

1 **APPEARANCES:**

2 **JOHN McWHIRTER, JR.**, McWhirter, Reeves,
3 McGlothlin, Davidson, Decker, Kaufman, Arnold & Steen,
4 Post Office Box 3350, Tampa, Florida 32601-3350,
5 appearing on behalf of **Florida Industrial Power**
6 **Users Group (FIPUG)**.

7 **JOHN ROGER HOWE**, Deputy Public Counsel,
8 Office of Public Counsel, 111 West Madison Street,
9 Room 812, Tallahassee, Florida 32399-1400, appearing
10 on behalf of the **Citizens of the State of Florida**.

11 **WILLIAM COCHRAN KEATING, IV**, Florida Public
12 Service Commission, Division of Legal Services, 2540
13 Shumard Oak Boulevard, Tallahassee, Florida
14 32399-0870, appearing on behalf of the **Commission**
15 **Staff**.

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I N D E X

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4	1	AVW-1	9	9
5	2	AVW-2	9	9
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MISCELLANEOUS

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ITEM

PAGE NO.

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CERTIFICATE OF REPORTER

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P R O C E E D I N G S

(Hearing convened at 9:30 a.m.)

COMMISSIONER CLARK: Let's call the hearing to order. Ms. Paugh, if you could walk me through everything I need to do.

MS. PAUGH: We'll commence by reading the notices.

COMMISSIONER CLARK: That's a good idea.

MR. KEATING: Pursuant to notice issued October 19th, 1998, this time and place have been set for a hearing in the following dockets: Docket No. 980001-EI, fuel and purchased power cost recovery clause and generating performance incentive factor; Docket 980002-EG, energy conservation cost recovery clause; Docket No. 980003-GU, purchased gas adjustment true-up; and Docket No. 980007-EI, environmental cost recovery clause.

COMMISSIONER CLARK: Take appearances.

MR. STONE: Commissioner, I'm Jeffrey A. Stone of the law firm Beggs & Lane, appearing today on behalf of Gulf Power Company.

MR. WILLIS: I'm Lee L. Willis of Ausley, McMullen, P.O. Box 391, Tallahassee, Florida, 32302, appearing together with James D. Beasley of the same firm, P.O. Box 391, Tallahassee, Florida 32302,

1 appearing on behalf of Tampa Electric Company.

2 **MS. PAUGH:** If counsel could indicate which
3 dockets they're appearing for, that would be helpful
4 for the record.

5 **MR. WILLIS:** I'm appearing in both the 01
6 and 07 docket.

7 **MR. STONE:** And stepping back to me, I'm
8 appearing on behalf of Gulf Power Company in the 01,
9 the 02 and the 07 docket.

10 **MR. CHILDS:** Commissioner, my name is
11 Matthew Childs of the firm of Steel Hector & Davis.
12 I'm appearing on behalf of Florida Power & Light
13 Company in the 07 docket.

14 **MR. McWHIRTER:** My name is John McWhirter,
15 appearing on behalf of the Florida Industrial Power
16 Users Groups, appearing in Dockets 01, 02, 03 and 07.

17 **MR. HOWE:** Commissioners, I'm Roger Howe
18 with the Office of Public Counsel, appearing on behalf
19 of the citizens of the state of Florida in the 01, 02,
20 03 and 07 dockets.

21 **MS. PAUGH:** Leslie Paugh, on behalf of Staff
22 in the 01 and 07 dockets.

23 **MR. KEATING:** Cochran Keating, appearing on
24 behalf of Staff in the 02 and 03 dockets.

25 **COMMISSIONER CLARK:** Does Staff have a

1 suggestion of how we should proceed?

2 **MS. PAUGH:** We do.

3 **MR. KEATING:** Staff suggests that we take
4 the 03 docket first, followed by the 02 docket; then
5 the 01 docket, and finally the 07 docket.

6 **COMMISSIONER CLARK:** All right. We'll do
7 that.

8 **MR. KEATING:** Docket 980003, I believe, is
9 completely stipulated at this point. Staff would
10 recommend that the prefiled testimony of the witnesses
11 listed on Page 5 of the prehearing order in that
12 docket be moved into the record as though read.

13 **COMMISSIONER GARCIA:** I'll make that motion.

14 **COMMISSIONER CLARK:** Without objection, it
15 will be moved into the record.

16 Do I need to go through each one and
17 identify the exhibits?

18 **MR. KEATING:** Yes. I can do that.

19 **COMMISSIONER CLARK:** All right.

20 **MR. KEATING:** The exhibits that begin on
21 Page 9 of the prehearing order continuing through to
22 Page 11, Staff would recommend that those exhibits be
23 marked for identification starting with on Page 9,
24 AVW-1 to be marked as Exhibit 1.

25 **COMMISSIONER CLARK:** Okay.

1 **MR. KEATING:** AVW-2 be marked as Exhibit 2.
2 RAD-1 to be marked as Exhibit 3.
3 GMB dash with no number to be marked as
4 Exhibit 4. GMB-2 marked as Exhibit 5.

5 **COMMISSIONER CLARK:** Well, let's do GMB-1
6 and 2 as a composite exhibit.

7 **MR. KEATING:** Okay.

8 **COMMISSIONER CLARK:** And that will be
9 Exhibit 4. Go ahead.

10 **MR. KEATING:** And then we'll pick up with
11 Exhibit BJP-1 marked as Exhibit 5.

12 **COMMISSIONER CLARK:** For each witness let's
13 do a composite exhibit.

14 **MR. KEATING:** Okay.

15 **COMMISSIONER CLARK:** So BJP-1 and 2 will be
16 Exhibit 5.

17 **MR. KEATING:** Okay. Then EE-1 and EE-2
18 would be marked as Exhibit 6.

19 GHM-1 and 2 will be marked as Exhibit 7.

20 SLS-1 through 6 will be marked as Exhibit 8.

21 And AK-1 and 2 will be marked as Exhibit 9.

22 And we recommend that those exhibits be
23 moved into the record.

24 **COMMISSIONER CLARK:** They'll be identified
25 as indicated, and they will be admitted in the record

1 without objection.

2 (Exhibits 1-9 marked for identification and
3 received in evidence.)

4 **COMMISSIONER CLARK:** The testimony on
5 Page 5, is it all direct testimony?

6 **MR. KEATING:** Yes.

7 **COMMISSIONER CLARK:** Okay. We'll show the
8 direct testimony of A. V. Wood, R. A. DeMoine,
9 G. M. Bachman, M. L. Schneidermann, B. J. Powers,
10 W. E. Elliot, J. L. Melendy, S. L. Shoaf, and A. Kara
11 entered in the record as though read without
12 objection.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment)
(PGA) True-up) DOCKET NO. 980003-GU

DIRECT TESTIMONY OF ANNE V. WOOD

On Behalf of Florida Division
Chesapeake Utilities Corporation

Submitted for filing: September 11, 1998

DOCUMENT NUMBER-DATE
09963 SEP 11 88
FPSC-RECORDS/REPORTING

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

2 A. My name is Anne V. Wood. I am Accounting and Rates Manager of the Florida Division
3 of Chesapeake Utilities Corporation. My business address is 1015 6th Street, N. W.,
4 Winter Haven, Florida 33881.

5 Q. Describe briefly your educational background and relevant professional background.

6 A. I have a Bachelor of Arts Degree in Business Administration/Accounting from Franklin
7 and Marshall College, Lancaster, Pennsylvania. I am also a licensed Certified Public
8 Accountant in New Jersey but am inactive at this time. I was employed by Chesapeake
9 Utilities in March of 1988 as a Corporate Accountant. In September 1989, I was
10 promoted to the position of Accounting Manager for the Florida Division. In January
11 1993, I also assumed the responsibilities of Rates Manager.

12 Q. What is the purpose of your testimony?

13 A. The purpose of my testimony is to discuss the final true-up for the period April 1997
14 through March 1998.

15 Exhibits

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

18 A. Yes. As Composite Exhibit AVW-1, I am sponsoring the following schedules with
19 respect to the final true-up for the period April 1997 through March 1998:

20 A-1 - Comparison of Actual Versus Original Estimate of the Purchased Gas Adjustment
21 Cost Recovery Factor - October 1997 through March 1998.

22 A-1(2) - Purchased Gas Adjustment Cost Recovery Clause Calculation - Schedule A-1
23 Supporting Detail - October 1997 through March 1998.

24 A-2 - Calculation of True-up and Interest Provision - October 1997 through March
25 1998.

1 A-3 - Transportation Purchases - October 1997 through March 1998.

2 A-4 - Transportation System Supply - October 1997 through March 1998.

3 A-5 - Therm Sales and Customer Data - October 1997 through March 1998.

4 A-6 - Conversion Factor Calculation - October 1997 through March 1998.

5 A-7 - Final Fuel Over/Under Recovery - April 1997 through March 1998.

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

7 A. Yes, they were.

8 Final True-Up April 1997 - March 1998

9 Q. What were total therm sales for the period April 1997 through March 1998?

10 A. Total therm sales subject to the PGA were 31,572,569 therms.

11 Q. What were total therm purchases for the period April 1997 through March 1998?

12 A. Total therm purchases were 29,751,134 therms.

13 Q. What was the cost of gas to be recovered through the PGA for the period April 1997
14 through March 1998?

15 A. The cost of gas purchased for the period was \$9,966,537.

16 Q. What was the amount of gas revenue collected for the period April 1997 through March
17 1998?

18 A. The amount of gas revenue collected to cover the cost of gas was \$9,390,975.

19 Q. What is the total true-up provision for the period April 1997 through March 1998?

20 A. The total true-up provision, including interest, is an underrecovery of \$576,530 for the
21 period.

22 Q. What is the amount of estimated true-up included for April 1997 through March 1998
23 in the January 1998 through December 1999 PGA factor calculation?

24 A. The amount of estimated true-up for the period April 1997 through March 1998 included
25 in the April 1998 through March 1999 PGA factor calculation was an underrecovery of

1 \$442,997.

2 Q. What is the final over/underrecovery for the April 1997 through March 1998 period to
3 be included in the January 1999 through December 1999 projection?

4 A. The final underrecovery for the April 1997 through March 1998 period to be included
5 in the January 1999 through December 1999 projection is \$133,533.

6 Q. Does this conclude your testimony?

7 A. Yes, it does.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment)
(PGA) True-up) DOCKET NO. 980003-GU

DIRECT TESTIMONY OF ANNE V. WOOD

On Behalf of Florida Division
Chesapeake Utilities Corporation

Submitted for filing: October 12, 1998

DOCUMENT NUMBER-DATE
11318 OCT 12 1998
FPC-RECORDS/REPORTING ORIGINAL

- 1 Q. Please state your name, occupation, and business address
- 2 A. My name is Anne V. Wood. I am Accounting and Rates Manager of the Florida Division
3 of Chesapeake Utilities Corporation. My business address is 1015 6th Street, N.W.,
4 Winter Haven, Florida 33882.
- 5 Q. Describe briefly your educational background and relevant professional background.
- 6 A. I have a Bachelor of Arts Degree in Business Administration/Accounting from Franklin
7 and Marshall College, Lancaster, Pennsylvania. I am also a licensed Certified Public
8 Accountant in New Jersey but am inactive at this time. I was employed by Chesapeake
9 Utilities Corporation in March, 1988 as a Corporate Accountant. In September 1989,
10 I was promoted to the position of Accounting Manager for the Florida Division. In
11 January 1993, I also assumed the responsibilities of Rates Manager.
- 12 Q. What is the purpose of your testimony?
- 13 A. The purpose of my testimony is to discuss the Florida Division's calculation of its
14 levelized purchased gas cost factors for the twelve-month period January 1999 through
15 December 1999.

