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May 1, 2009

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VIA HAND DELIVERY

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

Re: Docket No. 090003-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 and the Direct Testimony and Exhibit of Mr. Thomas Kaufmann.

Your assistance in this matter is greatly appreciated.

Sincerely,

Beth Keating
AKERMAN SENTERFITT
106 East College Avenue, Suite 1200
Tallahassee, FL 32302-1877
Phone: (850) 224-9634
Fax: (850) 222-0103

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment) Docket No. 090003-GU
(PGA) True-Up)
_____) Filed: May 1, 2009

**PETITION FOR APPROVAL OF THE PURCHASED GAS (PGA)
TRUE-UP AMOUNT FOR FLORIDA CITY GAS**

Florida City Gas ("Florida City Gas" or "the Company") hereby files its petition for approval of its final purchased gas true-up amount related to the twelve month period ended December 31, 2008. In support of this Petition, Florida City Gas states:

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

Florida City Gas
955 East 25th Street
Hialeah, Florida 33013-3498

2. The name and mailing address of the persons authorized to receive notices are:

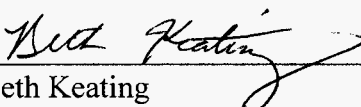
Beth Keating
Akerman Senterfitt
106 East College Avenue
Suite 1200
Tallahassee, Florida 32301

Melvin D. Williams
Florida City Gas
955 East 25th Street
Hialeah, FL 33013-3498

3. Pursuant to the requirements in this docket, Florida City Gas, concurrently with the filing of this petition, files testimony and PGA Schedule A-7 for the period of January 2008 through December 2008, consisting of the purchased gas adjustment true-up reporting form supplied by the Commission Staff.
4. As indicated in the testimony of Thomas Kaufmann, Florida City Gas's final true-up amount for the period January 2008 through December 2008, including interest, net of the estimated true-up for the same period, is a under-recovery of \$1,054,816.

WHEREFORE, Florida City Gas respectfully requests that the Commission enter its Order approving the Company's true-up amount for the period January 1, 2008 through December 31, 2008.

RESPECTFULLY SUBMITTED this 1st day of May 2009.

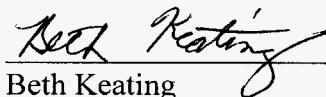


Beth Keating
Akerman Senterfitt Attorneys at Law
106 East College Avenue, Suite 1200
Tallahassee, FL 32301
(850) 224-9634

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. 090003-GU has been furnished by regular U.S. Mail to the following parties of record this 1st day of May 2009:

Florida Public Utilities Company Cheryl Martin P.O. Box 3395 West Palm Beach, FL 33402-3395	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Messer Law Firm Norman H. Horton, Jr. P.O. Box 15579 Tallahassee, FL 32317	Office of Public Counsel J.R. Kelly/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
People Gas System Paula Brown P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
TECO Energy, Inc. Matthew Costa P.O. Box 111 Tampa, FL 33601-0111	AGL Resources Inc. Elizabeth Wade/David Weaver Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Melvin Williams 955 East 25 th Street Hialeah, FL 33013-3498	Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399
	Charles A. Costin Costin and Costin Law Firm P.O. Box 98 Port Saint Joe, FL 32457-1159



Beth Keating
Akerman Senterfitt, Attorneys at Law
106 East College Avenue, Suite 1200
Tallahassee, FL 32301

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2 DIRECT TESTIMONY OF
3 THOMAS KAUFMANN
4 ON BEHALF OF FLORIDA CITY GAS
5 DOCKET NO. 090003-GU

6

7 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

8 A. My name is Thomas Kaufmann. My business address is
9 Elizabethtown Gas, 300 Connell Drive, Suite 3000, Berkeley
10 Heights, New Jersey 07922

11

12 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

13 A. I am currently employed as a Manager of Rates and Tariffs and
14 have responsibilities for Pivotal Utility Holdings, Inc's., Florida
15 operating division .d/b/a Florida City Gas ("City Gas" or "the
16 Company").

17

18 **Q. BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND AND
19 EMPLOYMENT EXPERIENCE.**

20 A. In June 1977, I graduated from Rutgers University, Newark with
21 a Bachelor of Arts degree in Business Administration, majoring
22 in accounting and economics. In July 1979, I graduated from
23 Fairleigh Dickinson University, Madison with a Masters of

1 Business Administration, majoring in finance. My professional
2 responsibilities have encompassed financial analysis,
3 accounting, planning, and pricing in manufacturing and energy
4 services companies in both regulated and deregulated
5 industries. In 1977, I was employed by Allied Chemical Corp. as
6 a staff accountant. In 1980, I was employed by Celanese Corp.
7 as a financial analyst. In 1981, I was employed by Suburban
8 Propane as a Strategic Planning Analyst, promoted to Manager
9 of Rates and Pricing in 1986 and to Director of Acquisitions and
10 Business Analysis in 1990. In 1993, I was employed by
11 Concurrent Computer as a Manager, Pricing Administration. In
12 1996 I joined Pivotal Utility Holdings, Inc's., (formerly known as
13 NUI Utilities Inc.) as a Rate Analyst, was promoted to Manager
14 of Regulatory Support in August, 1997 and Manager of
15 Regulatory Affairs in February, 1998, and named Manager of
16 Rates and Tariffs in July 1998.

