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September 9, 2011

BY HAND DELIVERY

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

Re: Docket No. 110003-GU - **Purchased gas adjustment (PGA) true-up.**

Dear Ms. Cole :

Enclosed for filing in the above-referenced Docket, please find an original and 15 copies of Florida City Gas's Petition for Approval of PGA Factor, as well as the supporting Direct Testimony of Mr. Thomas Kaufmann and Exhibit TK-2 (Composite Exhibit consisting of Schedules E-1 {winter}, E-1, E-1R, E-2, E-3, E-4, and E-5). Also enclosed is a copy of the referenced exhibit in native format on CD.

Thank you for your kind assistance with this filing. Please do not 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

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13+100 MEK containing exhibits in excel form.
cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment) Docket No. 110003-GU
(PGA) True-up)
_____) Filed: September 9, 2011

**PETITION BY FLORIDA CITY GAS FOR APPROVAL OF PGA FACTOR
TO BE APPLIED FOR SERVICE RENDERED
DURING THE PERIOD JANUARY 2012 THROUGH DECEMBER 2012**

Florida City Gas ("City Gas" or "the Company") hereby submits this petition to the Commission requesting Approval of a Purchased Gas Adjustment ("PGA") factor to be applied for service to be rendered during the projected period of January 1, 2012 through December 31, 2012. In support thereof, City Gas says:

1. City Gas has calculated its total net true-up amount (including interest and applicable regulatory assessment fees) for the period January 2010 through December 2010 to be an under-recovery of \$6,359.

2. Schedule E-4 shows the projected true-up for the current period January 2011 through December 2011 is an over-recovery of \$104,135.

3. The total true-up as shown on Schedule E-4 is an over-recovery of \$97,776, to be applied to the projected period.

4. Estimated therm purchases for resale during the projected period are 43,156,954.

5. Schedule E-4 presents a true-up refund factor of 0.227 cents per therm to be applied during the projected period.

6. The total cost of gas for the projected period is \$32,882,029 as shown on Schedule E-1 line 11.

7. The weighted average cost of gas (WACOG) for the projected period is 76.234 cents per therm as shown on Schedule E-1 line 40.

8. The 0.227 cents per therm true up factor decreases the WACOG during the projected period to 76.007 cents per therm (before the regulatory assessment fees) or 76.389 cents per therm after the regulatory assessment fees as shown on Schedule E-1 lines 42 and 44 respectively. In order to avoid a 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 81.634 cents per therm before the regulatory assessment fees and 82.045 cents per therm after the regulatory assessment fees. This is the appropriate levelized gas cost factor (*cap*) for City Gas for the projected period.

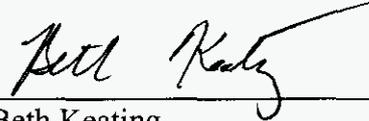
9. City Gas' proposal filed herewith consists of Schedules E-1 (winter), E-1, E-1R, E-2, E-3, E-4, E-5 and the prepared Direct Testimony of Thomas Kaufmann.

WHEREFORE, Florida City Gas Company 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 2012 through December 2012 of 81.634 cents per therm (before the regulatory assessment fees) or 82.045 cents per

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September 9, 2011

them after the regulatory assessment fees.

RESPECTFULLY SUBMITTED this 9th day of September, 2011.



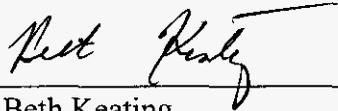
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Attorneys for Florida City Gas

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. 110003-GU, along with the Direct Testimony of Mr. Thomas Kaufmann and Exhibit TK-2, has been furnished by regular U.S. Mail to the following parties of record this 9th day of September 2011:

Thomas A. Geoffroy/Cheryl Martin Florida Public Utilities Company P.O. Box 3395 West Palm Beach, FL 33402-3395	Ansley Watson, Jr. MacFarlane Ferguson Law Firm P.O. Box 1531 Tampa, FL 33601-1531
Charles A. Costin Costin and Costin Law Firm P.O. Box 98 Port Saint Joe, FL 32457-1159	J.R. Kelly/Patricia Christensen Office of Public Counsel c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Paula Brown Peoples Gas System P.O. Box 111 Tampa, FL 33601-0111	Mr. Stuart L. Shoaf St. Joe Natural Gas Company, Inc. P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Javier Cuebas P.O. Box 111 Tampa, FL 33601-0111	Elizabeth Wade/David Weaver/Brian Sulmonetti AGL Resources Inc. Ten Peachtree Place Location 1470 Atlanta, GA 30309
Melvin Williams Florida City Gas 933 East 25 th Street Hialeah, FL 33013-3498	Jennifer Crawford Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399


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