16 Exhibits

- 17 Q. Would you please identify the Composite Exhibit which you are sponsoring with this
18 testimony?
- 19 A. Yes. As Composite Exhibit AVW-2, I am sponsoring the following schedules with
20 respect to the January 1999 through December 1999 levelized purchased gas cost factor
21 projection:
- 22 E-1 - PGA Calculation, Original Estimate for the Projected Period January 1999 -
23 December 1999. (Total Company)
- 24 E-1 - PGA Calculation, Original Estimate for the Projected Period January 1999 -
25 December 1999 (Allocated Firm)

1 E-1 - PGA Calculation, Original Estimate for the Projected Period January 1999 -
2 December 1999 (Allocated Interruptible)

3 E-1/R - PGA Calculation, Revised Estimate for the Period April 1998 -
4 December 1998 (Total Company)

5 E-1/R - PGA Calculation, Revised Estimate for the Period April 1998 -
6 December 1998 (Allocated Firm)

7 E-1/R - PGA Calculation, Revised Estimate for the Period April 1998 -
8 December 1998 (Allocated Interruptible)

9 E-2 - Calculation of True-up Amount for the Current Period April 1998 -
10 December 1998

11 E-3 - Transportation Purchases for the Projected Period January 1999 -
12 December 1999

13 E-4 - Calculation of True-up Amount, Projected Period January 1999 - December
14 1999

15 E-5 - Therm Sales and Customer Data for the Projected Period January 1999 -
16 December 1999

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

18 A. Yes, they were

19 Revised Estimate April 1998 - December 1998

20 Q. What is the revised estimate of total purchased gas costs for the period April 1998 -
21 December 1998?

22 A. The revised projection of purchased gas cost for the current period is \$6,149,467

23 Q. What is the revised projection of gas revenue to be collected for the current period?

24 A. As shown on Schedule E-2, the company estimates the total gas revenue to be collected
25 during the period to be \$6,165,655. This amount includes a refund of prior period

1 overcollections in the amount of \$33,417. Therefore, the revenue collected to cover the
2 current period's gas cost is estimated to be \$6,199,072

3 Q. What is the revised true-up amount, including interest, estimated for the April 1998 -
4 December 1998 period?

5 A. The company estimates the revised true-up, including interest, and the transitional true-
6 up of \$11,139 to be an overcollection of \$60,458

7 January 1999 - December 1999 Projection

8 Q. How did you develop your projection of the Florida Division's cost of gas for the
9 January 1999 - December 1999 period?

10 A. Our first step was to estimate our supply requirements for each of the twelve months in
11 the period. Our projected supply requirements are based on our projected sales and
12 company use for each month. Once we develop our supply requirements, we can then
13 determine how these requirements will be met. In other words, we match our estimated
14 requirements with the gas supply that is available to us. All of our gas requirements will
15 be met utilizing our "FTS" (firm transportation service) contract entitlement for the
16 projected period of January 1999 - December 1999.

17 Q. Please describe the general steps for mechanics of projecting the total cost of gas for the
18 January 1999 - December 1999 period.

19 A. As shown on Schedule E-1 (Total Company) lines 1 - 11, the total cost of gas consists
20 of the cost of no-notice transportation service (NNTS) on FGT, the demand and
21 commodity costs of firm transportation service (FTS) on FGT, and the commodity cost
22 of gas estimated to be paid to our suppliers during the period.

23 The demand component of "NNTS" and "FTS" services (lines 2 and 5) is based
24 on the Florida Division's contract levels with FGT and an estimation of FGT's demand
25 rates for these two services. The demand rates utilized for NNTS, FTS-1, and FTS-2

1 service for the period are the current rates in effect. During the period of January 1999 -
2 December 1999, our "FTS" contract entitlement exceeds our monthly gas requirements.
3 Therefore, we will be paying demand charges in excess of the volumes actually
4 transported for system supply. Whenever possible, the Florida Division will relinquish
5 excess capacity in order to lower its gas cost to its ratepayers.

6 The commodity portions of transportation system supply are shown on Schedule
7 E-1, lines 1 and 4. The commodity pipeline amount (line 1) is based on FGT's "FTS"
8 commodity rate multiplied by the number of therms transported for system supply. The
9 commodity rate utilized for the period is the current rate in effect.

10 The commodity other (line 4) is based on data shown on Schedule E-3 which
11 details our projected direct supplier and/or producer purchases for the twelve-month
12 period. We projected the "FTS" commodity cost on line 4 using a combination of
13 analyses. We analyzed the 1997 and 1998 monthly prices of natural gas delivered to
14 FGT by zone as reported in Inside FERC Gas Market Report. We also reviewed the
15 recent NYMEX postings for the period November 1998 through December 1999. We
16 developed our monthly index price of gas using the above data and allowing for seasonal
17 trends and current market pricing. To this average, we added our suppliers' estimated
18 margin and compressor fuel.

19 Q. How did you project total firm and interruptible sales?

20 A. Firm sales were projected based on historical averages in each firm rate class. The
21 interruptible sales projection was based on a combination of a survey method (i.e.,
22 talking with the customer), historical consumption and management judgment. These
23 projected therm sales are found on Schedule E-1, line 27. Company use volumes are
24 shown on line 26.

25 Q. How did you project company use volumes?

- 1 A. Company use volumes were estimated based on our current level of compressed natural
2 gas usage by company vehicles
- 3 Q. Based on the projected total cost of gas and projected sales, what is the system-wide
4 average cost per therm for the twelve-month period ended December 1999?
- 5 A. This figure is shown on Schedule E-1 (Total Company), line 40, and is 35.618 cents per
6 therm. To arrive at the total PGA factor, the 35.618 cents per therm is adjusted for the
7 estimated total true-up through December 1998 (shown on Schedule E-4) and for
8 revenue-related taxes.
- 9 Q. What is the system-wide projected PGA factor for the period January 1999 - December
10 1999?
- 11 A. The projected system-wide PGA factor for the period is 35.998 cents per therm
- 12 Q. The estimated total true-up for the nine months ended December 1998 as calculated on
13 Schedule E-4 is included in the projected PGA factor for the period January 1999 -
14 December 1999. Please explain how it was calculated
- 15 A. The final true-up amount for the period April 1997 - March 1998 is added to the
16 estimated end of period net true-up for April 1998 - December 1998. The April 1998 -
17 December 1998 estimated true-up is based on five months' actual data plus four months'
18 projected data. Additionally, the true-up amount is adjusted for the remaining estimated
19 prior period overcollection from March 1998, which will be unrefunded as of December
20 31, 1998.
- 21 Q. What is the impact of the total true-up as of December 31, 1998 on the projected PGA
22 factor for the January 1999 - December 1999 period?
- 23 A. The projected true-up as of December 31, 1998 is an underrecovery of \$73,075
24 (Schedule E-4). Dividing the underrecovery by the January 1999 - December 1999
25 projected therm sales of 29,744,536 results in a surcharge of .246 cents per therm to be

1 included in the proposed PGA factor.

2 Q What is the maximum levelized purchased gas factor (cap) that you are proposing for the
3 January 1999 - December 1999 period?

4 A. The maximum levelized purchased gas factor (cap) that we are proposing for the period
5 is 41.668 cents per therm. This factor represents the projected firm "winter" average
6 cost of gas, plus the true-up and taxes. Allocation of demand and commodity costs
7 between firm and interruptible rate classes results in projected PGA factors for the
8 twelve-month period, including true-up and taxes, of 38.566 cents per therm and 32.174
9 cents per therm for firm and interruptible classes, respectively, for the period. However,
10 since the Company historically has experienced higher gas costs during the winter
11 months, the Company has calculated a firm "winter" average cost of gas for the months
12 of January 1999 through March 1999 and October 1999 through December 1999 for the
13 purposes of establishing the maximum levelized purchased gas cost factor (cap). This
14 methodology will allow us to minimize large underrecoveries during the winter months,
15 but allow us to flex downward in the summer months in order to match current market
16 conditions and manage overrecoveries as well.

17 Q Does this conclude your testimony?

18 A Yes, it does.

TR cy

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment) Docket No. 980003-GU
(PGA) True-Up) Filed: September 10, 1998

DIRECT TESTIMONY
OF
RAYMOND A. DeMOINE
ON BEHALF OF
NUI CITY GAS COMPANY OF FLORIDA

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2 DIRECT TESTIMONY OF
3 RAYMOND A. DeMOINE
4 ON BEHALF OF NUI CITY GAS COMPANY OF FLORIDA
5 DOCKET NO. 980003-GU
6

7 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

8 A. My name is Raymond A. DeMoine. My business address is NUI
9 Corporation, One Elizabethtown Plaza, Union, New Jersey
10 07083.

11

12 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

13 A. I am employed by NUI Corporation ("NUI") as Director, Rates
14 and Compliance. NUI City Gas Company of Florida ("City Gas"
15 or "the Company") is an operating division of NUI Corporation.

16

17 **Q. BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND AND
18 EMPLOYMENT EXPERIENCE.**

19 A. I received a Bachelor of Science in Commerce degree, with a
20 major in Accounting, from Rider College in June 1983. In June
21 of 1990, I received a Master of Business Administration Degree
22 from Rider College. I am a Certified Public Accountant in the
23 State of New Jersey, and a member of the American Institute of

1 Certified Public Accountants and the New Jersey Society of
2 Certified Public Accountants.

3 Upon graduation from Rider College in 1983, I was employed by
4 the State of New Jersey as an Auditor/Investigator with the
5 Division of Criminal Justice. I audited various types of business
6 entities, primarily for the detection of fraud. In December of
7 1986, I accepted a professional staff position with the Certified
8 Public Accounting Firm of Arthur Young (currently Ernst and
9 Young), a worldwide accounting and consulting firm. My
10 experience with this public accounting firm included auditing and
11 consulting engagements on a variety of entities and exposure to
12 various accounting systems.

13 In July 1989, I was hired as Administrator of External Reporting
14 by Elizabethtown Gas Company, NUI's New Jersey Division. In
15 that role, I was responsible for the coordination of the
16 Accounting Department's efforts in all regulatory filings

17 In August 1993, I was assigned to NUI's Florida Division, City
18 Gas Company of Florida, to coordinate the analysis, filing and
19 prosecution of its 1994 base rate case. In March 1995, I was
20 promoted to Manager of Regulatory Affairs. In July 1995, I
21 assumed a supervisory role for all rate and regulatory matters in
22 Elizabethtown's Rate Department.

1 On October 1, 1995, NUI centralized certain functions, which
2 included the utility rate and pricing function. Therefore, I now
3 have responsibility for the rate and pricing function of each of
4 NUI's utility jurisdictions. In November 1996, I was promoted to
5 Director.

6

7 **Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY?**

8 A. The purpose of my testimony is to present the comparison of
9 Actual versus Original estimate of the purchased gas adjustment
10 cost recovery factor and true-up provision for the period April,
11 1997 through March, 1998 for City Gas.

12

13 **Q. HAS THE COMPANY PREPARED THE FORMS PRESCRIBED
14 BY THIS COMMISSION FOR THIS PURPOSE?**

15 A. Yes. The forms prescribed by the Commission Schedules A-1
16 through A-6 for the months of April 1997 through March 1998,
17 and Schedule A-7 are attached to my testimony.

18

19 **Q. HAS CITY GAS PREPARED A SCHEDULE WHICH SHOWS
20 THE ACTUAL GAS COSTS ASSOCIATED WITH THE GAS
21 ADJUSTMENT COST RECOVERY FACTOR?**

22 A. Yes. City Gas prepared Schedule A-7, attached, which
23 describes the total fuel cost for the period in question, recovery

1 of such cost from ratepayers through the Gas Adjustment Cost
2 Recovery Factor, and remaining over or under-recovery of gas
3 cost.

4

5 **Q. WHAT WAS THE TOTAL GAS COST INCURRED BY THE**
6 **COMPANY DURING THE TWELVE MONTHS ENDED MARCH**
7 **31, 1998?**

8 A. As shown on Schedule A-7, Line 1, the total cost of gas for the
9 twelve months ended March 31, 1998 is \$29,681,599.

10

11 **Q. WHAT WAS THE TOTAL AMOUNT OF GAS COST**
12 **RECOVERED BY THE COMPANY DURING THE TWELVE**
13 **MONTHS ENDED MARCH 31, 1998?**

14 A. The Company recovered \$29,719,192.

15

16 **Q. WHAT IS THE COMPANY'S ACTUAL TRUE-UP FOR THE**
17 **TWELVE MONTHS ENDED MARCH 31, 1998?**

18 A. The actual true-up amount, including interest, is an over-
19 recovery of \$82,682.

20

21 **Q. CAN YOU EXPLAIN HOW YOU ARRIVED AT THAT AMOUNT**
22 **OF UNDER-RECOVERY?**

1 A. Yes. As shown on Schedule A-7, the total fuel revenues for the
2 period are \$29,719,192 and the total fuel cost is \$29,681,599.
3 The difference between the fuel cost and fuel recoveries is an
4 over-recovery of \$37,593. The interest provision for the period
5 is an over-recovery of \$45,089. The sum of these two over-
6 recoveries is \$82,682.

