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October 23, 2002

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OF COUNSEL ELIZABETH C. BOWMAN REX D. WARE

Blanca Bayó Director, Division of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399

> Re: Docket 020004-GU

Dear Ms. Bayó:

JAMES S. ALVES

BRIAN H. BIBEAU

DIANE W. CARR KEVIN B. COVINGTON

RALPH A. DEMEO

WILLIAM H. GREEN MATTHEW L. HICKS

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RICHARD S. BRIGHTMAN

T. SPENCER CROWLEY, III BRIAN A. CRUMBAKER

PETER C. CUNNINGHAM

Enclosed for filing on behalf of NUI City Gas Company of Florida are the original and fifteen copies of its Prehearing Statement.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning it to me. Please call me if you have any questions at 850/425-2313.

> Very truly yours, pie o pre

Richard D. Melson

RDM/jlm **Enclosures**

Certificate of Service CC:

DOCUMENT NUMBER - DATE

11561 OCT 23 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Clau	: Conservation Cost Recovery)	Docket No. 020004-G0	
			Filed: October 23, 2002	
		COMPANY OF EARING STATE	_	
	Pursuant to the requirements	of the Order on	Procedure (Order No. PSC-02-	
0337	7-PCO-GU), NUI City Gas Com	pany of Florida ("City Gas") hereby submits its	
Preh	nearing Statement.			
A.	Known Witnesses			
	City Gas intends to offer the direct testimony of Gloria Lopez.			
	Gloria Lopez		Issues 1-3	
B.	Known Exhibits			
	City Gas intends to sponsor the following exhibits:			
	Lopez	GL-1	Schedules CT-1, CT-2 and CT-3	
	Lopez	GL-2	Schedules C-1, C-2, C-3, C-5	

C. <u>Basic Position</u>

The Company's true-up amounts and conservation cost recovery factors as shown in Issues 1 through 3 are appropriate and should be approved.

D.-F. Issues

City Gas' position on the issues identified in the Order on Procedure are as follows:

Issue 1: What is the final end-of-period true-up amount for the period January 2001

through December 2001?

<u>City Gas</u>: An over-recovery of \$745,761.

Issue 2: What are the appropriate conservation cost recovery factors for the period

January 2003 through December 2003?

<u>City Gas</u>: The appropriate factors are:

Rate Class

Residential (RS, ED & GL)	7.799 cents/therm
Commercial (CS, ED & SCTS)	2.272 cents/therm
Commercial Large Volume (LCS & CTS)	1.494 cents/therm
Industrial (IP & ITS)	1.363 cents/therm

Factor

Issue 3: What should be the effective date of the conservation cost recovery

factors for billing purposes?

<u>City Gas</u>: The factors should be effective beginning with the specified conservation

cost recovery cycle and thereafter for the period January, 2003, through December, 2003. Billing cycles may start before January 1, 2003, and the last cycle may be read after December 31, 2003, so that each customer is billed for twelve months regardless of when the adjustment factor became

effective.

G. Stipulated Issues

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 City Gas.

H. Pending Motions

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

I. Pending Confidentiality Requests

City Gas has no pending confidentiality requests.

J. <u>Compliance With Order on Procedure</u>

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

K. Objections to Witness Qualifications

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

RESPECTFULLY SUBMITTED this 23rd day of October, 2002.

HOPPING GREEN & SAMS, P.A.

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Gary V. Perko

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Attorneys for City Gas Company of Florida

Certificate of Service

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand-delivery (*) and/or regular U.S. mail to all known parties of record in Docket No. 020004-GU this 23rd day of October, 2002.

City Gas Company of Florida Ms. Gloria L. Lopez 955 East 25th Street Hialeah, FL 33013-3498

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