17

18 **Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY?**

19 A. The purpose of my testimony is to present the comparison of
20 Actual versus Original estimate of the purchased gas adjustment
21 cost recovery factor and true-up provision for the period January,
22 2008 through December, 2008 for City Gas.

23

1 Q. HAS THE COMPANY PREPARED THE FORM PRESCRIBED
2 BY THIS COMMISSION FOR THIS PURPOSE?

3 A. Yes. The Company has prepared the form prescribed by the
4 Commission attached as Schedule A-7, and identified as Exhibit
5 ____ (TK-1).

6

7 Q. HAS CITY GAS PREPARED A SCHEDULE WHICH SHOWS
8 THE ACTUAL GAS COSTS ASSOCIATED WITH THE GAS
9 ADJUSTMENT COST RECOVERY FACTOR?

10 A. Yes. City Gas prepared Schedule A-7, attached, which
11 describes the total fuel cost for the period in question, recovery
12 of such cost from ratepayers through the Purchased Gas
13 Adjustment (PGA) Cost Recovery Factor, and remaining over or
14 under-recovery of gas cost.

15

16 Q. WHAT WAS THE TOTAL GAS COST INCURRED BY THE
17 COMPANY DURING THE TWELVE MONTHS ENDED
18 DECEMBER 31, 2008?

19 A. As shown on Schedule A-7, Line 1, the total cost of gas for the
20 twelve months ended December 31, 2008 is \$44,933,532.

21

1 Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST
2 RECOVERED BY THE COMPANY DURING THE TWELVE
3 MONTHS ENDED DECEMBER 31, 2008?

4 A. The Company recovered \$43,007,282.

5

6 Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE
7 TWELVE MONTHS ENDED DECEMBER 31, 2008?

8 A. The actual true-up amount, including adjustments, margin
9 sharing and interest, is a under-recovery of \$1,054,816.

10

11 Q. CAN YOU EXPLAIN HOW YOU ARRIVED AT THAT
12 AMOUNT?

13 A. Yes. As shown on Schedule A-7, the total fuel revenues for the
14 period are \$43,007,282 and the total fuel cost is \$44,933,532.
15 The difference between the fuel cost and fuel recoveries is an
16 under-recovery of \$1,926,250. This under-recovery is
17 decreased by an adjustment of \$841,253 for margin sharing and
18 the interest provision, during the period, of \$29,881. The sum of
19 these, inclusive of any rounding, is a under-recovery of
20 \$1,054,816.

21

1 Q. WHAT IS THE FINAL OVER/UNDER RECOVERY FOR THE
2 JANUARY 2008 THROUGH DECEMBER 2008 PERIOD TO BE
3 INCLUDED IN THE 2009 PROJECTION?

4 A. The final true-up amount for the period of January 2008 through
5 December 2008 to be included in the 2009 projection is an over-
6 recovery \$1,404,419. This is the difference between the
7 estimated over-recovery of \$349,603 that is included in the
8 current cost recovery factor being collected during 2009 and the
9 actual under-recovery of \$1,054,816.

10

11 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

12 A. Yes.

COMPANY: FLORIDA CITY GAS		FINAL FUEL OVER/UNDER RECOVERY	SCHEDULE A-7
FOR THE PERIOD:		JANUARY 08	Through DECEMBER 08
1	TOTAL ACTUAL FUEL COST FOR THE PERIOD	A-2 Line 3	\$44,933,532
2	TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD	A-2 Line 6	\$43,007,282
3	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Line 2- Line 1)	A-2 Line 7	(\$1,926,250)
3a	ADJUSTMENTS	A-2 Line 10a	\$0
3b	OSS 50% MARGIN SHARING	A-2 Line 10b	\$841,553
4	INTEREST PROVISION	A-2 Line 8	\$29,881
5	ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (Lines 3 + 3a + 3b + 4)		(\$1,054,816)
6	LESS: ESTIMATED/ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY 07 Through DECEMBER 07 (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT PERIOD RECOVERY FACTOR (JAN 08 through DEC 08)		<u>\$349,603</u>
7	FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD (JAN 09 Through DEC 09) (Line 5- Line 6)		<u>(\$1,404,419)</u>