7

8 Q. **WHAT IS THE FINAL OVER/UNDER RECOVERY FOR THE**
9 **APRIL 1997 THROUGH MARCH 1998 PERIOD TO BE**
10 **INCLUDED IN THE 1999-2000 PROJECTION?**

11 A. The final over-recovery for the period of April 1997 through
12 March 1998 to be included in the 1999-2000 projection is
13 \$1,706,048.

14

15 Q. **DOES THIS CONCLUDE YOUR TESTIMONY?**

16 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **RAYMOND A. DEMOINE**

5

6 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

7 A. My name is Raymond A. DeMoine. My business address is One
8 Elizabethtown Plaza, Union, New Jersey 07083.

9 **Q. BY WHOM ARE YOU EMPLOYED, AND IN WHAT CAPACITY.**

10 A. I am currently employed as Director of Rates and Compliance for NUI
11 Corporation which includes the Florida operating division, NUI City
12 Gas Company of Florida.

13 **Q. PLEASE DESCRIBE YOUR PRIOR UTILITY RELATED**
14 **EXPERIENCE.**

15 A. Upon graduation from Rider College in 1983, I was employed by the
16 State of New Jersey as an Auditor/Investigator with the Division of
17 Criminal Justice. I audited various types of business entities, primarily
18 for the detection of fraud. In December, 1986, I accepted a
19 professional staff position with the certified public accounting firm of
20 Arthur Young (now Ernst and Young), a worldwide accounting and
21 consulting firm. My experience with this public accounting firm
22 included auditing and consulting engagements on a variety of entities
23 and exposure to varied accounting systems.

1 In July, 1989, I was hired as Administrator of External Reporting
2 by Elizabethtown Gas Company. In that role, I was responsible for
3 the coordination of the Accounting Department's efforts in all
4 regulatory proceedings.

5 In March, 1995, I was promoted to Manager of Regulatory
6 Affairs in the Company's Rate Department. In July, 1995, I assumed
7 additional responsibility as Manager of Rates and Regulatory Affairs.
8 In November, 1996, I was promoted to Director.

9 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

10 A. I received a Bachelor of Science in Commerce degree, with a major in
11 Accounting, from Rider College in June, 1983. In June, 1990, I
12 received a Master of Business Administration degree from Rider
13 College. I am a Certified Public Accountant in the State of New
14 Jersey, a member of the American Institute of Certified Public
15 Accountants, and a member of the New Jersey State Society of
16 Certified Public Accountants.

17 **Q. MR. DeMOINE, WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

18 A. The purpose of my testimony is to present the revised estimate of the
19 Company's projection of gas costs for the period September 1998
20 through December 1998. I will describe, generally, the Company's
21 projection of gas costs and the development of the maximum rate to
22 be charged to customers for the period January 1999 through
23 December 1999.

1 Q. HAS THE COMPANY PREPARED THE FORMS AS PRESCRIBED
2 BY THE COMMISSION FOR THIS PURPOSE?

3 A. Yes. The forms prescribed by the Commission are being filed at this
4 time. Copies are attached to my testimony.

5 Q. CAN YOU EXPLAIN THE PROJECTION METHODOLOGY?

6 A. Yes. Under this methodology, which was adopted by Order No. PSC-
7 93-0708-FOF-GU of this Commission on May 10, 1993 and modified in
8 Docket No. 980269-PU on June 10, 1998 gas companies are to
9 project their gas costs each twelve months for the ensuing twelve
10 month period ending in December. A per therm rate is developed for
11 the weighted average cost of gas (WACOG). This rate, based on the
12 average of the winter and summer seasons, would lead to over or
13 under-recoveries of gas costs in the two seasons. This problem is
14 mitigated by establishing a maximum levelized purchased gas factor
15 based on the Company's expected winter cost of gas, thereby
16 eliminating a large under-recovery in that season. The Company is
17 then able to flex downward in the summer in order to match market
18 conditions and eliminate the potential for a large over-recovery for the
19 remainder of the period.

20 Q. WHAT IF THE ACTUAL COST EXCEEDS THE MAXIMUM RATE AS
21 PROJECTED?

1 A. If re-projected gas costs for the remaining period exceed projected
2 recoveries by at least 10% for the twelve month period, a mid-course
3 correction may formally be requested by the Company.

4 **Q. WHAT HAPPENS TO THE DIFFERENCES THAT RESULT FROM**
5 **MISESTIMATES, THAT IS, THE MISMATCHES BETWEEN**
6 **ESTIMATED AND ACTUAL COSTS?**

7 A. The forms take this into consideration. Form E-2 calculates the
8 projected differences using estimated figures, and form E-4 calculates
9 the final true-up using actual figures. These differences are flowed
10 back to customers through the true-up factor included in gas costs
11 billed in the subsequent twelve month period.

12 **Q. ARE ANY FGT RATE CHANGES PROPOSED WHICH ARE**
13 **REFLECTED IN THIS FILING?**

14 A. No.

15 **Q. CAN YOU SUMMARIZE THE CONTENTS OF THE SCHEDULES**
16 **SUBMITTED AS PART OF THIS FILING?**

17 A. Yes. For the projected period, January 1999 through December 1999,
18 we estimate the gas purchases for resale will be 63,364,924 therms at
19 a total cost of \$28,522,114, with a resulting WACOG of 45.012 cents
20 per therm (before the application of the true-up factor and the
21 regulatory assessment fee). The difference between the estimated
22 actual and actual true-up for the prior period, April 1997 through March
23 1998, is an over-recovery of \$1,706,048. The projected true-up for the

1 current period, April 1998 through December 1998 is an under-
 2 recovery of \$73,153. The total true-up as shown on Schedule E-4 is
 3 an over-recovery of \$1,632,896 for a true-up factor of negative 2.577
 4 cents per therm that would be applied during the projected period.
 5 This true-up factor decreases the gas cost factor during the January
 6 1999 through December 1999 period to 42.435 cents per therm
 7 (before the regulatory assessment fee). With the regulatory
 8 assessment fee added, the PGA factor is 42.595 cents per therm
 9 based on the average of the winter and summer seasons. City Gas,
 10 however, has chosen to establish a maximum levelized purchased gas
 11 factor based on the Company's expected winter cost of gas as follows:

<u>Winter Average</u>	
13	Total Cost (Line 11) \$16,691,235
14	Total Therm Sales (Line 27) 34,424,496
15	(Line 11/ Line 27) \$0.48487
16	True-up \$(0.02577)
17	Before Regulatory Assessment \$0.45910
18	Revenue Tax Factor 1.00376
19	Purchased Gas Factor \$0.46082

20 As shown above, the maximum levelized purchased gas factor based
 21 on the Company's expected winter cost of gas is 45.910 cents per
 22 therm before the regulatory assessment fee. This is the maximum

1 gas cost factor that City Gas may charge its customers for the period

2 January 1999 through December 1999.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 **A. Yes, it does.**

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 980003-GU
DETERMINATION OF PURCHASED
GAS/COST RECOVERY FACTOR

Direct Testimony of
George Bachman
On Behalf of
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. George Bachman, 401 South Dixie Highway, West Palm Beach, FL 33401.
- 3 Q. By whom are you employed and in what capacity?
- 4 A. I am employed by Florida Public Utilities Company as the Director of
5 Accounting.
- 6 Q. What is the purpose of your testimony at this time?
- 7 A. To advise the Commission of the actual over/under recovery of the Purchased Gas
8 Adjustment for the period April 1, 1997 through March 31, 1998. As compared to
9 the true-up amount previously reported for that period which was based on eight
10 months actual and four months estimated.
- 11 Q. Please state the actual amount of over/under recovery of the Purchased Gas
12 Adjustment for April 1, 1997 through March 31, 1998.
- 13 A. The Company under-recovered \$937,284 during April 1997 through March 1998.
14 This amount is substantiated on Schedules A-2 and A-7.
- 15 Q. How does this amount compare with the estimated true-up amount which was
16 allowed by the Commission during the February 1998 hearing?
- 17 A. We had estimated an under-recovery of \$420,352 as of March 1998.

1 Q. Have you prepared any exhibits at this time?

2 A. We prepared and pre-filed composite exhibit GMB-1 which contains Schedules

3 A-1, A-1 Supplement, A-2, A-3, A-4, A-5, A-6, and A-7.

4 Q. Does this conclude your testimony?

5 A. Yes

6

7 GMB-PGA-998.TEST

8 disk PGA 12/96

9

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 980003-GU
DETERMINATION OF PURCHASED
GAS/COST RECOVERY FACTOR

Direct Testimony of
George Bachman
On Behalf of
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. George Bachman, 401 South Dixie Highway, West Palm Beach, FL 33401.
- 3 Q. By whom are you employed?
- 4 A. I am employed by Florida Public Utilities Company.
- 5 Q. Have you previously testified in this Docket?
- 6 A. Yes.
- 7 Q. What is the purpose of your testimony at this time?
- 8 A. I will summarize our projected gas recoveries computations which are contained
9 in composite exhibit GMB-2 which supports the January 1999 - December 1999
10 projected purchased gas adjustments for our consolidated gas division. In
11 addition, I will advise the Commission of the projected differences between the
12 revenues collected and the purchased gas costs allowed in developing the
13 levelized purchased gas adjustment for the periods April 1997 - March 1998 and
14 April 1998 - December 1998. From these two periods I will establish a "true-up"
15 amount to be collected or refunded during January 1999 - December 1999.
- 16 Q. Were the schedules filed by your Company completed under your direction?
- 17 A. Yes.

1 Q. Which of the staff's set of schedules has your Company completed and filed?

2 A. We have prepared and previously filed True-Up Schedules A-1, A-2, A-3, A-4, A-
3 5, A-6, and A-7 in addition to filing composite exhibit GMB-2 which contains
4 Schedules E1, E1/R, E2, and E3, E4 and E5 for our consolidated gas division.
5 These schedules support the calculation of the purchased gas adjustment factors
6 for January 1999 - December 1999.

7 Q. Have the April 1998 - December 1998 projections been revised?

8 A. No.

9 Q. What are the primary purchased gas adjustment issues and company positions in
10 response to such issues?

11 A. The primary issues and company positions with respect to such issues are as
12 follows:

13 **PURCHASED GAS ADJUSTMENT ISSUES**

14 **ISSUE 1:** What is the appropriate final purchased gas adjustment true-up
15 amount for the period April 1997 through March 1998?

16 **COMPANY POSITION:** The final purchased gas adjustment true-up amount
17 for the period April 1997 - March 1998 is an under-recovery of \$516,932.

18 **ISSUE 2:** What is the estimated purchased gas adjustment true-up amount for
19 the period April 1998 through December 1998?

20 **COMPANY POSITION:** We have estimated that we will have over-recovered
21 \$783,237 for the period April 1998 - December 1998.

22 **ISSUE 3:** What is the total purchased gas adjustment true-up amount to be
23 refunded during the period January 1999 through December 1999?

1 **COMPANY POSITION:** The total net over-recovery to be refunded during
2 the period January 1999 - December 1999 is \$266,305.

3 **ISSUE 4:** What is the appropriate levelized purchased gas adjustment
4 recovery (cap) factor for the period January 1999 through December 1999?

5 **COMPANY POSITION:** The Purchased Gas Cost Recovery Factor will be a
6 maximum of 49.397¢ per therm.

7 **ISSUE 5:** What should be the effective date of the new purchased gas
8 adjustment charge for billing purposes?

9 **COMPANY POSITION:** The factor should be effective for all meter readings
10 on or after January 1, 1999, beginning with the first or applicable billing cycle for
11 the period January 1999 - December 1999.

12 Q. Does this conclude your testimony?

13 A. Yes.

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18 GMB-PGA-11-98.TEST
19 disk PGA 12/96

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ORIGINAL

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 980003-GU
DETERMINATION OF PURCHASED
GAS/COST RECOVERY FACTOR

Direct Testimony of
Marc L. Schneidermann
on Behalf of
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
2 A. Marc L. Schneidermann, 401 South Dixie Highway,
3 West Palm Beach, FL 33402.
4 Q. By whom are you employed and in what capacity?
5 A. I am employed by Florida Public Utilities Company
6 (FPU) as the Manager of Gas Operations,
7 Engineering and Supply.
8 Q. How long have you been employed by FPU?
9 A. Since February 1989.
10 Q. Have you previously testified before this
11 Commission?
12 A. Yes, I testified in each of the Company's
13 Purchased Gas Cost Recovery Dockets dating back to
14 Docket Number 910003-GU, as well as Docket Numbers
15 940620-GU and 900151-GU, the Company's last two
16 (2) filings for rate relief for its gas
17 operations.
18 Q. What are the subject matters of your testimony in
19 this proceeding?
20 A. My testimony will relate to three specific
21 matters: forecasts of gas sales, forecasts of the

DOCUMENT NUMBER-DATE

11316 OCT 12 88

FPU-RECORDS/REPORTING

1 pipeline charges and commodity costs of gas to be
2 purchased by the Company.

