

ORIGINAL

In re: Purchased Gas Adjustment)
Cost Recovery)
_____)

Docket No. 000003-GU
Filed: September 29, 2000

DIRECT TESTIMONY OF AL KARA

ON BEHALF OF

SOUTH FLORIDA NATURAL GAS

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

2 A. My name is Al Kara. I am Regional Vice President of South Florida Natural
3 Gas (SFNG). My business address is P.O. Box 248, New Smyrna Beach,
4 Florida 32170.

5 Q. What is the purpose of your testimony?

6 A. The purpose of my testimony is to discuss SFNG's calculation of its levelized
7 purchased gas adjustment factor for the period January 1, 2001 through
8 December 31, 2001.

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

11 A. Yes. As Composite Exhibit AK-1, I am sponsoring the following schedules
12 E-1, E-1/R, E-2, E-3, ~~E-4~~, and E-5.

13 Q. Were these schedules prepared under your direction and supervision?

14 A. Yes, they were.

15 Q. What is the appropriate final purchased gas adjustment true-up amount for
16 the period January 1999 through December 1999?

- 1 A. The final purchased gas adjustment true-up amount for the period January
2 1999 - December 1999 is an underrecovery of \$92,457.
- 3 Q. What is estimated purchased gas adjustment true-up amount for the period
4 January 2000 through December 2000?
- 5 A. We have estimated that we will have underrecovered \$69,863 for the period
6 January 2000 through December 2000.
- 7 Q. What is the total purchased gas adjustment true-up amount to be refunded
8 during the period January 2001 through December 2001?
- 9 A. The total net underrecovery to be collected during the period January 2001
10 through December 2001 is \$162,320.
- 11 Q. What is the appropriate levelized purchased gas adjustment recovery (cap)
12 factor for the period January 2001 through December 2001?
- 13 A. The purchased gas cost recovery factor will be a maximum of \$79.208 cents
14 per therm.
- 15 Q. What should be the effective date of the new purchased gas adjustment
16 charge for billing purposes?
- 17 A. The factor should be effective for all meter readings on or after January 1,
18 2001, beginning with the first or applicable billing cycle for the period
19 January 2001 through December 2001.
- 20 Q. Does this conclude your testimony?
- 21 A. Yes, it does.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
1	PURCHASED GAS ADJUSTMENT																				SCHEDULE E-1/R			
2	Company: SOUTH FLORIDA NATURAL GAS		COST RECOVERY CLAUSE CALCULATION																				EXHIBIT NO.	
3																					DOCKET NO. 000003-GU			
4	ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD OF :																				SOUTH FLA NATURAL GAS			
5	JANUARY 00 Through DECEMBER 00																				AK-1			
6																					PAGE 2 OF 6			
7	ACTUAL										REVISED PROJECTION													
8																								
9																								
10	COST OF GAS PURCHASED		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL									
11	1 COMMODITY		1,549	1,593	1,138	988	750	643	645	631	618	807	781	807	10,951									
12	2 NO NOTICE SERVICE		1,280	770	823	407	219	212	201	203	177	183	797	823	6,094									
13	3 OTHER		(2,932)	-	-	-	-	-	-	-	-	-	-	-	(2,932)									
14	4 COMMODITY (Other)		98,707	105,170	55,929	62,082	55,692	68,224	68,660	58,829	65,764	110,186	108,900	114,669	972,812									
15	5 DEMAND		25,654	23,999	25,654	20,176	6,783	6,564	6,805	7,346	5,348	6,981	6,755	6,981	149,046									
16	6 MGMT FEE		1,000	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-	-	6,000									
17	LESS END-USE CONTRACT																							
18	7 COMMODITY (Pipeline)		-	-	-	-	-	-	-	-	-	-	-	-	-									
19	8 DEMAND		-	-	-	-	-	-	-	-	-	-	-	-	-									
20	9		-	-	-	-	-	-	-	-	-	-	-	-	-									
21	10 Second Prior Month Adj. (OPTIONAL)		-	-	-	-	-	-	-	-	-	-	-	-	-									
22	11 TOTAL COST (1+2+3+4+5+6+10)-(7+8+9)		125,258	132,532	84,544	84,653	64,444	76,643	76,311	67,009	71,907	118,157	117,233	123,280	1,141,971									
