Sales (Line 27)	34,424,496
15	(Line 11/ Line 27)	\$0.48487
16	True-up	\$(0.02564)
17	Before Regulatory Assessment	\$0.45923
18	Revenue Tax Factor	1.00376
19	Purchased Gas Factor	\$0.46096

20 As shown above, the maximum levelized purchased gas factor based
 21 on the Company's expected winter cost of gas is 45.923 cents per
 22 therm before the regulatory assessment fee. This is the maximum

1 gas cost factor that City Gas may charge its customers for the period
2 January 1999 through December 1999.

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

4 **A. Yes, it does.**

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY 99 Through DECEMBER 99

PROJECTION:

COST OF GAS PURCHASED	PROJECTION:												TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1 COMMODITY (Pipeline)	\$37,427	\$34,117	\$32,973	\$31,508	\$27,464	\$25,026	\$26,729	\$25,522	\$28,765	\$27,454	\$28,803	\$33,048	\$356,884
2 NO NOTICE RESERVATION	\$17,741	\$16,024	\$17,741	\$8,850	\$6,859	\$6,859	\$6,859	\$6,859	\$6,859	\$7,316	\$17,169	\$17,741	\$136,426
3 SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 COMMODITY (Other)	\$1,873,893	\$1,710,027	\$1,564,725	\$1,416,726	\$1,209,107	\$1,104,401	\$1,181,921	\$1,300,368	\$1,208,423	\$1,279,305	\$1,363,120	\$1,634,120	\$16,775,139
5 DEMAND	\$1,253,264	\$1,131,980	\$1,253,264	\$822,108	\$694,052	\$671,663	\$694,052	\$694,052	\$671,663	\$738,720	\$1,212,806	\$1,253,264	\$11,160,917
6 OTHER	\$6,674	\$6,634	\$6,194	\$5,179	\$5,820	\$5,339	\$4,592	\$4,378	\$4,272	\$4,752	\$3,791	\$4,912	\$62,738
LESS END-USE CONTRACT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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)	\$3,288,800	\$2,898,963	\$2,874,897	\$2,364,367	\$1,943,302	\$1,813,076	\$1,914,162	\$1,961,210	\$1,914,760	\$2,057,577	\$2,527,912	\$2,943,086	\$28,522,114
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 COMPANY USE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 THERM SALES REVENUES	\$3,281,397	\$2,891,806	\$2,867,553	\$2,377,891	\$1,937,344	\$1,808,878	\$1,908,131	\$1,855,066	\$1,808,732	\$2,051,269	\$2,520,223	\$2,935,582	\$28,442,073
THERMS PURCHASED													
15 COMMODITY (Pipeline)	6,651,703	6,063,424	5,860,174	5,599,487	4,881,140	4,448,481	4,752,204	4,535,927	4,750,809	4,884,521	5,119,091	5,873,483	63,427,424
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)	6,651,703	6,063,424	5,860,174	5,599,487	4,881,140	4,448,481	4,752,204	4,535,927	4,750,809	4,884,521	5,119,091	5,873,483	63,427,424
