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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate
increase by Peoples Gas System.

DOCKET NO. 020384-GU

FILED: NOVEMBER 14, 2002

PREHEARING STATEMENT OF AUBURNDALE POWER PARTNERS, L.P.

Pursuant to Order No. PSC-02-1031-PCO-GU, issued July 31, 2002, Auburndale Power Partners, L.P. ("Auburndale"), hereby files its Prehearing Statement.

a. All Known Witnesses

None

b. All Known Exhibits

None

c. Auburndale's Statement of Basic Position

Peoples is entitled to charge fair, just, and reasonable rates for efficient and cost-effective service; the actual rates will be determined pursuant to the Commission's decisions on the various rate base, revenue requirements, and rate design issues in the case. Auburndale's positions are preliminary and based on materials filed by the parties and on discovery. Auburndale's preliminary positions are offered to assist the parties in preparing for the hearing. Auburndale's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

d. Auburndale's Positions on the Issues

ISSUE 1: Is Peoples' quality of service adequate?

AUBURNDALE: No position.

ISSUE 2: Is Peoples test year request for permanent rate relief based on a historical test period ending December 31, 2001, and a projected test period ending December 31, 2003, appropriate?

AUBURNDALE: No position.

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ISSUE 3: Are the customer growth and them forecasts by rate class appropriate?

STAFF PROPOSED

STIPULATION: The projected customer growth and them forecasts by rate class contained in MFR Schedule G-2, pages 6a through 8d are appropriate.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

RATE BASE

ISSUE 4: Should an adjustment be made to Plant, Accumulated Depreciation, and Depreciation Expense for canceled or delayed projects?

AUBURNDALE: No position.

ISSUE 5: Should an adjustment be made to Plant, Accumulated Depreciation, and Depreciation Expense to reflect the fact that the Company is under-budget for plant additions through mid-2002?

AUBURNDALE: No position.

ISSUE 6: Should an adjustment to increase revenues or to decrease plant in service, accumulated depreciation and depreciation expense be made associated with the Company's \$3 million addition to plant in service - revenue mains for projects related to the Gulfstream pipeline?

AUBURNDALE: No position.

ISSUE 7: Should an adjustment be made to plant retirements for the projected test year?

AUBURNDALE: No position.

ISSUE 8: Should rate base be reduced to remove inactive service lines that have been inactive for more than five years?

AUBURNDALE: No position.

ISSUE 9: Should an adjustment be made to plant for meter and regulator cost savings related to strategic alliances?

AUBURNDALE: No position.

ISSUE 10: Should an adjustment be made to reduce Plant, Accumulated Depreciation, Depreciation Expense, and other expenses to reflect non-utility operations?

AUBURNDALE: No position.

ISSUE 11: Should an adjustment be made to the allocation of inter-company costs?

AUBURNDALE: No position.

ISSUE 12: What is the appropriate amount of Construction Work in Progress (CWIP) for the projected test year?

AUBURNDALE: No position.

ISSUE 13: What is the appropriate projected test year Total Plant?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 14: What is the appropriate projected test year Depreciation Reserve?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 15: Should an adjustment be made to working capital for Materials and Supplies to reflect the full impacts of the inventory reductions resulting from strategic alliances and actual reductions in 2002?

AUBURNDALE: No position.

ISSUE 16: Should conservation over-recoveries be included in the calculation of working capital?

STAFF PROPOSED

STIPULATIONS: Yes. Conservation over-recoveries should be included in working capital which results in a \$252,865 reduction in working capital.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 17: Has Peoples removed the appropriate amount of Miscellaneous Current Liabilities from working capital?

AUBURNDALE: No position.

ISSUE 18: What is the appropriate projected test year Working Capital Allowance?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 19: What is the appropriate projected test year Rate Base?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

COST OF CAPITAL

ISSUE 20: What is the appropriate return on common equity for the projected test year?

AUBURNDALE: No position.

ISSUE 21: What is the appropriate equity ratio?

AUBURNDALE: No position.

ISSUE 22: What is the appropriate cost of long-term and short-term debt?

AUBURNDALE: No position.

ISSUE 23: What is the appropriate amount of accumulated deferred taxes to include in the capital structure?

AUBURNDALE: No position.

ISSUE 24: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure?