3 Q. What is the projection period for this filing?

4 A. The projection period starts on January 1, 1999
5 and ends on December 31, 1999.

6 Q. Please generally describe how the forecasts of gas
7 sales were developed for the projection period.

8 A. Florida Public Utilities developed its gas sales
9 projections based on a January 1994 through June
10 1998 study period. The Company compiled a
11 database, sorted by rate classifications, which
12 consisted of the historical monthly customer
13 consumption and the historical monthly customer
14 counts experienced during the study period.
15 Detailed analyses were performed on the database.
16 From these data, projections of customer counts
17 were constructed by applying the historical
18 average monthly rates of customer growth to the
19 actual June 1998 customer count. June 1998 is set
20 as a pivot point to ensure consistency between
21 this filing and the Company's budget preparation
22 procedures. The historical average monthly
23 consumption per customer, by rate classification,
24 was computed as part of this study. The product
25 of the projected monthly customer count and
26 historical average monthly consumption, by rate

1 classification, yielded the Company's projection
2 of gas requirements. Minor adjustments were made
3 by the Company's Marketing Department for
4 variations in growth which were not adequately
5 represented by historical trends. Gas
6 requirements for company use were based on
7 historical factors developed by the Company's
8 Accounting Department. These projections were
9 compiled and sorted to determine the total
10 projected sales to the traditional non-
11 transportation firm and the interruptible classes
12 of customers for the twelve month period of this
13 filing.

14 Q. Please describe how the forecasts of pipeline
15 charges and commodity costs of gas were developed
16 for the projection period.

17 A. The purchases for the gas cost projection model
18 were based on using Marketing's projection of
19 sales. Florida Gas Transmission Company's (FGT)
20 FTS-1, FTS-2, NNTS-1 and ITS-1 effective charges
21 (including surcharges) and fuel rates, at the time
22 the projections were made, were used for the
23 entire projection period. The expected cost of
24 natural gas purchased by FPU and delivered to FGT,
25 for transportation to the Company and for FGT's
26 2.84% fuel use, during the projection period was

1 developed using the highest monthly New York
2 Mercantile Exchange (NYMEX) natural gas futures
3 closing prices for like months since June 1992,
4 inflated by 25% due to pricing volatility. The
5 forecasts of the commodity cost of gas also takes
6 into account the average basis differential
7 between the NYMEX projections and historic cash
8 markets as well as premiums and discounts, by
9 zone, for term gas supplies.

10 Q. Please describe how the forecasts of the weighted
11 average costs of gas were developed for the
12 projection period.

13 A. FPU's sales to traditional non-transportation firm
14 and interruptible customers were allocated all of
15 the monthly pipeline demand costs and were
16 allocated all of the projected pipeline and
17 supplier commodity costs. The sum of these costs
18 were divided by the projected sales level to said
19 customers resulting in the projected weighted
20 average cost of gas for traditional non-
21 transportation firm customers and interruptible
22 customers and ultimately the Purchased Gas Cost
23 Recovery Factor (PGCRF) shown on Schedule E-1.
24 Capacity shortfalls, if any, would be satisfied
25 with the most economic dispatch combination of
26 acquired capacity relinquished by another FGT

1 shipper and/or gas and capacity repackaged and
2 delivered by another FGT capacity holder.

3 Obviously, if other services become available and
4 it is more economic to dispatch supplies under
5 those services, the Company will utilize those
6 services as part of its portfolio.

7 Q. Does this conclude your prepared direct testimony?

8 A. Yes.

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- 1 Q. Please state your name, business address, by whom you are employed and in
2 what capacity.
- 3 A. My name is Brian J. Powers and my business address is 16600 S.W. Warfield
4 Blvd., Indiantown, Florida 34956. I am employed by Indiantown Gas Company
5 in the capacity of General Manager.
- 6 Q. What are your responsibilities in that position?
- 7 A. I am responsible for the general operation of the company including;
8 rates, regulatory matters, budget preparation, pension plan, gas
9 management, E.D.P., safety compliance, construction, and service
10 department.
- 11 Q. What is the purpose of your testimony?
- 12 A. To briefly discuss the final true-up for the period April 97 - March 98.
- 13 Q. What were the total therm sales for the period April 97 - March 98?
- 14 A. Total therm sales were 8,993,319 therms.
- 15 Q. What were the total therm purchases for the period April 97 - March 98?
- 16 A. Total therm purchases were 8,716,010 therms.
- 17 Q. What was the cost of gas to be recovered through the PGA for the period
18 April 96 - March 97?
- 19 A. The total actual fuel cost for the period April 96 - March 97 was
20 \$2,493,963.
- 21 Q. What was the total amount collected for the period April 96 - March 97?
- 22 A. The total actual fuel revenue was \$2,383,926.
- 23 Q. What is the total true-up provision for the period April 97 - March 98?
- 24 A. The total true-up provision, including interest, is an underrecovery of
25 \$113,794.

1 Q. What is the amount of estimated true-up for the period April 97 - March 98
2 included in the March 99 projection calculation?

3 A. The total estimated true-up was a \$46,102 underrecovery.

4 Q. What is the final over/underrecovery for the period April 97 - March 98?

5 A. The final underrecovery for the period April 97 - March 98 is \$67,692
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INDIANTOWN GAS COMPANY
DOCKET NO. 980003-GU

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

BRIAN J. POWERS

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Q. Please state your name, business address, by whom you are employed, and in what capacity.

A. My name is Brian J. Powers and my business address is 16600 S.W. Warfield Blvd., Indiantown, Florida 34956. I am General Manager of Indiantown Gas Company.

Q. What are your responsibilities in that position?

A. I am responsible for the general operation of the company including: rates, regulatory matters, budget preparation, gas management, E.D.P., billing and service department.

Q. What is the purpose of your testimony.

A. To briefly summarize the projected levelized maximum purchased gas cost recovery factor (LPGCR) calculations for the period January 1999 through December 1999.

Q. Have you prepared any exhibits in conjunction with your testimony?

A. Yes. Schedules E-1, E-2, E-3, E-4 and E-5 were filed on October 20, 1998.

1

2 Q. Please explain the calculation for the total true-up amount to be
3 collected or refunded during the January 1999 through December 1999
4 period.

5 A. We have projected that at the end of December 1998, based on five
6 months actual, we will have under-recovered \$22,934 for the
7 April 1998 through December 1998 period. Also at the end of
8 December 1998, we will have under-recovered \$67,962 for the
9 April 1997 through March 1998 period. The total net under-
10 recovery to be collected during the January through December
11 1999 period is \$90,926. Based on estimated sales for the period
12 January 1999 through December 1999, it will be necessary to add
13 1.905 cents per therm to collect this under-recovery. See Schedule
14 E-4 for details of this computation.

15 Q. What (LPCGR) Factor does Indiantown Gas Company seek approval
16 through its petition for the period January 1, 1999 through
17 December 31, 1999?

18 A. \$0.44710 per therm.

19 Q. Does this conclude your testimony?

20 A. Yes

21

22

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- 1 Q. Please state your name and business address.
- 2 A. My name is W. Edward Elliott. My business address
3 is 702 N. Franklin Street, Tampa, Florida 33602.
- 4 Q. By whom are you employed and in what capacity?
- 5 A. I am Manager of Gas Accounting for Peoples Gas
6 System ("Peoples").
- 7 Q. Please summarize your educational background and
8 professional qualifications.
- 9 A. I graduated from the University of South Florida in
10 1972 with the degree of Bachelor of Arts in
11 Accounting. I have over 10 years of experience in
12 the utility field.
- 13 Q. What are your primary responsibilities in your
14 present position with Peoples?
- 15 A. As Manager of Gas Accounting, I am responsible for
16 recording the Company's cost of gas.
- 17 Q. Have you previously prepared testimony in
18 regulatory proceedings?
- 19 A. I have filed prepared direct testimony in previous
20 Purchased Gas Adjustment proceedings.
- 21 Q. Have you prepared or caused to be prepared certain
22 schedules for use in this proceeding?
- 23 A. Yes. As Composite Exhibit EE-1, I sponsored the
24 preparation of the following schedules with respect
25 to the final true-up for the period April 1997

1 through March 1998:

2 A-1 -- Comparison of actual versus original
3 estimate of the purchased gas adjustment cost
4 recovery factor;

5 A-1 Supporting Detail -- Purchased gas
6 adjustment cost recovery clause calculation;

7 A-2 -- Calculation of true-up and interest
8 provision;

9 A-3 -- Transportation purchases - system
10 supply and end use;

11 A-4 -- Transportation system supply;

12 A-5 -- Therm sales and customer data;

13 A-6 -- Conversion factor calculation; and

14 A-7 -- Final fuel over/(under) recovery.

15 The referenced schedules comprising
16 Composite Exhibit EE-1 include data for Peoples Gas
17 System's ("Peoples") entire system, including
18 divisions under the former Peoples Gas System, Inc.
19 ("PGS") and the divisions, Panama City and Ocala,
20 formerly under West Florida Natural Gas Co. ("West
21 Florida Region").

22 Q. What was Peoples' cost of gas to be recovered
23 through the PGA clause for the period April
24 1997 through March 1998?

25 A. As shown on Schedule A-7, p. 16 of 91 in EE-1, the

- 1 cost of gas purchased, adjusted for company use,
2 was \$101,374,695 for PGS, column (A), and
3 \$9,347,792 for the West Florida Region, column (B),
4 for a total of \$110,722,487, for Peoples, column
5 (C).
- 6 Q. What was the amount of gas revenue collected for
7 the period April 1997 through March 1998?
- 8 A. The amount of gas revenue collected to cover the
9 cost of gas was \$104,387,574 for PGS and \$9,574,029
10 for the West Florida Region, for a total of
11 \$113,961,603 for Peoples.
- 12 Q. What was the final true-up amount for the period
13 April 1997 through March 1998?
- 14 A. The final true-up amount for the period, including
15 interest and including adjustments of \$1,737,624
16 for PGS and adjustments of \$13,946 for the West
17 Florida Region, is an overrecovery of \$4,727,810
18 for PGS and an overrecovery of \$205,875 for the
19 West Florida Region, for a total overrecovery of
20 \$4,933,685 for Peoples.
- 21 Q. Is this amount net of the estimated true-up for the
22 period April 1997 through March 1998, which was
23 included in the April 1998 through March 1999
24 PGA factor calculation?
- 25 A. No. The final true-up net of the estimated true-up

1 for the period April 1997 through March 1998 is an
2 overrecovery of \$832,362 for PG&E and an
3 overrecovery of \$182,383 for the West Florida
4 Region, for a total overrecovery of \$1,014,745 for
5 Peoples.

6 Q. Is this the final overrecovery amount to be
7 included in the January 1999 through December 1999
8 projection?

9 A. Yes.

10 Q. Does this conclude your testimony?

11 A. Yes.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 PREPARED DIRECT TESTIMONY

3 OF

4 W. EDWARD ELLIOTT

5

6 Q. Please state your name and business address.

7

8 A. My name is W. Edward Elliott. My business address is 702
9 N. Franklin Street, Tampa, Florida 33601.

10

11 Q. By whom are you employed and in what capacity?

12

13 A. I am Manager of Gas Accounting for Peoples Gas System.
14 ("Peoples").

15

16 Q. Please summarize your educational background and
17 professional qualifications.

18

19 A. I graduated from the University of South Florida in 1972
20 with the degree of Bachelor of Arts in Accounting. I have
21 over 10 years of experience in the utility field.

