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January 6, 2001

IN REPLY REFER TO:

Ansley Watson, Jr.  
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e-mail: [aw@macfar.com](mailto:aw@macfar.com)

VIA FEDEX

Blanca S. Bayo, Director  
Division of Records & Reporting  
Florida Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

RECEIVED  
FLORIDA PUBLIC  
SERVICE COMMISSION  
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Re: Docket No. 010003-GU – Purchased Gas Adjustment (PGA) True-Up  
(Petition for Approval of Mid-Course Correction to PGA Cap by  
Peoples Gas System)

Dear Ms. Bayo:

Enclosed for filing on behalf of Peoples Gas System, please find the original and 15 copies of Peoples' petition referenced above. Enclosed also is a diskette containing the petition in Wordperfect 8.0 format. (The electronic document does not include the appendices to the petition.)

Please acknowledge your receipt and the date of filing of the enclosures on the duplicate copy of this letter and return the same to the undersigned in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,



ANSLEY WATSON, JR.

- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM 3 \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- LEG 1 \_\_\_\_\_
- OPC \_\_\_\_\_
- PAI \_\_\_\_\_
- RGO \_\_\_\_\_
- SEC 1 \_\_\_\_\_
- SER \_\_\_\_\_
- OTH \_\_\_\_\_

AWjr/a  
Enclosures

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

00278 JAN-8 25

FPSC-RECORDS/REPORTING

Blanca S. Bayo, Director  
January 6, 2001  
Page 2

cc: Mr. Wayne R. Makin (via facsimile)

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Purchased Gas : DOCKET NO. 010003-GU  
Adjustment (PGA) True-Up :  
\_\_\_\_\_ : Submitted for Filing: 1-8-01

**PETITION OF PEOPLES GAS SYSTEM FOR  
APPROVAL OF MID-COURSE CORRECTION TO PGA CAP**

Peoples Gas System (“Peoples” or the “Company”), by its undersigned attorneys, hereby files its petition for approval of a revision, through a mid-course correction, to its purchased gas adjustment (“PGA”) factor to be applied effective as of the date of the Commission vote through the last billing cycle for December 2001, inclusive, and in support thereof says:

1. The name and address of the petitioner are:

Peoples Gas System  
702 N. Franklin Street - 7<sup>th</sup> Floor  
Tampa, Florida 33602

2. The persons to whom notices, orders and pleadings in this docket should be addressed are:

Ansley Watson, Jr., Esquire  
Macfarlane Ferguson & McMullen  
Post Office Box 1531  
Tampa, Florida 33601-1531

Angela Llewellyn  
Peoples Gas System  
Post Office Box 2562  
Tampa, Florida 33601-2562

3. The Commission has adopted a method for the recovery of purchased gas costs by regulated natural gas utilities to be used for the recovery of such costs through the calendar year commencing January 1, and ending December 31. For calendar year 2001, each investor-owned natural gas utility has been assigned a levelized PGA factor, which serves as a cap, or maximum recovery factor.

DOCUMENT NUMBER-DATE

00278 JAN-80

FPSC-RECORDS/REPORTING

4. By its Order No. PSC-93-0708-FOF-GU, issued in this docket on May 10, 1993, the Commission determined that a utility may, at its option, request a mid-course correction if re-projected expenses for the remainder of the period significantly exceed projected revenues for the period when using the Commission-approved cap.

5. Order No. PSC-00-2383-FOF-GU, issued on December 12, 2000, approved Peoples' levelized PGA cap of \$0.71171 per therm for the period January through December 2001. This factor was based on Peoples' projected purchased gas costs for the 12-month projection period (including the true-up for the period January through December 2000) of \$92,478,933 and total sales of 144,463,255 therms. Although the factor was approved in mid-December 2000, the projections on which the factor was based were made in September 2000.

6. As indicated by the revised Schedule E-1/R.1 (attached hereto as Appendix A), Peoples' re-projected expenses for calendar year 2001 will significantly exceed re-projected revenues. Specifically, Peoples' expenses for the period are now projected to be \$157,866,023, while its revenues for the same period would be \$112,116,530. When this difference between expenses and revenues is coupled with Company used gas, the beginning true-up balance, and interest, the ending true-up balance is projected to be an underrecovery of \$63,216,928. See Appendices A through C attached hereto.