AUBURNDALE: No position.

ISSUE 25: Has FAS 109 been appropriately reflected in the capital structure, such that it is revenue neutral?

AUBURNDALE: No position.

ISSUE 26: Have rate base and capital structure been reconciled appropriately?

AUBURNDALE: No position.

ISSUE 27: What is the appropriate weighted average cost of capital for the projected test year?

AUBURNDALE: No position.

REVENUES

ISSUE 28: Has Peoples properly removed PGA revenues, expenses, and taxes-other from the projected test year?

STAFF PROPOSED

STIPULATION: Yes. Peoples properly removed \$96,037,188 in PGA revenues, \$95,556,775 in gas costs and \$480,413 in revenue related taxes from the projected test year.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 29: Has Peoples properly removed conservation revenues, expenses, and taxes-other from the projected test year?

STAFF PROPOSED

STIPULATION: Yes. Since Peoples did not include conservation revenues, expenses or taxes - other in the projected test period no adjustment is necessary.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 30: Should an adjustment be made to revenues to recognize the new credit card usage charge?

AUBURNDALE: No position.

ISSUE 31: Should revenues be adjusted to correct for an understatement in projected test year revenues?

STAFF PROPOSED

STIPULATION: Yes. Revenues should be increased \$75,485 to correct for an understatement in projected test year 2003 revenues.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 32: Should Off-System Sales be excluded from Jurisdictional Operating Revenues?

AUBURNDALE: No position.

ISSUE 33: What is the appropriate amount of projected test year total Operating Revenues?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

EXPENSES

ISSUE 34: Should an adjustment be made to recognize any gains on disposition of utility plant?

STAFF PROPOSED

STIPULATION: Yes. The \$346,466 gain on the sale of property located at 2951 SW 1st Terrace in Ft. Lauderdale should be amortized over 4 years beginning January 1, 2003, or a reduction in operating expenses of \$86,617. In addition working capital should be reduced \$303,157.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 35: Are the trend rates used by Peoples to calculate projected O&M expenses appropriate?

STAFF PROPOSED

STIPULATION: The trend rates contained in MFR Schedule G-2, page 231 should be adjusted to reflect OPC's CPI Inflation trend factor of 2 percent for 2002 and 2003. Adoption of this change impacts the Inflation Only and the Customer Growth X Inflation trend factors. Note that this stipulation pertains only to the appropriateness of the trend factors themselves. The appropriateness of the application of these trend factors is addressed in Issue 36. This change results in the following trend factors:

<u>Trend Rates</u>	<u>2002</u>	<u>2003</u>
Payroll Only	3.00%	3.00%
Customer Growth X Pay Change	7.63%	8.09%
Customer Growth X Inflation	6.59%	7.04%
Inflation Only	2.00%	2.00%
Customer Growth	4.50%	4.94%

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 36: Has Peoples used the appropriate trend basis for each O&M account?

AUBURNDALE: No position.

ISSUE 37: Should the projected test year O&M expense be adjusted for the effect of any changes to the trend factors?

AUBURNDALE: No position.

ISSUE 38: Should an adjustment be made to reduce expenses to reflect non-utility operations?

AUBURNDALE: No position.

ISSUE 39: Should an adjustment be made for lobbying expenses?

AUBURNDALE: No position.

ISSUE 40: What is the appropriate amount of rate case expense and what is the appropriate amortization period for that expense?

AUBURNDALE: No position.

ISSUE 41: Should an adjustment be made to bad debt expense?

STAFF PROPOSED

STIPULATION: Yes. Bad Debt Expense, account 904, should be reduced \$633,606 to reflect a 4 year average of net write-off's as a percent of revenues, excluding off system sales.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 42: Should an adjustment be made for charitable contributions?

AUBURNDALE: No position.

ISSUE 43: Should an adjustment be made to remove image building or other inappropriate advertising expenses?

AUBURNDALE: No position.

ISSUE 44: Should an adjustment be made to remove expenses for company parties, picnics, or similar social company activities?

STAFF PROPOSED

STIPULATION: Yes. Account 921 should be reduced \$17,253 to remove employee dinners and account 926 should be reduced \$10,190 for tuition reimbursement for non Peoples employees for a total reduction of \$27,443 in 2001 expenses.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 45: Should an adjustment be made for Economic Development Activities?