22

23 Q. What are your primary responsibilities in your present
24 position with Peoples?

25

1 A. As Manager of Gas Accounting, I am responsible for
2 recording the Company's costs for natural gas and upstream
3 pipeline capacity and preparing filings associated with the
4 recovery of these costs through the Purchased Gas
5 Adjustment ("PGA").
6

7 Q. Have you previously testified in regulatory proceedings?
8

9 A. Yes. I have submitted testimony on several occasions
10 supporting Peoples' Purchased Gas Adjustment.
11

12 Q. What is the purpose of your testimony in this docket?
13

14 A. The purpose of my testimony is to describe generally the
15 components of Peoples' cost of purchased gas and upstream
16 pipeline capacity. In my testimony, I also explain how
17 Peoples' projected weighted average cost of gas ("WACOG")
18 for the January 1999 through December 1999 period was
19 determined and the resulting requested maximum PGA ("Cap").
20

21 Q. Please summarize your testimony.
22

23 A. I will address the following areas:

24 1. How Peoples will obtain its gas supplies during the
25 projected period

- 1 2. Estimates and adjustments used to determine the amount
2 of gas to be purchased from Peoples' various available
3 sources of supply during the projected period
4 3. Projections and assumptions used to estimate the
5 purchase price to be paid by Peoples for such gas
6 supplies
7 4. The components and assumptions used to develop
8 Schedules E-3 (A) through (G) of Composite Exhibit EE-
9 2
10 5. The components and assumptions used to develop
11 Schedule E-1 of Composite Exhibit EE-2, including how
12 Peoples' projected WACOG was determined
13
14 Q. Have you prepared or caused to be prepared certain
15 schedules for use in this proceeding?
16
17 A. Yes. Composite Exhibit EE-2 was prepared by me or under my
18 supervision.
19
20 Q. Please describe how Peoples will obtain its gas supplies
21 during the projected period of January 1999 through
22 December 1999.
23
24 A. All natural gas delivered through Peoples' distribution
25 system is received through two interstate pipelines. Gas

1 is delivered by Florida Gas Transmission Company ("FGT")
2 and, in Peoples' Jacksonville Division, also by South
3 Georgia Natural Gas Company ("South Georgia").
4

5 Q. In general, how does Peoples determine its sources of
6 supply?
7

8 A. Peoples evaluates, selects and utilizes sources of natural
9 gas supply on the basis of its "best value" gas acquisition
10 strategy. For a source of supply to be identified as a
11 "best value," it must offer the best combination of price,
12 reliability of supply and dependable operations, consistent
13 with Peoples' obligation as a public utility to provide
14 safe, adequate and efficient service to the general public.
15 Through a competitive bidding process, Peoples has
16 developed, and is continuing to enhance, a portfolio of
17 supply sources which reflect a balance between cost,
18 reliability and operational flexibility. Peoples obtains
19 its gas entirely as third party supplies which include both
20 firm and interruptible purchases, various pricing
21 mechanisms, and various purchase periods, including spot,
22 short term and long term arrangements.
23

24 Q. Could Peoples purchase all third party supplies in advance
25 for a long term at the lowest available fixed price in

1 order to provide increased stability to its cost of gas?
2

3 A. No. Peoples' quantity requirements for system supply gas
4 at its gate stations vary significantly from year to year,
5 season to season, month to month, and, in particular, from
6 day to day. Often, the demand for gas on the Peoples
7 system can vary dramatically within a month from the lowest
8 to the highest requirement of its customers. In addition,
9 Peoples transports more than 60% of its throughput of gas
10 for end-user customers who purchase their own supplies
11 directly from producers and marketers. Peoples, therefore,
12 receives large quantities of customer-owned gas at its city
13 gate stations on a relatively uniform basis from day to day
14 within a month. The actual takes of gas out of the Peoples
15 system by those same transporting customers can, and do,
16 vary significantly from day to day. Since a significant
17 portion of the total throughput volumes is received by
18 Peoples at a uniform daily rate, Peoples is forced to
19 increase or decrease the purchases of its own system supply
20 volumes by significant increments in order to maintain a
21 balance between receipts and deliveries of gas each day.
22 As a consequence, Peoples must buy a significant portion of
23 its total system requirements under swing contract
24 arrangements, and meet extreme variations in delivered
25 volumes by relying on swing gas, peaking gas, pipeline

1 balancing charge volumes, pipeline penalty charge volumes
2 and pipeline no notice service at the prevailing rates for
3 such services.

4
5 Q. How did Peoples estimate the amount of gas to be purchased
6 from various sources during the projected period of January
7 1999 through December 1999?

8
9 A. People's projected amount of gas to be purchased is based
10 upon the total actual throughput of therms delivered to
11 customers during a "base period", including both sales of
12 Peoples' system supply and transportation deliveries of
13 third party gas purchased by end-users of Peoples. Total
14 throughput was then reduced by all volumes purchased or
15 transported for major electric power generation, since such
16 usage is expected to be delivered entirely as
17 transportation volumes during the projection period. Then,
18 the throughput was adjusted for anticipated customer growth
19 and normal weather.

20
21 Q. What adjustments were made to the remaining actual system
22 throughput volumes?

23
24 A. Peoples anticipates additional end-users will be converted
25 from sales to transportation service during the projection

1 period. The total remaining actual system throughput was
2 decreased to allow for such conversions to transportation.
3 The resulting remaining amount, therefore, is the adjusted
4 projected period throughput.

5
6 Q. What other adjustments were made?

7
8 A. Based on the amount of firm transportation capacity
9 expected to be used by end-users, total estimated end-user
10 transportation volumes (other than for major electric
11 generation) for the projection period were deducted from
12 the adjusted projected throughput. The remaining amount
13 represents the total estimated amount of system supply
14 volumes to be purchased by Peoples from third party sources
15 for transportation through FGT and SGNG. Separate
16 estimates, based on available transportation capacity, were
17 made for the following categories of purchases by Peoples:

- 18 1. Third party transportation volumes purchased for
19 direct delivery at the South Georgia gate station near
20 Jacksonville
- 21 2. Third party transportation volumes purchased at
22 various FGT receipt points and transported to Peoples'
23 gate stations via firm FTS-1 and FTS-2 transportation
24 service
- 25 3. No Notice Transportation Service (NNTS), FGT Balancing

1 Charge volumes and FGT Operational Flow Order Penalty
2 Charge Volumes will be utilized on FGT Alert Days and
3 Operational Flow Order Days, if necessary, when
4 Peoples is required by FGT to keep actual deliveries
5 within scheduled deliveries (within tariff tolerance
6 levels)

7

8 Q. How were the No Notice Transportation Service (NNTS), FGT
9 Balancing Charge volumes and FGT Penalty Charge volumes --
10 item 5 above -- determined?

11

12 A. Peoples must purchase its allocated quantity of NNTS
13 whether or not the service is actually used. FGT Balancing
14 Charge volumes may be purchased on as many as 10 days per
15 month during the projected period.

16

17 Q. Does Peoples expect to utilize all of its available firm
18 transportation capacity during the projection period?

19

20 A. That depends on the amount of gas purchased or transported
21 for electric power generation and the level of market
22 demand for firm transportation capacity in the pipeline
23 capacity release market.

24

25 Q. How did you estimate the purchase price to be paid by

- 1 Peoples for each of its available sources of supply?
2
- 3 A. The estimating procedures used for each category of
4 purchases by Peoples are as follows:
- 5 1. Third party direct transportation volumes were
6 estimated based on an evaluation of published prices
7 for the last several years for spot gas delivered to
8 the FGT and Southern Natural Gas Company ("SONAT")
9 systems and futures market prices for the projection
10 period of January 1999 through December 1999. These
11 prices were then adjusted to reflect the potential for
12 unexpected increases in natural gas prices in the
13 projection period.
- 14 2. NNTS, FGT Balancing Charge and FGT Penalty Charge
15 volumes purchased from FGT were estimated based on
16 FGT's most current rates on file with the FERC and
17 reasonable expectations for the possible cost of gas
18 utilized by FGT as provided for in the recently
19 effective Balancing Tools Settlement.
- 20
- 21 Q. Referring to Schedules E-3 (A) through (G) of Composite
22 Exhibit EE-2, please explain the components of these
23 schedules and the assumptions which were made in developing
24 the Company's projections.
25

1 A. Schedule E-3 (G) is a compilation of the monthly data which
2 appear on Schedules E-3 (A) through (F) for the
corresponding months of January 1999 through December 1999.

4

5 In Schedules E-3 (A) through (F), Column (A) indicates the
6 applicable month for all data on the page.

7

8 In Column (B), "FGT" indicates that the volumes are to be
9 purchased from third party suppliers for delivery via FGT
10 transportation. "MARKETER" indicates that the volumes are
11 to be purchased from a third party supplier for delivery
12 via SONAT and South Georgia Natural Gas ("South Georgia").
13 "THIRD PARTY" indicates that the volumes are to be
14 purchased directly from various third party suppliers for
15 delivery into FGT or SONAT.

16

17 In Column (C), "PGS" means the purchase will be for
18 Peoples' system supply and will become part of Peoples'
19 total WACOG. None of the costs of gas or transportation
20 for end-use purchases by end-use customers of Peoples are
21 included in Peoples' WACOG.

22

23 In Column (D), purchases of pipeline transportation
24 services from FGT under Rate Schedule FTS-1 and FTS-2 are
25 split into two components, commodity (or "usage") and

1 demand (or "reservation"). Both Peoples and end-users pay
2 the usage charge based on the actual amount of gas
3 transported. The FTS-1 and FTS-2 commodity costs shown
4 include all related transportation charges including usage,
5 fuel, ACA and Gas Research Institute ("GRI") charges. The
6 FTS-1 and FTS-2 demand component is a fixed charge based on
7 the maximum daily quantity of FTS-1 and FTS-2 firm
8 transportation capacity reserved. End-users reimburse
9 Peoples or directly pay FGT for all FTS-1 reservation
10 charges associated with the transportation capacity which
11 Peoples reserves and uses on their behalf. Similarly, the
12 transportation rates of SONAT and South Georgia also
13 consist of two components, a usage charge and a reservation
14 charge.

15
16 Also in Column (D), "NO NOTICE TRANSPORTATION SERVICE" (or
17 "NNTS") means FGT's no notice service provided to Peoples
18 on a fixed charge basis for use when Peoples' actual use
19 exceeds scheduled quantities. "SWING SERVICE" means the
20 demand and commodity component of the cost of third party
21 supplies purchased to meet Peoples "swing" requirements for
22 supply which fluctuate on a day-to-day basis. "COMMODITY"
23 means third party purchases of gas transported on FGT,
24 SONAT or South Georgia, and does not include any purchases
25 of sales volumes from FGT.

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Column (E) shows the monthly quantity in therms of gas purchased by Peoples for each category of system supply.

Column (F) shows the gas purchased by end-users for transportation.

Column (G) is the total of Columns (E) and (F) in each row.

Columns (H), (I), (J) and (K) show the corresponding third party supplier commodity costs, pipeline transportation commodity costs, pipeline transportation reservation costs, and other charges (e.g., balancing charges), respectively. These costs are determined using the actual amounts paid by Peoples. In the case of end-user transportation, these costs are reimbursed to Peoples or paid directly to FGT. All ACA, GRI and fuel charges are included in the commodity costs in Column (I) and, therefore, are not shown in Column (K).

Column (L) in each row is the sum of Columns (H), (I), (J) and (K) divided by Column (G).

Q. Referring to Schedule E-1 of Composite Exhibit EE-2, please explain the components of these schedules and the

1 assumptions which were made in developing the Company's
2 projections.

3

4 **A.** Schedule E-1 consists of three pages. Page 1 relates to
5 Cost of Gas Purchased, Page 2 relates to Therms Purchased,
6 and Page 3 relates to Cents per Therm, or Cost of Gas
7 Purchased divided by Therms Purchased.

8

9 The categories or items on lines 1 through 14 on Page 1
10 correspond to the similar categories or items on lines 15
11 through 27 on Page 2, and to the similar categories or
12 items on lines 28 through 45 on page 3.

13

14 The data shown on Page 1 through Page 3 of Schedule E-1 are
15 taken directly from Schedules E-3 (A) through (F) for the
16 months of January 1999 through December 1999. The average
17 cost per therm for the total projected period for each item
18 is listed in lines 28 through 37 on Page 3 of Schedule E-1.

19

20 **Q.** What information is presented on Schedule E-1/R of
21 Composite Exhibit EE-2?

22

23 **A.** Schedule E-1/R of Composite Exhibit EE-2 shows five months
24 actual and four months estimated data for the current
25 period from April 1998 through December 1998.