7. The primary reason for expenses exceeding revenues is a drastic increase in the price of natural gas during the current winter season. Since the Company's cap was approved by the Commission in December 2000, colder than normal winter weather across the mid-west and northeast United States and historically low storage levels has caused an unprecedented increase in natural gas costs on a national basis. The resulting price volatility and upward price pressures are expected to

continue, and may even affect the summer electric generation season. There are no current indications that natural gas prices will experience any meaningful decrease in the next several months. The Company needs its PGA cap increased to afford it the opportunity to recover additional costs associated with already increased natural gas prices, as well as to accommodate continued upward price pressures and market uncertainty.

8. Peoples requests that the Commission approve an increase in its PGA cap from \$0.71171 per therm to \$1.16073 per therm. Peoples requests that this increased cap be approved effective as of the date of the Commission vote through the last billing cycle for December 2001, and that it continue in effect until a new cap is approved by order of the Commission. Applying this increased PGA cap through December 2001 will not eliminate the full amount of the re-projected expenses. However, it will allow Peoples to recover the majority of the current increased costs during the remainder of the year, thereby reducing the impact of the true-up for any underrecovery on sales customers (who are subject to the purchased gas adjustment) during the year 2002.

9. The average residential customer with monthly consumption of 25 therms would incur an additional gas cost of \$11.23 per month if natural gas costs require the PGA to increase to the proposed new cap.

10. Because of the need to reduce the projected underrecovery of expenses, it is necessary that the increased cap be approved for application to customers' bills beginning immediately. The Commission has previously approved mid-course corrections in recovery factors to become effective at earlier dates under similar circumstances when the amount of the projected underrecovery was substantial. See, for example, *In re: Purchased Gas Adjustment (PGA) True-Up*, Order No. PSC-94-0207-FOF-GU (February 21, 1994), approving an increase in the authorized purchase gas adjustment

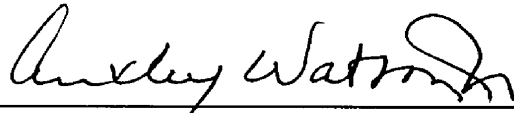
factor (or cap) for West Florida Natural Gas Company. See also *In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor*, Order No. PSC-92-0271-FOF-EI (April 29, 1992), approving a decrease in the fuel adjustment factors for Florida Power Corporation, and *In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor*, Order No. 2135 (June 5, 1989), approving an increase in the fuel adjustment factors for Florida Power & Light Company. More recently, the Commission approved mid-course corrections to the purchased gas adjustment cap for several companies during the year 2000. Those companies included Peoples (Order No. PSC-00-1524-PCO-GU), Indiantown Gas Company, Inc. (Order No. PSC-00-1909-PCO-GU), South Florida Natural Gas (Order No. PSC-00-1523-PCO-GU), Chesapeake Utilities Corporation (Order No. PSC-00-1910-PCO-GU), Florida Public Utilities Company (Order No. PSC-00-2137-PCO-GU), St. Joe Natural Gas Company (Order No. PSC-00-2138-PCO-GU), and City Gas Company of Florida (Order No. PSC-00-1422-PCO-GU).

11. Peoples also recognizes there will not be time to conduct a prudence review of the Company's re-projections of purchased gas costs prior to the implementation of the increase in the PGA factor sought by this petition. However, pursuant to the procedures in this docket, such prudence review will occur as a matter of course at the hearing to be held in this docket in November 2001. If the increase in the cost recovery cap is ultimately found imprudent, Peoples' ratepayers will suffer no harm, since any costs found imprudent will be disallowed for recovery (and such disallowance will flow to the ratepayers through the true-up mechanism which is an integral part of the procedures in this docket). On the other hand, if the mid-course correction is not implemented as soon as possible and Peoples' costs are found to have been prudently incurred, Peoples would be

entitled to collect interest from its current ratepayers on the amount of the underrecovery, thereby further increasing the cost of gas to the ratepayers.