AUBURNDALE: No position.

ISSUE 46: Is the Company's "Other Not Trended" adjustment for increased postage costs reasonable?

AUBURNDALE: No position.

ISSUE 47: Should payroll expense and related costs such as payroll taxes be reduced to reflect the decline in the number of employees?

AUBURNDALE: No position.

ISSUE 48: Should cost associated with incentive compensation be reduced?

AUBURNDALE: No position.

ISSUE 49: Is the Company's "Other Not Trended" adjustment for Outsourcing Cost in its sales and marketing function reasonable?

AUBURNDALE: No position.

ISSUE 50: Should the Commission order a further investigation into the relationship between Peoples and TECO Partners, an affiliated Company?

AUBURNDALE: No position.

ISSUE 51: Should an adjustment be made to rent expense?

STAFF PROPOSED

STIPULATION: Yes. Account 931 Rents for 2001 should be reduced \$22,636 to remove rent on facilities which have been replaced with Company owned facilities.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 52: Is the Company's "Other Not Trended" adjustment for the Customer Retention Program included in Miscellaneous Sales Expense appropriate?

AUBURNDALE: No position.

ISSUE 53: Should an adjustment be made to periodic meter and regulator change-out expense for cost savings related to the implementation of the meter sampling plan and meter sampling rule?

AUBURNDALE: No position.

ISSUE 54: Is the Company's "Other Not Trended" adjustments to Account 921 - Office Supplies and Expenses reasonable?

AUBURNDALE: No position.

ISSUE 55: Is the Company's "Other Not Trended" allocation adjustments to Account 922 - A&G Transferred reasonable?

AUBURNDALE: No position.

ISSUE 56: Is the Company's "Other Not Trended" adjustment to Account 926 - Pensions and Benefits reasonable?

AUBURNDALE: No position.

ISSUE 57: Is the Company's "Other Not Trended" adjustment to Account 930 - Miscellaneous General Expenses for natural gas technical research appropriate?

AUBURNDALE: No position.

ISSUE 58: What is the appropriate accounting treatment and annual amortization to recover estimated clean-up costs of Peoples manufactured gas plant sites?

STAFF PROPOSED

STIPULATION: Peoples should continue to accrue \$640,000 annually and continue to use reserve accounting to recover the estimated clean-up costs as ordered by the Commission in Docket No. 980434-GU by Order No. PSC-98-0739-FOF-GU, issued May 28, 1998.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 59: What is the appropriate amount of projected test year O&M Expense?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 60: What is the appropriate amount of projected test year Depreciation and Amortization Expense?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 61: What is the appropriate amount of Taxes Other Than Income Taxes?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 62: What is the appropriate Income Tax Expense, including current and deferred income taxes, ITC amortization, and interest synchronization?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 63: What is the appropriate level of Total Operating Expenses for the projected test year?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 64: What is the appropriate amount of projected test year Net Operating Income?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 65: What is the appropriate projected test year revenue expansion factor to be used in calculating the revenue deficiency.

STAFF PROPOSED

STIPULATION: The appropriate revenue expansion factor to be used in calculating the revenue deficiency is 1.6429 after reducing the Bad Debt component from .4429% to .4027%.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 66: What is the appropriate projected test year revenue deficiency?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 67: Should any portion of the \$1,461,000 interim increase granted by Order No. PSC-02-1227-FOF-GU, issued September 9, 2002, be refunded to customers?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 68: Should Peoples be required to submit, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its future annual reports, rate of return reports, published financial statements, and books and records that will be required as a result of the Commission's findings in this rate case?

STAFF PROPOSED

STIPULATION: Yes. Peoples should be required to submit, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its future annual reports, rate of return reports, published financial statements, and books and records that will be required as a result of the Commission's findings in this rate case.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

RATE DESIGN AND COST OF SERVICE

ISSUE 69: Are Peoples' estimated revenues from sales of gas by rate class at present rates for the projected test year appropriate?

AUBURNDALE: Auburndale takes no position at this time pending further development of the record.

ISSUE 70: What is the appropriate cost of service methodology to be used in allocating costs to the rate classes?

AUBURNDALE: Auburndale takes no position at this time pending further development of the record.