19 DEMAND	24,495,270	22,124,760	24,495,270	15,967,500	13,354,800	12,924,000	13,354,800	13,354,800	12,924,000	14,539,000	23,705,100	24,495,270	215,794,570
20 OTHER	12,500	12,800	11,600	9,700	10,900	10,000	8,600	8,200	8,000	8,800	7,100	9,200	117,500
LESS END-USE CONTRACT	0	0	0	0	0	0	0	0	0	0	0	0	0
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)	6,664,203	6,076,224	5,871,774	5,608,187	4,892,040	4,458,481	4,760,804	4,544,127	4,764,809	4,893,421	5,128,191	5,882,683	63,544,924
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
27 TOTAL THERM SALES (24-26)	6,649,203	6,061,224	5,856,774	5,594,187	4,877,040	4,444,481	4,745,804	4,529,127	4,749,809	4,878,421	5,111,191	5,867,683	63,364,924
CELENTS PER THERM													
28 COMMODITY (Pipeline)	0.00563	0.00563	0.00563	0.00563	0.00563	0.00563	0.00563	0.00563	0.00563	0.00563	0.00563	0.00563	0.00563
29 NO NOTICE RESERVATION	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	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)	0.29672	0.28202	0.26701	0.25301	0.24771	0.24821	0.24871	0.24821	0.25341	0.26191	0.28671	0.27822	0.26446
32 DEMAND	0.05116	0.05116	0.05116	0.05197	0.05197	0.05197	0.05197	0.05197	0.05197	0.05197	0.05116	0.05116	0.05116
33 OTHER	0.53394	0.53394	0.53394	0.53394	0.53394	0.53394	0.53394	0.53394	0.53394	0.53394	0.53394	0.53394	0.53394
LESS END-USE CONTRACT	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
34 COMMODITY Pipeline	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	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	0.49350	0.47710	0.45961	0.42508	0.39724	0.40857	0.40207	0.40669	0.40185	0.42048	0.51264	0.50000	0.44885
38 NET UNBILLED	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	0.49350	0.47710	0.45961	0.42508	0.39724	0.40857	0.40207	0.40669	0.40185	0.42048	0.51264	0.50000	0.44885
40 TOTAL THERM SALES	0.49462	0.47828	0.46087	0.42622	0.39846	0.40794	0.40104	0.40548	0.40112	0.42177	0.51415	0.50158	0.45012
41 TRUE-UP (E-2)	0.02564	0.02564	0.02564	0.02564	0.02564	0.02564	0.02564	0.02564	0.02564	0.02564	0.02564	0.02564	0.02564
42 TOTAL COST OF GAS (40+41)	0.46898	0.45264	0.43517	0.40058	0.37262	0.38230	0.37770	0.38014	0.37521	0.39514	0.48851	0.47594	0.42449
43 REVENUE TAX FACTOR	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376
44 PCA FACTOR ADJUSTED FOR TAXES (42x43)	0.47074	0.45435	0.43761	0.40209	0.37423	0.38312	0.37612	0.37876	0.37391	0.39162	0.49035	0.47773	0.42508
45 PCA FACTOR ROUNDED TO NEAREST .001	0.471	0.454	0.437	0.402	0.374	0.384	0.379	0.387	0.379	0.396	0.490	0.478	0.426

