

ORIGINAL

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November 19, 1997

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

**BY HAND DELIVERY**

Re: Docket No. 970003-GU; South Florida Natural Gas Company

Dear Ms. Bayo:

Enclosed for filing on behalf of South Florida Natural Gas Company in connection with the hearings to begin February 25, 1998 in this docket are an original and 10 copies of the Petition for Approval of South Florida Natural Gas Company's Purchased Gas Cost Recovery True-Up Amount.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter

Thank you for your assistance in this matter.

Sincerely,

*Norman H. Horton, Jr.*  
Norman H. Horton, Jr.

ACK  3  
AEA NIH:amb  
A: Enclosures  
cc: Mr. Lou J. Defrain  
Ms. Anne V. Wood  
Parties of Record

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FEDERAL BUREAU OF INVESTIGATION

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment )  
(PGA) True-up )

DOCKET NO. 970003-GU

DIRECT TESTIMONY OF LOU J. DEFRAIN

On Behalf of Florida Division  
South Florida Natural Gas Co.

Submitted for filing: November 9, 1997

DOCUMENT NUMBER DATE

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FLORIDA PUBLIC SERVICE COMMISSION

1 Q. Please state your name, occupation, and business address.

2 A. My name is Lou J. Defrain. I am Secretary-Treasurer of South Florida Natural Gas Co  
3 ("SFNG"). My business address is 101 Northwest 202 Terrace, Miami, Florida 33169

4 Q. What is the purpose of your testimony?

5 A. The purpose of my testimony is to discuss the final true-up for the period April 1996  
6 through March 1997.

7 Exhibits

8 Q. Would you please identify the Composite Exhibit which you are sponsoring with this  
9 testimony?

10 A. Yes. As Composite Exhibit LD-1, I am sponsoring the following schedules with respect  
11 to the final true-up for the period April 1996 through March 1997:

12 A-1 - Comparison of Actual Versus Original Estimate of the Purchased Gas Adjustment  
13 Cost Recovery Factor - October 1996 through September 1997.

14 A-2 - Calculation of True-up and Interest Provision - October 1996 through September  
15 1997.

16 A-3 - Transportation Purchases - October 1996 through September 1997.

17 A-4 - Transportation System Supply - October 1996 through September 1997.

18 A-5 - Therm Sales and Customer Data - October 1996 through September 1997.

19 A-6 - Conversion Factor Calculation - October 1996 through September 1997.

20 A-7 - Final Fuel Over/Under Recovery - April 1996 through March 1997.

21 Also attached are the individual PGA filings for the months of October 1996 through  
22 September 1997.

23 Final True-up April 1996 - March 1997

24 Q. What were total therm sales for the period April 1996 - March 1997?

25 A. Total therm sales subject to the PGA were 2,417,903 therms.

- 1 Q. What were total therm purchases for the period April 1996 through March 1997?
- 2 A. Total therm purchases were 2,400,620 therms.
- 3 Q. What was the cost of gas to be recovered through the PGA for the period April 1996
- 4 through March 1997?
- 5 A. The cost of gas purchased for the period was \$845,121.
- 6 Q. What was the amount of gas revenue collected for the period April 1996 through March
- 7 1997?
- 8 A. The amount of gas revenue collected to cover the cost of gas was \$880,076.
- 9 Q. What is the total true-up provision for the period April 1996 through March 1997?
- 10 A. The total true-up provision, including interest, is an overrecovery of \$38,889 for the
- 11 period.
- 12 Q. What is the amount of estimated true-up included for April 1996 through March 1997
- 13 in the April 1997 through March 1998 PGA factor calculation?
- 14 A. The amount of estimated true-up for the period April 1996 through March 1997 included
- 15 in the April 1997 through March 1998 PGA factor calculation was an undercollection
- 16 of \$75,329.
- 17 Q. What is the final over-underrecovery for the April 1996 through March 1997 period to
- 18 be included in the April 1998 through March 1999 projection?
- 19 A. The final overrecovery for the current period to be included in the April 1998 through
- 20 March 1999 projection is \$114,218.
- 21 Q. Does this conclude your testimony?
- 22 A. Yes, it does.