23	12 NET UNBILLED		(10,596)	(12,635)	5,790	7,748	21,264	(6,792)	(949)	4,008	-	-	-	-	7,838									
24	13 COMPANY USE		-	-	-	-	-	-	-	-	-	-	-	-	-									
25	14 TOTAL THERM SALES		92,136	121,158	97,697	72,600	73,604	50,822	51,069	54,460	64,865	95,273	92,200	95,273	961,356									
26	THERMS PURCHASED																							
27	15 COMMODITY (Pipeline)		396,990	367,000	262,250	232,450	176,490	151,350	151,830	148,530	142,500	186,000	180,000	186,000	2,581,390									
28	16 NO NOTICE SERVICE		217,000	130,500	139,500	69,000	37,200	36,000	34,100	34,520	30,000	31,000	135,000	139,500	1,033,320									
29	17 SWING SERVICE		-	-	-	-	-	-	-	-	-	-	-	-	-									
30	18 COMMODITY (Other)		396,990	367,000	252,250	232,450	176,490	151,350	156,400	153,000	142,500	186,000	180,000	186,000	2,580,430									
31	19 DEMAND		683,550	639,450	683,550	537,600	180,730	174,900	180,730	195,730	142,500	186,000	180,000	186,000	3,970,740									
32	20 OTHER		-	-	-	-	-	-	-	-	-	-	-	-	-									
33	LESS END-USE CONTRACT																							
34	21 COMMODITY (Pipeline)		-	-	-	-	-	-	-	-	-	-	-	-	-									
35	22 DEMAND		-	-	-	-	-	-	-	-	-	-	-	-	-									
36	23		-	-	-	-	-	-	-	-	-	-	-	-	-									
37	24 TOTAL PURCHASES (+17+18+20)-(21+23)		396,990	367,000	252,250	232,450	176,490	151,350	156,400	153,000	142,500	186,000	180,000	186,000	2,580,430									
38	25 NET UNBILLED		-	-	-	-	-	-	-	-	-	-	-	-	-									
39	26 COMPANY USE		-	-	-	-	-	-	-	-	-	-	-	-	-									
40	27 TOTAL THERM SALES (24-26 ESTIMATED ONLY)		331,672	419,317	319,529	233,493	237,975	163,504	164,397	138,146	142,500	186,000	180,000	186,000	2,702,533									
41	CENTS PER THERM																							
42	28 COMMODITY (Pipeline)		(1/15)	\$0.390	\$0.434	\$0.434	\$0.425	\$0.425	\$0.425	\$0.425	\$0.434	\$0.434	\$0.434	\$0.434	\$0.424									
43	29 NO NOTICE SERVICE		(2/16)	\$0.590	\$0.590	\$0.590	\$0.590	\$0.589	\$0.589	\$0.588	\$0.590	\$0.590	\$0.590	\$0.590	\$0.590									
44	30 SWING SERVICE		(3/17)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000									
45	31 COMMODITY (Other)		(4/18)	\$24.864	\$28.657	\$22.172	\$26.708	\$31.555	\$45.077	\$43.900	\$38.450	\$46.150	\$59.240	\$61.650	\$37.700									
46	32 DEMAND		(5/19)	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.753	\$3.765	\$3.753	\$3.753	\$3.753	\$3.753	\$3.754									
47	33 OTHER		(6/20)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000									
48	LESS END-USE CONTRACT																							
49	34 COMMODITY (Pipeline)		(7/21)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000									
50	35 DEMAND		(8/22)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000									
51	36		(9/23)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000									
52	37 TOTAL PURCHASES		(11/24)	\$31.552	\$36.112	\$33.516	\$36.418	\$36.514	\$50.640	\$48.792	\$43.797	\$50.461	\$63.525	\$65.130	\$44.255									
53	38 NET UNBILLED		(12/25)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000									
54	39 COMPANY USE		(13/26)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000									
55	40 TOTAL COST OF THERMS SOLD		(11/27)	\$37.766	\$31.607	\$26.459	\$36.255	\$27.080	\$46.875	\$46.419	\$48.506	\$50.461	\$63.525	\$65.130	\$66.280	\$42.256								
56	41 TRUE-UP		(E-2)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)	(\$5.170)									
57	42 TOTAL COST OF GAS		(40+41)	\$32.596	\$26.437	\$21.289	\$31.085	\$21.910	\$41.705	\$41.249	\$43.336	\$45.291	\$58.355	\$59.960	\$61.110	\$37.086								
58	43 REVENUE TAX FACTOR			\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030	\$1.005030								
59	44 PAGA FACTOR ADJUSTED FOR TAXES		(42*43)	\$32.760	\$26.570	\$21.396	\$31.241	\$22.020	\$41.815	\$41.456	\$43.554	\$45.519	\$58.649	\$60.261	\$61.417	\$37.272								
60	45 PAGA FACTOR ROUNDED TO NEAREST .001			\$32.760	\$26.570	\$21.396	\$31.241	\$22.020	\$41.815	\$41.456	\$43.554	\$45.519	\$58.649	\$60.261	\$61.417	\$37.272								
61																								
62																								

CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE E-2
EXHIBIT NO. _____
DOCKET NO. 000003-GU
SOUTH FLA NATURAL GAS
AK-1
PAGE 3 OF 6

Company: SOUTH FLORIDA NATURAL GAS CO.

FOR THE CURRENT PERIOD OF: JANUARY 00 Through DECEMBER 00

	ACTUAL												REVISED PROJECTION				TOTAL PERIOD		
													SEP	OCT	NOV	DEC			
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC							
TRUE-UP CALCULATION																			
1 PURCHASED GAS COST	99,707	106,170	56,929	63,082	56,692	69,224	68,660	58,829	65,764	110,186	108,900	114,669	978,812						
2 TRANSPORTATION COST	25,551	26,362	27,615	21,571	7,752	7,419	7,651	8,180	6,143	7,971	8,333	8,611	163,159						
3 TOTAL	125,258	132,532	84,544	84,653	64,444	76,643	76,311	67,009	71,907	118,157	117,233	123,280	1,141,971						
4 FUEL REVENUES (NET OF REVENUE TAX)	92,136	121,158	97,697	72,600	73,804	50,822	51,069	54,460	64,865	95,273	92,200	95,273	961,356						
5 TRUE-UP (COLLECTED) OR REFUNDED	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	11,840	142,080						
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ OR -) LINE 5)	103,976	132,998	109,537	84,440	85,644	62,662	62,909	66,300	76,705	107,113	104,040	107,113	1,103,436						
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(21,282)	466	24,993	(213)	21,200	(13,981)	(13,402)	(709)	4,798	(11,044)	(13,194)	(16,167)	(38,535)						
8 INTEREST PROVISION - THIS PERIOD (21)	157	53	59	(80)	(91)	(139)	(279)	(382)	(438)	(522)	(656)	(804)	(3,123)						
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	49,623	16,658	5,337	(9,656)	(21,789)	(12,520)	(38,480)	(64,001)	(76,932)	(84,413)	(107,820)	(133,509)	(477,502)						
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(11,840)	(142,080)						
10a FLEX RATE REFUND (if applicable)	-	-	(28,205)	-	-	-	-	-	-	-	-	-	(28,205)						
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	16,658	5,337	(9,656)	(21,789)	(12,520)	(38,480)	(64,001)	(76,932)	(84,413)	(107,820)	(133,509)	(162,320)	(162,320)						
INTEREST PROVISION																			
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	49,623	16,658	5,337	(9,656)	(21,789)	(12,520)	(38,480)	(64,001)	(76,932)	(84,413)	(107,820)	(133,509)	(477,502)						
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	16,501	5,284	18,490	(21,709)	(12,429)	(38,341)	(63,722)	(76,550)	(83,975)	(107,297)	(132,853)	(161,516)	(658,117)						
14 TOTAL (12+13)	66,124	21,942	23,827	(31,365)	(34,218)	(50,860)	(102,202)	(140,551)	(160,907)	(191,711)	(240,673)	(295,025)	(1,135,619)						
15 AVERAGE (50% OF 14)	33,062	10,971	11,914	(15,682)	(17,109)	(25,430)	(51,101)	(70,275)	(80,454)	(95,856)	(120,337)	(147,513)	(567,809)						
16 INTEREST RATE - FIRST DAY OF MONTH	5.600%	5.800%	5.825%	6.070%	6.180%	6.570%	6.570%	6.520%	6.540%	6.540%	6.540%	6.540%	6.540%						
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.800%	5.825%	6.070%	6.180%	6.570%	6.580%	6.520%	6.540%	6.540%	6.540%	6.540%	6.540%	6.540%						
18 TOTAL (16+17)	11.400%	11.625%	11.895%	12.250%	12.750%	13.150%	13.100%	13.060%	13.080%	13.080%	13.080%	13.080%	13.080%						
19 AVERAGE (50% OF 18)	5.700%	5.813%	5.948%	6.125%	6.375%	6.575%	6.550%	6.530%	6.540%	6.540%	6.540%	6.540%	6.540%						
20 MONTHLY AVERAGE (19/12 Months)	0.475%	0.484%	0.496%	0.510%	0.531%	0.548%	0.546%	0.544%	0.545%	0.545%	0.545%	0.545%	0.545%						
21 INTEREST PROVISION (15*20)	157	53	59	(80)	(91)	(139)	(279)	(382)	(438)	(522)	(656)	(804)	(3,123)						