WHEREFORE, Peoples respectfully requests that the Commission enter its order under the proposed agency action procedure approving an increase in Peoples' maximum PGA factor (or cap) to \$1.16073 per therm for application effective as of the date of the Commission vote through the last billing cycle for December 2001.

Respectfully submitted,

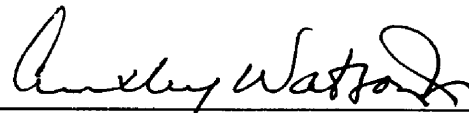


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E-mail: aw@macfar.com  
Attorneys for Peoples Gas System

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition has been furnished by regular U.S. Mail this 6<sup>th</sup> day of January, 2001, to all known (and anticipated) parties of record in Docket No. 010003-GU.



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Ansley Watson, Jr.

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT  
COST RECOVERY CLAUSE CALCULATION

SCHEDULE E-1/R.1  
REVISED-WITHOUT MID-COURSE CORRECTION  
1 of 3

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY 01 through DECEMBER 01

Appendix A

Combined For All Rate Classes

	REVISED PROJECTION												TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
<b>COST OF GAS PURCHASED</b>													
1 COMMODITY Pipeline	\$182,073	\$169,738	\$151,545	\$130,444	\$116,893	\$108,714	\$108,701	\$103,514	\$101,981	\$104,788	\$108,468	\$123,022	\$1,507,880
2 NO NOTICE SERVICE	\$60,787	\$51,461	\$42,087	\$23,895	\$39,324	\$38,055	\$39,324	\$39,324	\$38,055	\$21,948	\$41,595	\$81,383	\$497,217
3 SWING SERVICE	\$13,888,011	\$7,883,379	\$4,645,291	\$1,090,200	\$1,031,640	\$1,579,911	\$1,017,253	\$1,033,458	\$2,047,816	\$3,103,573	\$2,078,721	\$3,204,642	\$42,403,895
4 COMMODITY Other	\$19,078,734	\$18,940,045	\$13,689,038	\$9,131,700	\$8,480,890	\$4,975,138	\$5,002,591	\$4,478,670	\$3,470,757	\$2,498,949	\$4,615,557	\$5,305,552	\$95,643,821
5 DEMAND	\$3,089,968	\$2,712,978	\$2,978,218	\$2,506,841	\$1,819,726	\$1,569,178	\$1,630,978	\$1,634,555	\$1,587,316	\$1,772,289	\$2,759,805	\$2,783,187	\$28,824,817
6 OTHER	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,200,000
LESS END-USE CONTRACT:													
7 COMMODITY Pipeline	\$72,322	\$65,324	\$72,322	\$69,989	\$72,322	\$69,989	\$72,322	\$72,322	\$69,989	\$72,322	\$69,989	\$72,322	\$851,539
8 DEMAND	\$565,942	\$511,174	\$565,942	\$547,688	\$565,942	\$547,688	\$565,942	\$565,942	\$547,688	\$565,942	\$547,688	\$565,942	\$6,863,514
9 OTHER	\$142,935	\$128,902	\$160,710	\$233,222	\$221,944	\$208,808	\$204,584	\$212,279	\$216,554	\$229,050	\$257,509	\$283,840	\$2,496,135
10													
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$35,618,372	\$28,954,203	\$20,807,184	\$12,131,982	\$8,508,064	\$7,546,513	\$7,053,999	\$6,536,977	\$6,491,676	\$6,734,210	\$8,828,961	\$10,855,882	\$157,868,023
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 COMPANY USE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 TOTAL THERM SALES	\$18,081,655	\$16,727,005	\$13,201,534	\$9,807,598	\$7,791,148	\$8,814,879	\$8,287,835	\$5,708,019	\$5,850,647	\$5,917,775	\$7,210,574	\$8,719,961	\$112,116,530
<b>THERMS PURCHASED</b>													
15 COMMODITY Pipeline	41,055,270	37,841,409	34,528,420	28,879,685	26,579,804	24,766,792	24,474,448	23,723,207	23,276,816	23,882,153	24,948,777	27,882,545	341,937,328