ISSUE 71: If the Commission grants a revenue increase to Peoples, how should the increase be allocated to the rate classes?

AUBURNDALE: Auburndale takes no position at this time pending further development of the record.

ISSUE 72: Is Peoples' proposal to apply uniform rates and service charges to all customers, including customers formerly served by West Florida Gas, appropriate?

AUBURNDALE: No position.

ISSUE 73: Should any increase in rates for the customers of the former West Florida Natural Gas Company be phased in over several years?

AUBURNDALE: No position.

ISSUE 74: What are the appropriate Miscellaneous Service Charges?

STAFF PROPOSED

<u>STIPULATION:</u>	Initial Connection - Residential	\$35.00 initial, \$15.00 for each addnl. meter
	Initial Connection - Commercial	\$75.00 initial, \$15.00 for each addnl. meter
	Reconnection - Residential	\$60.00 initial, \$15.00 for each addnl. meter
	Reconnection - Commercial	\$ 1 0 0 . 0 0 initial, \$15.00 for each addnl. meter
	Collection in Lieu of Disconnect	\$20.00
	Change of Account	\$20.00
	Pool Manager Termination Fee	\$30.00
	Returned Check Charge	5% or \$25.00

Temporary Disconnect Charge-Addressed in Issue 80

Failed Trip Charge-Addressed in Issue 82
Payment by Credit Card Charge-Addressed in Issue 81

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 75: What are the appropriate Customer Charges?

AUBURNDALE: Auburndale takes no position at this time pending further development of the record.

ISSUE 76: What are the appropriate per therm Distribution Charges?

AUBURNDALE: This is a fallout issue and will be based upon the calculations and decisions of other issues.

ISSUE 77: Are Peoples' proposed customer classes and riders and their associated therm requirements appropriate?

STAFF PROPOSED
STIPULATION:

Yes. Peoples' proposal to combine the customer classes and riders of its West Florida and non-West Florida divisions into uniform rates for the entire company, and to restructure its rates in order to group customers based on their load profiles and usage characteristics is appropriate.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 78: Is Peoples' proposed methodology for billing interruptible customers for excess gas taken during a period of interruption appropriate?

AUBURNDALE: Auburndale takes no position at this time pending further development of the record.

ISSUE 79: Is Peoples' proposal to collect the monthly Interruptible Transportation service administration fee on a per-meter basis appropriate?

STAFF PROPOSED
STIPULATION:

Yes.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 80: Is Peoples' proposed new temporary turn-off charge appropriate?

STAFF PROPOSED

STIPULATION: Yes. The \$25.00 charge is cost-based and recovers the additional costs caused by those customers who have their service turned off temporarily.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 81: Is Peoples' proposed new credit card use charge appropriate?

STAFF PROPOSED

STIPULATION: Yes. The charge of 3.5% of the billed amount is cost-based, and appropriately recovers the additional costs of credit card transactions from those customers who opt to pay by credit card.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 82: Is Peoples' proposed new failed trip charge appropriate?

STAFF PROPOSED

STIPULATION: Yes. The proposed \$15.00 charge is cost-based and recovers the costs caused by customers who fail to keep a scheduled appointment with the company's employee, agent or representative.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 83: Is Peoples Gas System's proposed change to the definition of Maximum Allowable Construction Cost appropriate?

AUBURNDALE: No position.

ISSUE 84: What is the appropriate effective date for Peoples Gas System's revised rates and charges?

STAFF PROPOSED

STIPULATION: Peoples' revised rates and charges should become effective for meter readings made on or after 30 days from the date of the final Commission vote approving the rates and charges.

AUBURNDALE: Auburndale does not object to the proposed stipulation.

ISSUE 85: Is the proposed change to the definition of Weighted Average Cost of Capacity contained in Peoples' Individual Transportation Service Rider appropriate?

AUBURNDALE: Auburndale takes no position at this time pending further development of the record.

ISSUE 86: Should this docket be closed?

AUBURNDALE: This docket should be closed after the Commission has issued its final order and the time for filing an appeal has expired.

SUMMARY OF PROPOSED STIPULATED ISSUES:

Auburndale does not object to any of the proposed stipulations listed below.

ISSUE 3: Are the customer growth and them forecasts by rate class appropriate?