- 1 Q. What information is presented on Schedule E-2 of Composite
2 Exhibit EE-2?
3
- 4 A. Schedule E-2 of Composite Exhibit EE-2 shows the amount of
5 the prior period over/underrecoveries of gas costs which
6 are included in the current PGA calculation.
7
- 8 Q. What is the purpose of Schedule E-4 of Composite Exhibit
9 EE-2?
10
- 11 A. Schedule E-4 of Composite Exhibit EE-2 simply shows the
12 calculation of the estimated true-up amount for the April
13 1998 through December 1998 period. It is based on actual
14 data for five months and four months of projected data.
15
- 16 Q. What information is contained on Schedule E-5 of Composite
17 Exhibit EE-2?
18
- 19 A. Schedule E-5 of Composite Exhibit EE-2 is statistical data
20 which includes the projected therm sales and numbers of
21 customers by customer class for the period from January
22 1999 through December 1999.
23
- 24 Q. How has the merger of Peoples Gas System and West Florida
25 Natural Gas Company on June 30, 1997 been accounted for in

1 the projected WACOG?

2

3 A. Beginning in April 1998, the gas supply and pipeline
4 capacity for the previously separate companies were
5 integrated under a single operating system. The estimate
6 costs and projected therms used in exhibit EE-2 reflect the
7 combined gas supply, pipeline transportation, and customer
8 usage for the two merged natural gas utilities. The
9 resulting WACOG is a single value applicable to all of
10 Peoples Gas System, including customers formerly in the
11 West Florida region. Similarly, beginning with the April
12 1998 monthly actual gas cost filing, all Purchased Gas
13 Adjustment filings were for the integrated, single
14 operating system.

15

16 Q. Does this conclude your testimony?

17

18 A. Yes, it does.

19

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In RE: Purchased Gas Adjustment (PGA) True-Up

Docket No. 980003-GU

**DIRECT TESTIMONY
OF
JERRY H. MELENDY, JR.**

**On Behalf Of
SEBRING GAS SYSTEM, INC.**

DOCUMENT NUMBER-DATE

09961 SEP 11 88

FPSC-RECORDS/REPORTING

- 1 Q. Please state your name, business address, by whom you are
2 employed and in what capacity
- 3 A. My name is Jerry H. Melendy, Jr., my business address is
4 3515 U.S. Highway 27, South, Sebring, Florida 33870-5452
5 I am the Vice President of Sebring Gas System, Inc. (the Company),
6 a Florida Corporation.
- 7 Q. What are your responsibilities in that position?
- 8 A. I am responsible for all areas of finance, rates, accounting
9 and taxes as well as general management responsibilities
10 of the company.
- 11 Q. Please state your educational background.
- 12 A. I have an Associate of Arts degree from Polk Community
13 College. I have a Bachelor of Arts degree from the University
14 of South Florida.
- 15 Q. What is the purpose of your testimony?
- 16 A. The purpose of my testimony is to present the final true-up
17 for the period OCTOBER 1997 through MARCH 1998.
- 18 Q. Has the Company prepared the Schedules as prescribed by
19 this Commission for this purpose?
- 20 A. Yes, it has. The Schedules prescribed by the Commission are
21 being filed at this time. Copies are attached to my testimony.
- 22 Q. Would you please identify the Schedules which you are filing?
- 23 A. Yes. The Schedules are identified as Composite Exhibit JHM-1
24 and are as follows:
25 A-1 - COMPARISON OF ACTUAL VERSUS ORIGINAL

1 ESTIMATE OF THE PURCHASED GAS ADJUSTMENT
2 COST RECOVERY FACTOR - OCTOBER 1997 THROUGH
3 MARCH 1998.
4 A-1S - PURCHASED GAS ADJUSTMENT COST RECOVERY
5 CLAUSE CALCULATION SCHEDULE A-1 SUPPORTING
6 DETAIL - OCTOBER 1997 THROUGH MARCH 1998.
7 A-2 - CALCULATION OF TRUE-UP AND INTEREST
8 PROVISION - OCTOBER 1997 THROUGH MARCH 1998.
9 A-3 - TRANSPORTATION PURCHASES SYSTEM
10 SUPPLY AND END USE - OCTOBER 1997 THROUGH
11 MARCH 1998. This form is not applicable for Sebring Gas System.
12 A-4 - TRANSPORTATION SYSTEM SUPPLY - OCTOBER
13 1997 THROUGH MARCH 1998. Also not applicable for Sebring.
14 A-5 - THERM SALES AND CUSTOMER DATA- OCTOBER
15 1997 THROUGH MARCH 1998.
16 A-6 - CONVERSION FACTOR CALCULATION
17 OCTOBER 1997 THROUGH MARCH 1998.
18 A-7 - FINAL FUEL OVER/UNDER RECOVERY - OCTOBER 1997
19 THROUGH MARCH 1998.
20 Also attached are the INDIVIDUAL PGA filings for the months of
21 October 1997 through March 1998. These filings include, along
22 with the above mentioned PGA Schedules, copies of the Company's
23 commodity gas bill, the Company's charge for No Notice Reservation,
24 the Company's Billing Transaction and the Company's transportation
25 charges.

- 1 Q. Were these schedules prepared under your direction and
2 supervision ?
- 3 A. Yes they were. Beginning in April 1994, the PGA schedules were
4 prepared by myself. Prior to this, the schedules were prepared by
5 my consultants, Regulated Industry Consultants, with my furnishing
6 the data and final approval.
- 7 Q. What were the total therm sales for the period April 1997
8 through March 1998?
- 9 A. The total therm sales for the period April 1997 through
10 March 1998 were 590,793.
- 11 Q. What were the total therm purchases for the period April
12 1997 through March 1998?
- 13 A. The total therm purchases for the period April 1997
14 through March 1998 were 595,060.
- 15 Q. What was the cost of gas to be recovered through the PGA
16 for the period March 1997 through March 1998?
- 17 A. The cost of gas purchased for the period April 1997 through
18 March 1998 was \$293,203.
- 19 Q. What was the amount of gas revenue collected for the period
20 April 1997 through March 1998?
- 21 A. The amount of gas revenue collected to cover the cost of gas
22 for the period April 1997 through March 1998 was
23 \$248,550, as reflected in Schedule A-7, Line 2.
- 24 Q. What is the total true-up provision for the period April 1997
25 through March 1998?

- 1 A. The total true-up provision, including interest, for the period
2 April 1997 through March 1998, is an overrecovery of
3 \$8,996, as reflected in Schedule A-7, Line 5.
- 4 Q. What is the final estimated true-up to be included in the January
5 1999 through December 1999 PGA factor calculation?
- 6 A. The final estimated true-up to be included in the January 1999
7 through December 1999 PGA factor calculation is an overrecovery
8 of \$13,617, as indicated in Schedule A-7, Line 7, which is
9 the overrecovery of \$8,996 for the period April 1997 through March
10 1998, Schedule A-7, Line 5, less the estimated underrecovery of
11 \$4,621 for the period April 1997 through March 1998, Schedule
12 A-7, Line 6.
- 13 Q. Does this conclude your testimony?
- 14 A. Yes it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

RE: Purchased Gas Adjustment)
(PGA) True-Up)

DOCKET NO. 980003-GU

PREPARED DIRECT TESTIMONY

OF

JERRY H. MELENDY, JR.

ON BEHALF OF

SEBRING GAS SYSTEM, INC.

DOCUMENT NUMBER DATE

11400 OCT 13 88

RECORDS/REPORTING

- 1 Q. Please state your name, business address, by whom you are
2 employed and in what capacity.
- 3 A. My name is Jerry H. Melendy, Jr., my business address is
4 3515 U.S. Highway 27, South, Sebring, Florida 33870-5452.
5 I am the Vice President of Sebring Gas System, Inc. (the Company),
6 a Florida Corporation.
- 7 Q. What are your responsibilities in that position?
- 8 A. I am responsible for all areas of finance, rates, accounting
9 and taxes as well as general management responsibilities
10 of the company.
- 11 Q. Please state your educational background.
- 12 A. I have an Associate of Arts degree from Polk Community
13 College. I have a Bachelor of Arts degree from the University
14 of South Florida.
- 15 Q. What is the purpose of your testimony?
- 16 A. The purpose of my testimony is to present the calculation of Sebring Gas
17 System's levelized purchased gas cost for the upcoming twelve-month
18 period January 1999 through December 1999.
- 19 Q. Has the Company prepared the Schedules as prescribed by
20 this Commission for this purpose?
- 21 A. Yes, it has. The Schedules prescribed by the Commission are
22 being filed at this time. Copies are attached to my testimony.
- 23 Q. Would you please identify the Schedules which you are filing?
- 24 A. Yes. The Purchased Gas Adjustment Schedules presently filed
25 are as follows:

1 E-1 - PURCHASED GAS ADJUSTMENT COST RECOVERY
2 CLAUSE CALCULATION, Original Estimate for the Projected
3 Period January 1999 through December 1999.

4 E-1/R - PURCHASED GAS ADJUSTMENT COST RECOVERY
5 CLAUSE CALCULATION, Revised Estimate for the Period April 1998
6 through December 1998.

7 E-2 - CALCULATION OF TRUE-UP AMOUNT for the
8 Current Period April 1998 through December 1998.

9 E-3 - TRANSPORTATION PURCHASES, SYSTEM SUPPLY
10 AND USE for the Period April 1998 through December 1998. Because
11 Sebring Gas does not purchase transportation gas, this schedule, although
12 included in this filing, is not applicable.

13 E-4 - CALCULATION OF TRUE-UP AMOUNT,
14 PROJECTED PERIOD January 1999 through December 1999.

15 E-5 - THERM SALES AND CUSTOMER DATA for
16 the Projected Period January 1999 through December 1999.

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

19 A. Yes, they were.

20 REVISED ESTIMATES FOR THE PERIOD

21 APRIL 1997 - DECEMBER 1998

22 Q. What is the revised estimate of total purchased gas cost for the
23 period April 1997 through December 1998?

24 A. The revised estimate of purchased gas cost for the current period
25 April 1998 through December 1998 is \$149,663.

Revised page

1 Q What is the revised estimate of gas revenue to be collected for the
2 current period April 1998 through December 1998?

3 A The revised estimate of gas revenue to be collected for the current
4 period April 1998 through December 1998 is \$156,109.

5 Q What is the revised true-up amount, including interest,
6 estimated for the current period April 1998 through December
7 1998?

8 A The company's estimate for the revised true-up, including
9 interest, is an unrecollection of \$3,768.

10 PROJECTIONS FOR THE PERIOD

11 JANUARY 1999 THROUGH DECEMBER 1999

12 Q How was the projections for the period January 1999 through
13 December 1999 determined?

14 A The estimated gas supply requirements for each month of the
15 twelve month period were determined initially. These requirement
16 estimates were based upon the estimated sales to ultimate customers
17 for the period.

18 Q What steps were used to determine the estimated cost of gas for the
19 projected period January 1999 through December 1999?

