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August 20, 2008

**VIA Electronic filing**

Katherine E. Fleming  
Senior Attorney  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Docket No. 080003-GU - Purchased Gas Adjustment (PGA) True-Up.**

Dear Ms. Fleming:

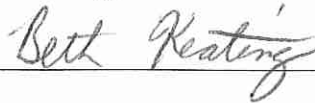
In light of Tropical Storm Fay and the resulting deferral of Florida City Gas Company's Petition for a Mid Course Correction to the September 4, 2008, Agenda Conference, Florida City Gas offers and suggests that an effective date of October 1, 2008, would be reasonable and acceptable to the Company should the Commission approve an adjustment to the Company's PGA Cap. Accordingly, the Company's July 22, 2008, Petition may be deemed amended consistent with this letter.

Moreover, Florida City Gas commends PSC staff for providing the Commission with options in its August 8, 2008, recommendation. In view of the recent trends in natural gas prices, the Company now agrees with PSC staff that it no longer requires an increase in its PGA Cap to the full extent requested in its original Petition. Instead, Florida City Gas respectfully suggests that Option 3, as presented in the PSC staff's recommendation at page 5, provides the Company with sufficient pricing flexibility while still sending appropriate pricing signals to customers consistent with the recent pricing trend. As such, Florida City Gas fully supports Option 3 as presented in the PSC staff's

recommendation with a new effective date of October 1, 2008.

Please do not hesitate to let me know if you have any questions.

Sincerely,



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**Beth Keating**  
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ENCLOSURES

cc: Parties of Record  
Bill McNulty