STAFF PROPOSED

STIPULATION: The projected customer growth and them forecasts by rate class contained in MFR Schedule G-2, pages 6a through 8d are appropriate.

ISSUE 16: Should conservation over-recoveries be included in the calculation of working capital?

STAFF PROPOSED

STIPULATION: Yes. Conservation over-recoveries should be included in working capital which results in a \$252,865 reduction in working capital.

ISSUE 28: Has People's properly removed PGA revenues, expenses and taxes - other from the projected test year?

STAFF PROPOSED

STIPULATION: Yes. Peoples properly removed \$96,037,188 in PGA revenues, \$95,556,775 in gas costs and \$480,413 in revenue related taxes from the projected test year.

ISSUE 29: Has People's properly removed conservation revenues, expenses and taxes - other from the projected test period?

STAFF PROPOSED

STIPULATION: Yes. Since People's did not include conservation revenues, expenses or taxes - other in the projected test period no adjustment is necessary.

ISSUE 31: Should revenues be adjusted to correct for an understatement in projected test year revenues?

STAFF PROPOSED

STIPULATION: Yes. Revenues should be increased \$75,485 to correct for an understatement in projected test year 2003 revenues.

ISSUE 34: Should an adjustment be made to recognize any gains on disposition of utility plant?

STAFF PROPOSED

STIPULATION: Yes. The \$346,466 gain on the sale of property located at 2951 SW 1st Terrace in Ft. Lauderdale should be amortized over 4 years beginning January 1, 2003, or a reduction in operating expenses of \$86,617. In addition working capital should be reduced \$303,157.

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STAFF PROPOSED

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trend factors. Note that this stipulation pertains only to the appropriateness of the trend factors themselves. The appropriateness of the application of these trend factors is addressed in Issue 36. This change results in the following trend factors:

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ISSUE 41: Should an adjustment be made to bad debt expense?
47

STAFF PROPOSED

STIPULATION: Yes. Bad Debt Expense, account 904, should be reduced \$633,606 to reflect a 4 year average of net write-off's as a percent of revenues, excluding off system sales.

ISSUE 44: Should an adjustment be made to remove expenses for company parties, picnics, or similar social company activities?

STAFF PROPOSED

STIPULATION: Yes. Account 921 should be reduced \$17,253 to remove employee dinners and account 926 should be reduced \$10,190 for tuition reimbursement for non Peoples employees for a total reduction of \$27,443 in 2001 expenses.

ISSUE 51: Should an adjustment be made to rent expense?

STAFF PROPOSED

STIPULATION: Yes. Account 931 Rents for 2001 should be reduced \$22,636 to remove rent on facilities which have been replaced with Company owned facilities.

ISSUE 58: What is the appropriate accounting treatment and annual amortization to recover estimated clean-up costs of Peoples manufactured gas plant sites?

STAFF PROPOSED

STIPULATION: Peoples should continue to accrue \$640,000 annually and continue to use reserve accounting to recover

the estimated clean-up costs as ordered by the Commission in Docket No. 980434-GU by Order No. PSC-98-0739-FOF-GU, issued May 28, 1998.

ISSUE 65: What is the appropriate projected test year revenue expansion factor to be used in calculating the revenue deficiency?

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STIPULATION: The appropriate revenue expansion factor to be used in calculating the revenue deficiency is 1.6429 after reducing the Bad Debt component from .4429% to .4027%.

ISSUE 68: Should Peoples be required to submit, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its future annual reports, rate of return reports, published financial statements, and books and records that will be required as a result of the Commission's findings in this rate case?

STAFF PROPOSED

STIPULATION: Yes. Peoples should be required to submit, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its future annual reports, rate of return reports, published financial statements, and books and records that will be required as a result of the Commission's findings in this rate case.

ISSUE 74: What are the appropriate Miscellaneous Service Charges?

STAFF PROPOSED

<u>STIPULATION:</u>	Initial Connection - Residential	\$35.00 initial, \$15.00 for each addnl. meter
	Initial Connection - Commercial	\$75.00 initial, \$15.00 for each addnl. meter
	Reconnection - Residential	\$60.00 initial, \$15.00 for each addnl. meter
	Reconnection - Commercial	\$ 1 0 0 . 0 0 initial, \$15.00

	for each addnl. meter
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Pool Manager Termination Fee	\$30.00
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Temporary Disconnect Charge-Addressed in Issue 80
Failed Trip Charge-Addressed in Issue 82
Payment by Credit Card Charge-Addressed in Issue 81

ISSUE 77: Are Peoples' proposed customer classes and riders and their associated term requirements appropriate?