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

REVISED ESTIMATE FOR THE PROJECTED PERIOD: APRIL 98 Through DECEMBER 98

COST OF GAS PURCHASED	ACTUAL					REVISED PROJECTION				
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1 COMMODITY (Pipeline)	\$33,638	\$47,508	\$56,035	\$57,874	\$68,012	\$24,474	\$25,826	\$27,323	\$31,211	\$371,905
2 NO NOTICE RESERVATION	\$8,850	\$8,859	\$8,638	\$8,522	\$8,522	\$8,638	\$7,316	\$17,169	\$17,741	\$84,255
3 SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$2	\$3	\$6
4 COMMODITY (Other)	\$632,954	\$1,038,234	\$709,976	\$832,619	\$681,106	\$1,148,163	\$1,216,858	\$1,355,396	\$1,630,672	\$9,243,977
5 DEMAND	\$922,411	\$989,729	\$671,904	\$895,857	\$895,287	\$671,663	\$738,720	\$1,212,836	\$1,253,264	\$7,531,666
6 OTHER	\$6,022	\$4,941	\$4,641	\$3,811	\$3,893	\$4,272	\$4,752	\$3,791	\$4,912	\$41,035
LESS END-USE CONTRACT										
7 COMMODITY (Pipeline)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$1,603,875	\$1,767,269	\$1,449,194	\$1,596,683	\$1,454,815	\$1,853,209	\$1,993,473	\$2,616,517	\$2,937,809	\$17,272,844
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 COMPANY USE	(\$4,461)	(\$4,093)	(\$4,504)	(\$88)	(\$3,289)	(\$6,379)	(\$6,502)	(\$8,071)	(\$7,900)	(\$45,317)
14 THERM SALES REVENUES	\$2,651,076	\$1,817,435	\$1,917,371	\$1,779,119	\$1,539,850	\$1,846,829	\$1,986,971	\$2,608,446	\$2,929,880	\$19,076,777
THERMS PURCHASED										
15 COMMODITY (Pipeline)	6,396,710	8,443,270	11,203,190	7,910,360	10,212,810	4,349,599	4,590,011	4,855,961	5,548,013	64,508,924
16 NO NOTICE RESERVATION	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	14,394,500
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0
18 COMMODITY (Other)	2,636,927	5,767,429	7,526,298	4,191,294	3,880,900	4,349,599	4,590,011	4,855,961	5,548,013	43,346,432
19 DEMAND	15,530,430	11,214,250	12,680,100	11,683,100	13,098,740	12,804,000	14,539,000	23,705,100	24,495,270	139,869,890
20 OTHER	11,347	9,673	9,086	7,609	7,773	8,000	8,900	7,100	9,200	78,688
LESS END-USE CONTRACT										
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0
22 DEMAND	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18+20)-(21+23)	2,648,274	5,777,102	7,535,384	4,198,903	3,888,673	4,357,599	4,598,911	4,863,061	5,557,213	43,425,120
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	(11,423)	(10,481)	(11,532)	(226)	(6,150)	(15,000)	(15,000)	(15,000)	(15,000)	(99,812)
27 TOTAL THERM SALES (24-26)	6,436,850	4,639,888	4,898,185	4,584,843	4,103,501	4,342,599	4,583,911	4,848,061	5,542,213	43,971,251
CENTS PER THERM										
28 COMMODITY (Pipeline) (1/15)	0.00528	0.00503	0.00500	0.00732	0.00986	0.00563	0.00563	0.00563	0.00563	0.00577
29 NO NOTICE RESERVATION (2/16)	0.00590	0.00590	0.00590	0.00581	0.00581	0.00590	0.00590	0.00590	0.00590	0.00585
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
31 COMMODITY (Other) (4/18)	0.24003	0.18002	0.09433	0.19885	0.17550	0.26381	0.26511	0.27912	0.29382	0.21326
32 DEMAND (5/19)	0.05939	0.05972	0.05299	0.05956	0.05308	0.05197	0.05081	0.05116	0.05116	0.05385
33 OTHER (6/20)	0.53071	0.51080	0.51079	0.50085	0.50084	0.53394	0.53394	0.53394	0.53394	0.52149
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
35 DEMAND (8/22)	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
37 TOTAL COST (11/24)	0.60583	0.30591	0.19232	0.38026	0.37412	0.42528	0.43347	0.53804	0.52865	0.39776
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
39 COMPANY USE (13/26)	0.39053	0.39052	0.39057	0.38938	0.53480	0.42528	0.43347	0.53804	0.52865	0.45402
40 TOTAL THERM SALES (11/27)	0.24951	0.39089	0.29586	0.34825	0.35453	0.42675	0.43488	0.53970	0.53008	0.39282
41 TRUE-UP (E-2)	0.00044	0.00044	0.00044	0.00044	0.00044	0.00044	0.00044	0.00044	0.00044	0.00753
42 TOTAL COST OF GAS (40+41)	0.24995	0.38133	0.29630	0.34869	0.35497	0.42719	0.43532	0.54014	0.53052	0.40035
43 REVENUE TAX FACTOR	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376	1.00376
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.25089	0.38276	0.29742	0.35000	0.35630	0.42880	0.43696	0.54217	0.53251	0.40204
45 PGA FACTOR ROUNDED TO NEAREST .001	0.251	0.383	0.297	0.35	0.356	0.429	0.437	0.542	0.533	0.402