Company: SOUTH FLORIDA NATURAL GAS CO.

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3
EXHIBIT NO _____
DOCKET NO. 000003-GU
SOUTH FLA NATURAL GAS
AK-1
PAGE 4 OF 6

ESTIMATED FOR THE PROJECTED PERIOD OF: JAN 2001 THROUGH DEC 2001

MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	TOTAL PURCHASED	COMMODITY COST		DEMAND COST	OTHER CHARGES ACA/GR/FUEL	CENTS PER THERM
							THIRD PARTY	PIPELINE			
JAN	ENRON	SYSTEM SUPPLY	FTS-1	407,498	-	407,498	306,642	1,769	15,293		79.437
FEB	ENRON	SYSTEM SUPPLY	FTS-1	535,807	-	535,807	388,996	2,325	20,109		76.787
MAR	ENRON	SYSTEM SUPPLY	FTS-1	404,337	-	404,337	282,632	1,755	15,175		74.087
APR	ENRON	SYSTEM SUPPLY	FTS-1	290,863	-	290,863	195,460	1,236	10,916		71.378
MAY	ENRON	SYSTEM SUPPLY	FTS-1	162,040	-	162,040	107,433	689	6,081		70.478
JUN	ENRON	SYSTEM SUPPLY	FTS-1	157,703	-	157,703	104,163	684	5,919		70.237
JUL	ENRON	SYSTEM SUPPLY	FTS-1	154,937	-	154,937	102,103	672	5,815		70.087
AUG	ENRON	SYSTEM SUPPLY	FTS-1	156,005	-	156,005	102,760	677	5,855		70.057
SEP	ENRON	SYSTEM SUPPLY	FTS-1	156,539	-	156,539	102,799	679	5,875		69.857
OCT	ENRON	SYSTEM SUPPLY	FTS-1	155,930	-	155,930	102,368	677	5,852		69.837
NOV	ENRON	SYSTEM SUPPLY	FTS-1	194,445	-	194,445	130,084	844	7,298		71.087
DEC	ENRON	SYSTEM SUPPLY	FTS-1	317,437	-	317,437	216,016	1,378	11,913		72.237
TOTAL				3,093,541	-	3,093,541	2,141,456	13,385	116,101		72.131

	PRIOR PERIOD: JAN 99 - DEC 99				
	(1) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) (2) - (1) DIFFERENCE	(4) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) (3) + (4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$ GAS REVENUES	926,606	821,261	(105,345)	1,103,436	998,091
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNER) COLLECTION	107,477	15,500	(91,977)	(38,535)	(130,512)
3 INTEREST PROVISION FOR THIS PERIOD	7,563	7,083	(480)	(3,123)	(3,603)
3(a) TRUE-UP COLLECTED OR (REFUNDED) JAN99 - DEC99			-	(28,205)	(28,205)
4 END OF PERIOD TOTAL NET TRUE-UP	115,040	22,583	(92,457)	(69,863)	(162,320)

(+) = OVERRECOVER
(-) = UNDERRECOVER

NOTE: FIVE MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2)

COLUMN (1) DATA OBTAINED FROM SCHEDULE (E-2)
COLUMN (2) DATA OBTAINED FROM SCHEDULE (A-2)
LINE 4 COLUMN (3) SAME AS LINE 7 SCHEDULE (A-7)
LINE 4 COLUMN (1) SAME AS LINE 8 SCHEDULE (A-7)
LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)
LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

(162,320) equals -0.05247 per therm
3,093,541 true-up to collect

