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October 9, 2009

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. 090004-GU – Natural Gas Conservation Cost Recovery

Dear Ms. Cole:

Enclosed for electronic filing in the above referenced Docket, please find the original and 15 copies of Florida City Gas's Prehearing Statement, as well as a copy in Word format on diskette.

Your assistance in this matter is greatly appreciated.

Sincerely,

Beth Keating
AKERMAN SENTERFITT
106 East College Avenue, Suite 1200
Tallahassee, FL 32302-1877
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10410 OCT-9 8
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery
Clause

) Docket No. 090004-GU
)
)

Filed: October 9, 2009

**FLORIDA CITY GAS COMPANY'S
PREHEARING STATEMENT**

Pursuant to the requirements of the Order on Procedure, Order No. PSC-09-0186-PCO-GU, Florida City Gas hereby submits its Prehearing Statement.

A. Known Witnesses

Florida City Gas intends to offer the direct and rebuttal testimony of Carolyn Bermudez filed on May 1, 2009, and September 11, 2009, and October 6, 2009.

Carolyn Bermudez (Direct)

Issues: 1 - 4

Carolyn Bermudez (Rebuttal)

Issues: 5

B. Known Exhibits

Florida City Gas intends to sponsor the following exhibits:

Bermudez (Direct)

CB-1

Schedules CT-1, CT-2 and CT-3

Bermudez (Direct)

CB-2

Schedules C-1, C-2, C-3 and C-5

Bermudez (Rebuttal)

CB-3

REVISED Schedules CT-1, CT-2, and
CT-3

C. Basic Position

The Company's true-up amounts and conservation cost recovery factors as shown in Issues 1 through 5 are appropriate and should be approved.

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D. – F. Issues

1. **What are the final conservation cost recovery true-up amounts for the period January 2008 through December 2008?**

Florida City Gas: An under-recovery of \$954,338, including interest.

2. **What are the total conservation cost recovery amounts to be collected during the period January 2010 through December 2010?**

Florida City Gas: A total of \$2,088,536.

3. **What are the conservation cost recovery factors for the period January 2010 through December 2010?**

Florida City Gas: The appropriate factors are:

<u>Rate Class</u>	<u>Factor</u>
GS-1, GS-100, GS-220 (Sales & Transportation)	\$0.06112
GS-600 (Sales & Transportation)	\$0.03073
GS-1200 (Sales & Transportation)	\$0.01903
GS-6k (Sales & Transportation)	\$0.01559
GS-25000 (Sales & Transportation)	\$0.01526
GS-60000 (Sales & Transportation)	\$0.01495
Gas Lights	\$0.03043
GS-120000 (Sales & Transportation)	\$0.01182
GS-250000 (Sales & Transportation)	\$0.01046

4. **What should be the effective date of the conservation cost recovery factors for billing purposes?**

Florida City Gas: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2010 through December 2010. Billing cycles may start before January 1, 2010 and the last cycle may be read after December 31, 2010, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

Company specific issue:

5. **What adjustments, if any, should be made to Florida City Gas' final conservation cost recovery true-up amounts for the period January 2008 through December 2008 for costs associated with mailing bills, billing services, billing insert expenses, office supplies, and legal costs?**

Florida City Gas: No adjustments should be made. The amounts identified are associated with the issuance of rebate checks for FCG conservation programs, and thus, properly identified for recovery through the clause.

G. Stipulated Issues

Florida City Gas is not a party to any stipulations at this time, although it believes that it should be possible to reach a stipulation on each of the above issues as they relate to Florida City Gas.

H. Pending Motions

Florida City Gas has no pending motions or other matters requiring attention at this time.

I. Pending Confidentiality Requests

Florida City Gas has one pending request for confidentiality filed on September 23, 2009, which will be rendered moot upon return of the documents at issue, as indicated by Commission staff's memo to the file, dated September 23, 2009.

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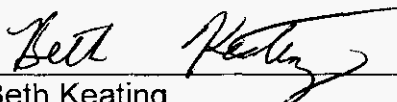
J. Compliance With Order on Procedure

Florida City Gas believes that this Prehearing Statement fully complies with the requirements of the Order on Procedure.

K. Objections to Witness Qualifications

Florida City Gas has no objection to the qualifications of any expert witness.

RESPECTFULLY SUBMITTED this 9th day of October, 2009.



Beth Keating
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(850) 224-9634

Attorneys for Florida City Gas

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail to the following parties of record this 9th day of October, 2009:

Florida Public Utilities Company Marc Seagrave 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
Peoples 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

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Florida Division of Chesapeake Utilities Corporation Thomas A. Geoffroy P.O. Box 960 Winter Haven, FL 33882-0960	Indiantown Gas Company Brian J. Powers P.O. Box 8 Indiantown, FL 34956-0008
Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870	Robert Scheffel Wright/ John T. LaVia 225 South Adams Street, Suit 200 Tallahassee, FL 32301



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