FOR THE CURRENT PERIOD: APRIL 98 Through MARCH 99

	REVISSED PROJECTIONS												TOTAL PERIOD
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	\$638,978	\$1,043,175	\$714,617	\$638,430	\$664,999	\$1,150,034	\$1,221,610	\$1,359,187	\$1,635,584	\$1,580,368	\$1,716,841	\$1,878,819	\$9,286,012
2 TRANSPORTATION COST	\$564,869	\$734,084	\$734,577	\$760,253	\$769,816	\$732,774	\$771,863	\$1,257,330	\$1,302,225	\$1,391,432	\$1,392,152	\$1,203,673	\$7,967,631
3 TOTAL COST	\$1,603,847	\$1,787,259	\$1,449,194	\$1,398,683	\$1,434,815	\$1,882,808	\$1,993,473	\$2,616,517	\$2,937,809	\$2,971,800	\$3,108,993	\$3,082,492	\$17,272,844
4 FUEL REVENUES (Net of Revenue Tax)	\$2,651,076	\$1,817,435	\$1,917,371	\$1,779,119	\$1,539,650	\$1,848,829	\$1,966,971	\$2,608,446	\$2,329,880	\$2,291,397	\$2,361,305	\$2,987,652	\$19,076,777
4a Under-recovery	\$0	\$0	\$0	\$0	\$0	(\$250,158)	(\$301,558)	(\$694,112)	(\$728,070)	(\$223,075)	(\$493,207)	(\$598,221)	(\$1,963,895)
4b ADJUSTED NET FUEL REVENUES *	\$2,651,076	\$1,817,435	\$1,917,371	\$1,779,119	\$1,539,650	\$1,598,672	\$1,665,413	\$1,914,334	\$2,201,810	\$2,068,322	\$1,868,098	\$2,389,431	\$17,112,882
5 TRUE-UP COLLECTED OR (REFUNDED)	(\$1,829)	(\$1,829)	(\$1,829)	(\$1,829)	(\$1,829)	(\$1,829)	(\$1,829)	(\$1,829)	(\$1,829)	(\$1,829)	(\$1,829)	(\$1,829)	(\$13,029)
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	\$2,649,247	\$1,815,606	\$1,915,543	\$1,777,290	\$1,537,821	\$1,596,843	\$1,663,585	\$1,912,505	\$2,199,981	\$2,066,493	\$1,866,269	\$2,387,602	\$17,079,853
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	\$1,044,373	\$47,338	\$465,349	\$179,608	\$82,007	(\$259,265)	(\$110,868)	(\$692,080)	(\$738,626)	(\$903,216)	(\$479,197)	(\$599,361)	(\$183,668)
8 INTEREST PROVISION-THIS PERIOD (X1)	\$10,144	\$12,670	\$14,012	\$15,651	\$16,239	\$15,848	\$14,626	\$12,364	\$9,162	\$8,080	\$3,542	\$1,297	\$120,745
8a ADJUST PRIOR MONTHS' INTEREST	\$1,672,123	\$2,729,468	\$2,792,305	\$3,274,494	\$3,472,581	\$3,573,655	\$3,332,965	\$3,039,531	\$2,369,745	\$1,652,967	\$1,008,091	\$355,370	\$1,672,123
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	\$2,828	\$2,828	\$2,828	\$2,828	\$2,828	\$2,828	\$2,828	\$2,828	\$2,828	\$2,828	\$2,828	\$2,828	\$25,452
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10a FLEX RATE REFUND (if applicable)	\$2,729,465	\$2,792,305	\$2,774,494	\$3,472,581	\$3,573,655	\$3,332,965	\$3,039,531	\$2,369,745	\$1,652,967	\$1,009,091	\$355,270	\$37,196	\$1,624,423
11 TOTAL ESTIMATED ACTUAL TRUE-UP (7+8+9+10-10a)	\$1,672,123	\$2,729,468	\$2,792,305	\$3,274,494	\$3,472,581	\$3,573,655	\$3,332,965	\$3,039,531	\$2,369,745	\$1,652,967	\$1,008,091	\$355,370	\$1,624,423
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	\$2,719,324	\$2,779,634	\$3,260,482	\$3,458,930	\$3,557,416	\$3,317,118	\$3,034,905	\$2,347,351	\$1,623,745	\$1,002,051	\$321,728	(\$58,206)	\$2,719,324
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	\$4,391,447	\$5,508,102	\$6,052,787	\$6,731,424	\$7,029,907	\$6,890,772	\$6,367,870	\$5,386,883	\$3,993,490	\$2,654,018	\$1,708,619	\$475,873	\$4,391,447
14 TOTAL (12+13)	\$2,195,724	\$2,734,551	\$3,028,393	\$3,365,713	\$3,514,999	\$3,445,386	\$3,178,935	\$2,693,441	\$1,891,745	\$1,317,499	\$798,510	\$238,487	\$2,195,724
15 AVERAGE (50% OF 14)	0.05550	0.05530	0.05500	0.05600	0.05560	0.05520	0.05520	0.05520	0.05520	0.05520	0.05520	0.05520	0.05520
16 INTEREST RATE - FRIT	0.05530	0.05500	0.05600	0.05680	0.05620	0.05520	0.05520	0.05520	0.05520	0.05520	0.05520	0.05520	0.05520
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	0.11080	0.11030	0.11100	0.11160	0.11080	0.11040	0.11040	0.11040	0.11040	0.11040	0.11040	0.11040	0.11040
18 TOTAL (16+17)	0.05540	0.05515	0.05550	0.05620	0.05600	0.05520	0.05520	0.05520	0.05520	0.05520	0.05520	0.05520	0.05520
19 AVERAGE (50% OF 18)	0.00462	0.00460	0.00463	0.00465	0.00462	0.00460	0.00460	0.00460	0.00460	0.00460	0.00460	0.00460	0.00460
20 MONTHLY AVERAGE (19*12 Months)	10,144	12,670	14,012	15,651	16,239	15,848	14,626	12,364	9,162	8,080	3,542	1,297	10,144
21 INTEREST PROVISION (15*20)													

* The net revenues on Line 4 in the Dec-Mar period exceed the cap from ETR and are adjusted to reflect under-recovered gas cost.