20 A As reported on Schedule E-1, lines 1 through 11, the total cost of
21 gas consists of the cost of demand and commodity costs of firm
22 transportation service(FTS) on FGT, the commodity cost of gas paid to
23 our supplier, Pennisula Energy Services Co. (PESCO) and the cost of gas
24 transportation as billed by TECO (People's Gas System). The demand
25 portion of services (line 5 of Schedules E-1 E1/R) is based on

1 Sebring Gas System's contract with FGT and an estimate of FGT's demand
2 rates for these services. The commodity portion of the Cost of Gas
3 Purchased is shown as Lines 1 and 4 of Schedule E-1.
4 The rate utilized for the projected period January 1999 through December
5 1999 are the current rates in effect by PESCO.
6 The Commodity (Other), (line 4) is based on amount of therms
7 purchased by Sebring Gas, multiplied by the current rate per therm,
8 plus a management fee. The rate is based upon the price paid by
9 our supplier PESCO, plus the management fee of \$250.00 per month.
10 The management fee allows Sebring Gas to benefit from the
11 research of the gas procurement department of PESCO for
12 obtaining the best gas price. Because of Sebring Gas' small
13 size and lack of experience in acquiring gas, the best use of the
14 Company's funds and resources is to contract PESCO to
15 provide gas for the company.
16 Other charges for the Cost of Gas Purchased is represented on
17 Line 6 of Schedule E-1. This figure consists of a charge for
18 transportation by the TECO (People's Gas), any Western Division
19 Revenue Sharing Credit from FGT and PGA Reporting Fees.
20 TECO (People's Gas) transports the company's gas supply through
21 a 7 mile pipeline connected to FGT's gatestation in Avon Park
22 and ending at Sebring Gas' gatestation in Sebring. The pipeline
23 is presently owned by Tampa Electric Company (TECO), who
24 operates and maintains the section of transmission line. The rate for
25 transportation is based on a contract with the TECO for MCFs

Revised page

- 1 MCF transported.
- 2 Q. How was the projected total firm sales determined?
- 3 A. The company has only firm sales at this time. Subsequently,
4 the total sales and firm sales are the same. The total sales were
5 determined by using historical averages for both classes, residential
6 and commercial, customers, with a growth factor added. The total
7 sales are shown on Line 27 of Schedule E-1. The total estimated
8 sales for the Projected period January 1999 through December 1999 is
9 740,387 therms.
- 10 Q. What is the company's average cost per therm for the Projected
11 period January 1999 through December 1999?
- 12 A. Shown on Line 40 of Schedule E-1, the company's average cost
13 of gas for the Projected period January 1999 through December 1999
14 is estimated to be 41.064 cents per therm. To arrive at the Total
15 PGA Factor, the average cost of gas is adjusted for the estimated
16 total true-up through December 1999, as shown on Schedule E-4,
17 and for revenue-related taxes.
- 18 Q. What is the projected PGA Factor for the Projected period
19 January 1999 through December 1999?
- 20 A. The projected PGA Factor for the projected period is 40.930
21 cents per therm, as shown on Line 45 of Schedule E-1.
- 22 Q. The estimated total true-up for the period April 1998 through
23 December 1998, as shown on Schedule E-4 is included in the
24 projected PGA Factor for the period January 1999 through
25 December 1999. How was the figure calculated?

Second Revised page

- 1 A. The final true-up amount for the period April 1997 through
2 March 1998 is added to the estimated end of period net true-up
3 for April 1998 through December 1998. The April 1998 through
4 December 1998 estimated true-up is based on eight months' actual
5 plus four months' projected data.
- 6 Q. What is the impact of the total true-up for the period April 1998
7 through December 1998 on the projected PGA Factor for the
8 Projected period January 1999 through December 1999?
- 9 A. The projected true-up for the period, ending December 1998 is an
10 unrecovery of \$7,257, which is shown on line 4, Column
11 4 of Schedule E-4. Dividing the overrecovery of \$6,817 by
12 the projected therm sales of 740,387 therms results in a
13 refund of .00921 cents per therm to be included in the proposed
14 PGA Factor.
- 15 Q. What is the maximum levelized purchased gas factor (cap)
16 that you are proposing for the projected period January 1999
17 through December 1999?
- 18 A. The maximum levelized purchased gas factor (cap) that Sebring
19 Gas is proposing for the period is 40.930 cents per therm.
- 20 Q. Does this conclude your testimony?
- 21 A. Yes, it does.
22.
23.
24.
25.

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2

3 In Re: Purchased Gas Recovery) Docket No. 980003-GU
) Submitted for filing
 4 _____) September 9, 1998

5

6 DIRECT TESTIMONY OF STUART L. SHOAF ON
 7 BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.
 8 *****

8

9 Q. Please state your name, business address, by whom
 10 you are employed and in what capacity.

11 A. Stuart L. Shoaf, 301 Long Avenue, Port St. Joe,
 12 Florida 32456, St. Joe Natural Gas Company in the
 13 capacity of President and Regulatory Affairs.

14 Q. What is the purpose of your testimony?

15 A. My purpose is to discuss the final true-up for the
 16 period April 1997 through March 1998.

17

Exhibits

18 Q. Would you please identify the Composite Exhibit which
 19 you are sponsoring with this Testimony?

20 A. Yes. As Composite Exhibit SLS-1, I am sponsoring the
 21 following schedules with respect to the final true-up
 22 for period April 1997 through March 1998:

23 A-1 - Comparison of Actual vs. Original Estimate
 24 or Revised Estimate of the Purchased Gas Adjustment
 25 Cost Recovery Factor.

1 A-1 detail.

2 A-2 - Calculation of True-Up and Interest Provision

3 A-3 - Transportation Purchases System Supply and End

4 Use.

5 A-4 - Transportation System Supply.

6 A-5 - Therm Sales and Customer Data.

7 A-6 - Conversion Factor Calculation

8 A-7 - Final Fuel Over/Under Recovery.

9 Q. Were these schedules prepared under your direction and

10 supervision?

11 A. Yes, they were.

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1 Final True-Up April 1997 - March 1998

- 2 Q. What were the total therm sales for the period April
3 1997 through March 1998?
- 4 A. Total therm sales were 2,418,176 therms.
- 5 Q. What were total therm purchases for the period April
6 1997 through March 1998?
- 7 A. Total therm purchases were 1,840,970.
- 8 Q. What was the cost of gas to be recovered through
9 the PGA for the period April 1997 through March 1998?
- 10 A. The cost of gas purchased for April 1997 through
11 March 1998 was \$1,334,864.
- 12 Q. What was the amount of gas revenue collected for the
13 period April 1997 through March 1998?
- 14 A. The amount of gas revenue collected to cover the cost
15 of gas was \$1,432,216.
- 16 Q. What is the total true-up provision for the period
17 April 1997 through March 1998?
- 18 A. The total true-up provision, including interest, is an
19 over recovery of \$92,904.26 for the period.
- 20 Q. What is the amount of estimated true-up included for
21 April 1997 through March 1998 in the April 1998 through
22 December 1998 PGA factor calculation?
- 23 A. The amount of estimated true-up for the period April
24 through March 1998 included in the April 1998 through
25 December 1998 PGA factor calculation was an under

1 recovery of \$6,762.00.

2 Q. What is the final over/under recovery for the April 1997
3 through March 1998 period to be included in the
4 January 1999 through December 1999 projection?

5 A. The final over recovery for the current period to be
6 included in the January 1999 through December 1999
7 projection is \$99,666.26.

8 Q. Does this conclude your testimony?

9 A. Yes

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1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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3 In Re: Purchased Gas Recovery) Docket No. 980003-GU
) Submitted for filing
 4 _____) October 8, 1998

5

6 DIRECT TESTIMONY OF STUART L. SHOAF ON
 7 BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.

8

9 Q. Please state your name, business address, by whom
 10 you are employed and in what capacity.

11 A. Stuart L. Shoaf, 301 Long Avenue, Port St. Joe,
 12 Florida 32456, St. Joe Natural Gas Company in the
 13 capacity of President and Regulatory Affairs.

14 Q. What is the purpose of your testimony?

15 A. My purpose is to submit known and estimated gas
 16 costs and therm sales from January 1, 1999 through
 17 December 31, 1999, used in developing the maximum twelve
 18 month levelized purchased gas cost factor to be applied
 19 to customer bills from January 1, 1999 through
 20 December 31, 1999.

21 Q. Have you prepared any exhibits in conjunction with
 22 your testimony?

23 A. Yes, I have prepared and filed on October 8, 1998
 24 Schedules E-1 through E-5.

25 Q. What Purchased Gas Cost Recovery Factor does

1 St. Joe Natural Gas seek approval through its
2 petition for the period January 1, 1999 through
3 December 31, 1999?

4 A. 60.800 cents per therm

5 Q. Does this conclude your testimony?

6 A. Yes

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment)
(PGA) True-up) DOCKET NO. 980003-GU

DIRECT TESTIMONY OF AL KARA

On Behalf of
South Florida Natural Gas Co.

Submitted for filing: September 11, 1998

DOCUMENT NUMBER-DATE
09971 SEP 11 1998
FPSC-RECORDS/REPORTING

- 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 Gas Co.
3 ("SFNG"). My business address is P. O. Box 248, New Smyrna Beach, Florida 32170.
- 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 1997
6 through March 1998.

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 AK-1, I am sponsoring the following schedules with respect
11 to the final true-up for the period April 1997 through March 1998:
- 12 A-1 - Comparison of Actual Versus Original Estimate of the Purchased Gas Adjustment
13 Cost Recovery Factor - October 1997 through March 1998.
- 14 A-2 - Calculation of True-up and Interest Provision - October 1997 through March
15 1998.
- 16 A-3 - Transportation Purchases - October 1997 through March 1998.
- 17 A-4 - Transportation System Supply - October 1997 through March 1998.
- 18 A-5 - Therm Sales and Customer Data - October 1997 through March 1998.
- 19 A-6 - Conversion Factor Calculation - October 1997 through March 1998.
- 20 A-7 - Final Fuel Over/Under Recovery - April 1997 through March 1998.

21 Final True-up April 1997 - March 1998

- 22 Q. What were total therm sales for the period April 1997 - March 1998?
- 23 A. Total therm sales subject to the PGA were 2,671,523 therms.
- 24 Q. What were total therm purchases for the period April 1997 through March 1998?
- 25 A. Total therm purchases were 2,633,830 therms.

- 1 Q. What was the cost of gas to be recovered through the PGA for the period April 1997
2 through March 1998?
- 3 A. The cost of gas purchased for the period was \$825,279.
- 4 Q. What was the amount of gas revenue collected for the period April 1997 through March
5 1998?
- 6 A. The amount of gas revenue collected to cover the cost of gas was \$821,333.
- 7 Q. What is the total true-up provision for the period April 1997 through March 1998?
- 8 A. The total true-up provision, including interest, is an overrecovery of \$3,675 for the
9 period.
- 10 Q. What is the amount of estimated true-up included for April 1997 through March 1998
11 in the January 1999 through December 1999 PGA factor calculation?
- 12 A. The amount of estimated true-up for the period April 1997 through March 1998 included
13 in the April 1998 through March 1999 PGA factor calculation was an overcollection of
14 \$23,344.
- 15 Q. What is the final over/underrecovery for the April 1997 through March 1998 period to
16 be included in the January 1999 through December 1999 projection?
- 17 A. The final underrecovery for the current period to be included in the January 1999
18 through December 1999 projection is \$19,669.
- 19 Q. Does this conclude your testimony?
- 20 A. Yes, it does.

TR 8

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 980003-GU

DIRECT TESTIMONY OF A. KARA

On Behalf of South Florida Natural
Gas Company

Submitted for filing: October 12, 1998

DOCUMENT NUMBER - DATE

11313 OCT 12 1998

FPC/FLORIDA PUBLIC SERVICE COMMISSION

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 Gas
3 Co. ("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, 1999 through
8 December 31, 1999.

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

11 A. Yes. As Composite Exhibit LD-1, I am sponsoring Schedules E-1, E-1/R, E-2,
12 E-3, E-4, and E-5.

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

14 A. Yes, they were.

15 Revised Estimate April 1998 - December 1998

16 Q. What is the revised estimate of total purchased gas costs for the period April
17 1998 - December 1998?

18 A. The revised projection of purchased gas cost for the current period is \$490,676.

19 Q. What is the revised projection of gas revenue to be collected for the current
20 period?

21 A. As shown on Schedule E-2, the company estimates the total gas revenue to be

1 collected during the period to be \$450,259. This amount includes a refund of
2 prior period overcollections in the amount of \$103,176. Therefore, the revenue
3 collected to cover the current period's gas cost is estimated to be \$553,435.

4 Q. What is the revised true-up amount, including interest estimated for the April
5 1998 - December 1998 period?

6 A. The company estimates the revised true-up, including interest, and the
7 transitional true-up of \$34,392, to be an overcollection of \$82,111.

8 January 1999 - December 1999 Projection

9 Q. How did you develop your projection of SFNG's cost of gas for the January 1999
10 - December 1999 period?

11 A. Our first step was to estimate our supply requirements for each of the twelve
12 months in the period. Our projected supply requirements are based on our
13 projected sales and company use for each month. Once we develop our supply
14 requirements, we can then determine how these requirements will be met. In
15 other words, we match our estimated requirements with the gas supply that is
16 available to us. All of our gas requirements will be met utilizing firm
17 transportation service on FGT for the projected period of January 1999 -
18 December 1999. Due to the complexity of transporting on FGT's system after
19 implementation of FERC Order 636, and the new gas control requirements on all
20 transporters, we have contracted with an energy services firm who furnishes our
21 gas supply, arranges for transportation of the supply to our system, monitors

1 volumes and adjusts receipts/deliveries as necessary, and makes all nominations
2 and balancing arrangements.

