

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

October 23, 2007

Docket No. 060657-GU – Petition for approval of acquisition adjustment and recognition of regulatory asset to reflect purchase of Florida City Gas by AGL Resources, Inc.

Issue 1: Should the Commission accept Florida City Gas' proposal to amortize a \$21,656,835 positive acquisition adjustment over a 30-year period, beginning November 2004?

Recommendation: Yes. Florida City Gas should be allowed to record the \$21,656,835 purchase price premium as a positive acquisition adjustment to be amortized over a 30-year period beginning November 2004. The amortization should be recorded in Account 406, Amortization of Gas Plant Acquisition Adjustments. The permanence of the cost savings supporting FCG's request should be subject to continuing review. The Company should file its earnings surveillance reports with and without the effect of the acquisition adjustment. In the Company's next rate proceeding, if it is determined that the cost savings no longer exist, the acquisition adjustment may be partially or totally removed as deemed appropriate by the Commission.

APPROVED, *which includes language recommended by staff at the conference to be placed in the order.*

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Neil A. Day
Katrina J. McMurrian
[Signature]
[Signature]

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

09676 OCT 23 07

FPSC-COMMISSION CLERK

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(Continued from previous page)

Issue 2: Should the Commission accept Florida City Gas' proposal to include \$1,615,149 in transaction costs and \$1,991,998 in transition costs to be amortized over five years, beginning November 2004?

Recommendation: Yes. Transaction and transition costs should be recorded as a regulatory asset and amortized over five years beginning November 2004. The amounts should be \$1,615,149 and \$1,991,998, respectively. The Commission should find that the approval to record the regulatory asset for accounting purposes does not limit the Commission's ability to review the amounts for reasonableness in future rate proceedings.

APPROVED

Issue 3: Should the Commission accept Florida City Gas' proposal to recognize a net regulatory asset for pensions of \$1,365,897 (\$2,189,990 (gross) less \$824,093 (accumulated deferred income taxes)), to be amortized over 13.3 years, beginning November 2004?

Recommendation: Yes. The Commission should authorize FCG to use deferral accounting to create a regulatory asset to recognize and offset the accelerated treatment for pension costs the company must record in accordance with Statement of Financial Accounting Standards (FAS) 87. The amount of the net regulatory asset should be \$1,365,897 (\$2,189,990 gross, less \$824,093 accumulated deferred income taxes). This amount should be amortized over a period of 13.3 years, beginning November 2004. Finally, the Commission should find that the approval to record the regulatory asset or liability for accounting purposes does not limit the Commission's ability to review the amounts for reasonableness in future rate proceedings.

APPROVED

Issue 4: Should the Commission accept FCG's proposal for a base rate stay-out period?

Recommendation: Yes. A five-year base rate stay-out period should be accepted, subject to approval of the acquisition adjustment. The stay-out period should not include annual cost recovery proceedings, and should begin on the date of the Commission vote, if there is no protest. Exceptions to the base rate stay-out should include items such as unforeseen acts, force majeure, acts of God, and terror-related events.

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(Continued from previous page)

Issue 5: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by this Proposed Agency Action files a protest within 21 days of the Order, a Consummating Order will be issued and the docket will be closed.

APPROVED