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY 99 Through DECEMBER 99

MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	COMMODITY COST		DEMAND COST	OTHER CHARGES ACA/GR/FUEL	TOTAL CENTS PER THERM	
						TOTAL PURCHASED	THIRD PARTY PIPELINE				
01/99	Various	Sys/End-Use	FTS	6,651,703		6,651,703		\$20,753	\$1,271,005	\$16,674	19.67084
02/99	Various	Sys/End-Use	FTS	6,083,424		6,083,424		\$19,039	\$1,148,005	\$15,078	19.49584
03/99	Various	Sys/End-Use	FTS	5,980,174		5,980,174		\$18,401	\$1,271,005	\$14,572	22.25163
04/99	Various	Sys/End-Use	FTS	5,599,487		5,599,487		\$17,582	\$930,956	\$13,924	17.16040
05/99	Various	Sys/End-Use	FTS	4,881,140		4,881,140		\$15,327	\$700,911	\$12,138	14.92224
06/99	Various	Sys/End-Use	FTS	4,449,481		4,449,481		\$13,971	\$678,301	\$11,064	15.80723
07/99	Various	Sys/End-Use	FTS	4,752,204		4,752,204		\$14,922	\$700,911	\$11,817	15.31184
08/99	Various	Sys/End-Use	FTS	4,535,927		4,535,927		\$14,243	\$700,911	\$11,279	16.01509
09/99	Various	Sys/End-Use	FTS	4,756,809		4,756,809		\$14,936	\$678,301	\$11,829	14.82224
10/99	Various	Sys/End-Use	FTS	4,884,521		4,884,521		\$15,337	\$749,036	\$12,146	15.83614
11/99	Various	Sys/End-Use	FTS	5,119,091		5,119,091		\$16,074	\$1,230,005	\$12,729	24.59047
12/99	Various	Sys/End-Use	FTS	5,873,483		5,873,483		\$18,443	\$1,271,005	\$14,605	22.20239
TOTAL				63,427,424		63,427,424		\$199,029	\$11,327,352	\$167,855	18.42143

CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD

ESTIMATED FOR THE PROJECTED PERIOD:

JANUARY 99 Through DECEMBER 99

		PRIOR PERIOD: APRIL 97 - MARCH 98			CURRENT PERIOD: APR'98 - DEC'98			
		(1) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) Col(2)-Col(1) DIFFERENCE	(4) FIVE MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) Col(3)+Col(4) TOTAL TRUE-UP		
1	TOTAL THERM SALES \$ E-2 Line 6	\$30,325,035	A-2 Line 6 \$29,719,192	(\$605,843)	E-2 Line 6 \$17,078,946	\$16,473,103		
2	TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION E-2 Line 7	(\$1,640,359)	A-2 Line 7 \$37,593	\$1,677,952	E-2 Line 7 (\$193,898)	\$1,484,054		
3	INTEREST PROVISION FOR THIS PERIOD E-2 Line 8	\$15,993	A-2 Line 8 \$45,089	\$28,096	E-2 Line 8 \$120,745	\$148,842		
3 (a)	TRUE UP COLLECTED (OR REFUNDED) JAN 99 - MAR 99 E-2 Line 5				(\$8,484)	(\$8,484)		
4	END OF PERIOD TOTAL NET TRUE-UP L2+L3+L3a	(\$1,623,366)	\$82,682	\$1,706,048	(\$81,637)	\$1,624,412		

NOTE: EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

COLUMN (1)	DATA OBTAINED FROM SCHEDULE (E-2)	<u>TOTAL TRUE-UP DOLLARS</u>	<u>\$1,624,412</u>	equals	-0.02564 \$/Therm
COLUMN (2)	DATA OBTAINED FROM SCHEDULE (A-2)	<u>PROJECTED THERM SALES</u>	63,364,924		(2.564)
LINE 4 COLUMN (3)	SAME AS LINE 7 SCHEDULE (A-7)				Cents Per Therm True-Up
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)				