STAFF PROPOSED

STIPULATION: Yes. Peoples' proposal to combine the customer classes and riders of its West Florida and non-West Florida divisions into uniform rates for the entire company, and to restructure its rates in order to group customers based on their load profiles and usage characteristics is appropriate.

ISSUE 79: Is Peoples' proposal to collect the monthly Interruptible Transportation service administration fee on a per-meter basis appropriate?

STAFF PROPOSED

STIPULATION: Yes.

ISSUE 80: Is Peoples' proposed new temporary turn-off charge appropriate?

STAFF PROPOSED

STIPULATION: Yes. The \$25.00 charge is cost-based and recovers the additional costs caused by those customers who have their service turned off temporarily.

ISSUE 81: Is Peoples' proposed new credit card use charge appropriate?

STAFF PROPOSED

STIPULATION: Yes. The charge of 3.5% of the billed amount is cost-based, and appropriately recovers the additional costs of credit card transactions from those customers who opt to pay by credit card.

ISSUE 82: Is Peoples' proposed new failed trip charge appropriate?

STAFF PROPOSED

STIPULATION: Yes. The proposed \$15.00 charge is cost-based and recovers the costs caused by customers who fail to keep a scheduled appointment with the company's employee, agent or representative.

ISSUE 84: What is the appropriate effective date for Peoples Gas Systems revised rates and charges?

STAFF PROPOSED

STIPULATION: Peoples' revised rates and charges should become effective for meter readings made on or after 30 days from the date of the final Commission vote approving the rates and charges.

e. Pending Motions

Auburndale is only aware of one pending motion at this time, the Company's alternative motion to strike the Citizens' rebuttal testimony or for leave to file surrebuttal testimony. Auburndale does not object to this motion to the extent that it requests leave to file surrebuttal testimony.

f. Pending Confidentiality Claims or Requests

Auburndale has no pending claims or requests for confidential treatment of information.

g. Compliance with Order No. PSC-02-1031-PCO-GU

Auburndale avers that it has complied with all requirements of the Order Establishing Procedure entered in this docket.

STAFF'S PREHEARING STATEMENT
DOCKET NO. 020384-GU
PAGE 22

Respectfully submitted this 14th day of November, 2002.



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Attorneys for Auburndale
Power Partners, L.P.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a rate
increase by Peoples Gas System.

DOCKET NO. 020384-GU

DATED: NOVEMBER 14, 2002

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that one true and correct copy of the Prehearing Statement of Auburndale Power Partners, L.P. has been furnished to the following by hand delivery(*) or by U. S. Mail this 14th day of November, 2002:

Matthew R. Costa, Esquire
TECO Energy, Inc.
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Tampa, FL 33601-0111

Angela Llewellyn
Peoples Gas System
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Office of Public Counsel
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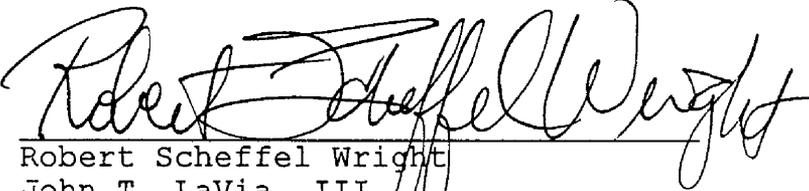
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Adrienne Vining, Esquire *
Florida Public Service Commission
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Calpine-Eastern Regional Office
Roman J. Bakke, Manager, Fuels Supply
The Pilot House - 2nd Floor
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CERTIFICATE OF SERVICE
DOCKET NO. 020384-GU
PAGE 2

Macfarlane Ferguson & McMullen
Ansley Watson, Jr., Esquire
P. O. Box 1531
Tampa, FL 33601-1531

A handwritten signature in cursive script, reading "Robert Scheffel Wright". The signature is written in black ink and is positioned above a horizontal line.

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