3 Q. Please describe the general steps or mechanics of projecting the total cost of gas
4 for the January 1999 - December 1999 period.

5 A. As shown on Schedule E-1 lines 1 - 11, the total cost of gas consists of the cost
6 of no-notice transportation service (NNTS) on FGT, the demand and commodity
7 costs of firm transportation service (FTS) on FGT, and the commodity cost of
8 gas estimated to be paid to our supplier during the period.

9 The cost of NNTS service (line 2) is based on SFNG's contract level with
10 FGT and an estimation of FGT's reservation charge for this service. The
11 reservation charge utilized for the period is the current rate in effect.

12 The demand and commodity portions of transportation system supply are
13 shown on Schedule E-1, lines 1, 4, and 5. The commodity pipeline amount (line
14 1) is based on FGT's current FTS commodity rate multiplied by the number of
15 therms projected to be transported for system supply.

16 The commodity other (line 4) is based on data shown on Schedule E-3
17 which details our projected direct supplier purchases for the twelve-month
18 period. We projected the "FTS" commodity cost on line 4 using a combination
19 of analyses. We analyzed the 1997 and 1998 monthly prices of natural gas
20 delivered to FGT by zone as reported in Inside FERC Gas Market Report. We
21 also reviewed the recent NYMEX postings for the period November 1998

1 through December 1999. We developed our monthly index price of gas using the
2 above data and allowing for seasonal trends and current market pricing. To this
3 index, we added compressor fuel and our supplier's estimated margin for first of
4 the month pricing and swing service.

5 The demand component of SFNG's cost of gas (line 5) for the months of
6 January 1999 - December 1999 is calculated by multiplying SFNG's contract
7 level for capacity with FGT by FGT's current FTS demand rate.

8 Q. Based on the projected total cost of gas and projected sales, what is the weighted
9 average cost per therm for the twelve-month period ended December 1999?

10 A. This figure is shown on Schedule E-1, line 40, and is 33.564 cents per therm. To
11 arrive at the total PGA factor, the 33.564 cents per therm is adjusted for the
12 estimated total true-up through December 1998 (shown on Schedule E-4) and
13 for revenue-related taxes.

14 Q. What is the projected PGA factor for the period January 1999 - December 1999?

15 A. The projected PGA factor for the period is 30.644 cents per therm.

16 Q. The estimated total true-up for the nine months ended December 1998 as
17 calculated on Schedule E-4 is included in the projected PGA factor for the period
18 January 1999 - December 1999. Please explain how it was calculated.

19 A. The final true-up amount for the period April 1997 - March 1998 is added to the
20 estimated end of period net true-up for April 1998 - March 1998. The April
21 1998 - December 1998 estimated true-up is based on five months' actual data

1 plus four months' projected data. Additionally, the true-up is adjusted for the
2 remaining estimated prior period overcollection for March 1998, which will be
3 unrefunded as of December 31, 1998.

4 Q. What is the impact of the total true-up as of December 31, 1998 on the
5 projected PGA factor for the January 1999 - December 1999 period?

6 A. The projected true-up as of December 31, 1998 is an overrecovery of \$82,111
7 (Schedule E-4). Dividing the overrecovery by the January 1999 - December
8 1999 projected therm sales of 2,705,109 results in a refund of 3.035 cents per
9 therm to be included in the proposed PGA factor.

10 Q. What is the maximum levelized purchased gas factor (cap) that you are proposing
11 for the January 1999 - December 1999 period?

12 A. The maximum levelized purchased gas factor (cap) that we are proposing for the
13 period is 30.644 cents per therm.

14 Q. Does this conclude your testimony?

15 A. Yes, it does.

1 **MR. KEATING:** And at this point we can
2 recommend approval of the stipulated positions on all
3 the issues in this docket.

4 **COMMISSIONER GARCIA:** So moved.

5 **COMMISSIONER JACOBS:** Second.

6 **COMMISSIONER CLARK:** Show the stipulated
7 issues of Docket 980003 approved without objection.
8 Okay. Now we'll move to Docket 002.

9 (Whereupon other dockets were discussed.)

10 * * * * *

11 **COMMISSIONER CLARK:** Anything further to
12 come before the Commission?

13 **MR. McWHIRTER:** I'd like to make a statement
14 for the record, if I may.

15 **COMMISSIONER CLARK:** Yes, Mr. McWhirter.

16 **MR. McWHIRTER:** This is the first proceeding
17 in which the Commission has moved from semiannual to
18 annual proceeding. And when you first considered this
19 prospect, our firm expressed some serious concern
20 about judicial due process because of the limited
21 period of time in which massive amounts of information
22 would have to be analyzed and dealt with.

23 The collections that you're approving today
24 are for prospective periods that will be trued up.
25 The due process issue comes out like this: We first

1 saw the testimony and exhibits filed by 12 separate
2 utilities the first week in October. It entails
3 analyzing that information; not only the information
4 that is contained in the filings, but also the
5 information that may have been omitted from the
6 filings.

7 To understand that, to deal with it
8 effectively it requires expert participation.
9 Utilities have numerous experts that are presenting
10 their testimony. Consumer advocates have to locate
11 and employ an expert. The expert has to have time to
12 consider what's in the record and what has been
13 omitted from the record. And then under your
14 discovery rules, if we pose requests for production
15 and interrogatories, the utilities have 30 days in
16 which to respond.

17 I would suggest to you humbly that in order
18 to do any even piecemeal analysis in order to
19 determine what the real issues in the case are, it
20 would take 30 days or so. That puts us in the first
21 week of November, and when you have the hearings the
22 third week of November immediately before the
23 Thanksgiving holidays, I would suggest to you that we
24 can't be expected to do a reasonable case in order to
25 present meaningful facts to you in a meaningful way.

1 I don't suggest that the Commission was
2 wrong in moving to an annual proceeding. I think
3 probably it's appropriate at this time because of the
4 fact that prices are not nearly so volatile as they
5 were when these cost recovery proceedings were
6 instituted initially.

7 But what I would also suggest to you is that
8 since these rates are prospective and since we've got
9 a year to live with them, that the Commission give a
10 friendly eye to discovery that has -- may be filed
11 subsequent to today's proceeding in which we may wish
12 to plumb certain transactions, such as affiliated
13 transactions, in which a utility buys product from its
14 sister companies.

15 As you know, much of the information that's
16 filed in these cases is under the umbrella of secrecy
17 because they're fearful in a competitive environment
18 the utilities' information will be misused, and as a
19 consequence, we don't have the information there.

20 So we would like to have you give us your
21 pledge, if you would, that when we come in during the
22 course of this year to maybe further investigate some
23 of these circumstances and explore them that the
24 Commission not take the attitude that the decision was
25 made today; it is now chiseled in stone, and it's too

1 late to engage discovery.

2 **MR. WILLIS:** Before you go do something that
3 is just thrown here on the table at the last minute, I
4 think that you should -- if any such action is taken
5 by Mr. McWhirter, you should take it into account
6 after responses have been filed by the companies that
7 are involved and to take a reasoned decision rather
8 than giving -- making statements off the cuff here in
9 response to something that has just been presented
10 here for the first time.

11 I think that with respect to the procedures
12 followed here, that the planned workshops at the
13 beginning of next year to further discuss how we can
14 make the procedures more meaningful and easy for all
15 concerned -- and that is one of the things that
16 Mr. McWhirter could discuss at that time and can be
17 resolved later by the Commission if no agreement is
18 made among the parties after full discussion.

19 **COMMISSIONER CLARK:** Well, Mr. McWhirter, it
20 appears as if we still haven't determined exactly what
21 our procedures are going to be going to a yearly
22 activity. And as I understand what Mr. Willis just
23 said, we'll be having a workshop on how we should
24 proceed in these cases; is that correct, Staff?

25 **MS. PAUGH:** That's correct. Those were

1 Issues 7 and 7A, as I recall.

2 **COMMISSIONER CLARK:** It sounds like we're
3 going to be looking at it.

4 **MR. McWHIRTER:** Well, I think -- I certainly
5 welcome the opportunity to participate in a workshop
6 that's designed to make the procedure more meaningful.
7 But I'm not talking about procedural matters, I'm
8 talking about substantive matters; and all I suggest
9 to you is if we are -- when we seek discovery on
10 substantive issues that were dealt with in this case,
11 that the Commission determine now that it will not
12 summarily dismiss our opportunity to inquire further,
13 since this is an open docket.

14 **COMMISSIONER CLARK:** I don't think that's a
15 decision we have to make now. I was going to say,
16 well, who is the prehearing officer, but I seem to
17 recall it's me. (Laughter)

18 It seems to me that if and when you make
19 that request, it would be appropriate to hear our
20 arguments on the pros and cons of doing that; and I
21 can tell you if it comes before the prehearing
22 officer -- I don't know if it will be me -- I'll have
23 an open mind.

24 I think we're embarking on a different
25 strategy for these things, and I think we were

1 concerned at the time about the notion of giving
2 enough time to review information and prepare for
3 hearing. So we'll take it up at the time you feel the
4 need to exercise that.

5 **MR. McWHIRTER:** Well, I understand from what
6 you've said that your previous prehearing order does
7 not preempt continuing discovery in this matter.

8 **MR. WILLIS:** I don't think she made any such
9 decision. That's not before her.

10 **COMMISSIONER CLARK:** Mr. McWhirter, I'm not
11 prepared to say yea or nay on that.

12 **COMMISSIONER JACOBS:** It's an open docket.
13 That's about it.

14 **MS. PAUGH:** These are open, ongoing dockets
15 at all times. Discovery can be had at all times. We
16 close the docket down from one year and at the same
17 time open up the next one. So there is no reason why
18 you can't commence discovery in this docket tomorrow
19 if you so desire.

20 **MR. McWHIRTER:** Thank you very much.

21 **COMMISSIONER CLARK:** Okay. Anything else we
22 have to take up at this time?

23 **MS. PAUGH:** Not from Staff.

24 **COMMISSIONER CLARK:** Well, thank you all for
25 your hard work on this case. And I wish you all a

1 happy Thanksgiving.

2 (Thereupon, the hearing concluded

3 at 11:30 a.m.)

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1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTER
3 COUNTY OF LEON)

4 I, H. RUTHE POTAMI, CSR, RPR, Official
5 Commission Reporter,

6 DO HEREBY CERTIFY that the Hearing in Docket
7 No. 980003-GU was heard by the Florida Public Service
8 Commission at the time and place herein stated; it is
9 further

10 CERTIFIED that I stenographically reported
11 the said proceedings; that the same has been
12 transcribed under my direct supervision; and that this
13 transcript, consisting of 99 pages, constitutes a true
14 transcription of my notes of said proceedings and
15 the insertion of the prescribed prefiled testimony of
16 the witnesses.

17 DATED this 30th day of November, 1998.

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H. RUTHE POTAMI, CSR, RPR
Official Commission Reporter
(904) 413-6734

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<p>• 93/10</p>	<p>adjustment 1/6, 5/15 admitted 8/25 ADMTD 4/2 advocates 94/10 affiliated 95/13 agreement 96/17 AK-1 4/12, 8/21 AK-3 4/12 amounts 93/21 analysis 94/18 analyzed 93/22 analyzing 94/3 annual 93/18, 95/2</p>	<p>dash 8/3 DATE 1/14 Davidson 2/3 Davis 6/11 days 94/15, 94/20 deal 94/7 dealt 93/22, 97/10 decision 95/24, 96/7, 97/15, 98/9 Decker 2/3 DeMOINE 3/6, 9/8 Deputy 2/7 designed 97/6 desire 98/19 determine 94/19, 97/11 determined 96/20 Direct 3/4, 3/6, 3/8, 3/10, 3/12, 3/14, 3/16, 3/18, 3/20, 9/5, 9/8, 100/8 discovery 94/14, 95/10, 96/1, 97/9, 98/7, 98/15, 98/18 discuss 94/13, 96/16 discussed 93/9 discussion 96/18 dismiss 97/12 Division 2/12 DOCKET 1/5, 5/11, 5/14, 5/15, 5/16, 6/6, 6/9, 6/13, 7/4, 7/5, 7/8, 7/12, 93/3, 93/7, 93/8, 97/13, 98/12, 98/16, 98/18, 100/4 dockets 5/11, 6/3, 6/16, 6/20, 6/22, 6/24, 93/9, 98/14 during 95/21</p>
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