16 NO NOTICE SERVICE	10,302,850	8,722,280	7,130,000	4,050,000	6,685,000	6,450,000	6,685,000	6,665,000	6,450,000	3,720,000	7,050,000	10,403,910	84,274,040
17 SWING SERVICE	8,780,000	7,485,290	4,853,880	1,495,290	1,549,960	2,399,760	1,549,990	1,580,900	3,150,000	4,773,990	3,150,000	4,773,990	45,503,020
18 COMMODITY Other	17,069,490	16,623,802	14,446,760	12,649,799	9,804,064	7,832,406	7,698,678	6,916,527	5,392,190	3,882,383	7,084,151	7,982,775	117,163,025
19 DEMAND	75,002,264	67,194,785	73,440,078	61,616,035	38,152,047	34,749,272	36,354,112	36,418,356	34,715,840	40,525,026	66,105,527	67,352,875	629,626,216
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT:													
21 COMMODITY Pipeline	15,225,780	13,752,317	15,225,780	14,734,826	15,225,780	14,734,826	15,225,780	15,225,780	14,734,826	15,225,780	14,734,826	15,225,780	179,271,281
22 DEMAND	15,225,780	13,752,317	15,225,780	14,734,826	15,225,780	14,734,826	15,225,780	15,225,780	14,734,826	15,225,780	14,734,826	15,225,780	179,271,281
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18)	25,829,490	24,089,092	19,300,840	14,145,059	11,354,024	10,032,168	9,248,668	8,497,427	8,542,190	8,856,373	10,214,151	12,758,765	162,866,045
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
27 TOTAL THERM SALES (24-26)	25,829,490	24,089,092	19,300,840	14,145,059	11,354,024	10,032,168	9,248,668	8,497,427	8,542,190	8,856,373	10,214,151	12,758,765	162,866,045
<b>CENTS PER THERM</b>													
28 COMMODITY Pipeline (1/15)	0.00443	0.00449	0.00439	0.00452	0.00439	0.00439	0.00436	0.00436	0.00438	0.00439	0.00435	0.00440	0.00441
29 NO NOTICE SERVICE (2/16)	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590
30 SWING SERVICE (3/17)	1.8539	1.02921	0.95703	0.72910	0.66559	0.85838	0.65371	0.65010	0.65010	0.65010	0.65991	0.67127	0.93189
31 COMMODITY Other (4/18)	1.11759	1.01902	0.94755	0.72189	0.65900	0.65184	0.64980	0.64724	0.64368	0.64368	0.65338	0.66463	0.81633
32 DEMAND (5/19)	0.04120	0.04037	0.04055	0.04068	0.04480	0.04516	0.04488	0.04488	0.04515	0.04373	0.04175	0.04132	0.04229
33 OTHER (6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LESS END-USE CONTRACT:													
34 COMMODITY Pipeline (7/21)	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475
35 DEMAND (8/22)	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717
36 OTHER (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37 TOTAL COST OF PURCHASES (11/24)	1.37890	1.11894	1.07806	0.85768	0.74934	0.75223	0.78270	0.78929	0.75995	0.77795	0.86439	0.83531	0.97049
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39 COMPANY USE (13/28)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40 TOTAL COST OF THERMS SOLD (11/27)	1.37890	1.11894	1.07806	0.85768	0.74934	0.75223	0.78270	0.78929	0.75995	0.77795	0.86439	0.83531	0.97049
41 TRUE-UP (E-4)	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635
42 TOTAL COST OF GAS (40+41)	1.40525	1.14529	1.10441	0.88403	0.77569	0.77858	0.78905	0.79564	0.78630	0.80430	0.89074	0.86166	0.99684
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.41232	1.15105	1.10996	0.88848	0.77960	0.78250	0.79302	0.79964	0.79026	0.80834	0.89522	0.86600	1.00188
45 PGA FACTOR ROUNDED TO NEAREST .001	141.232	115.105	110.996	88.848	77.960	78.250	79.302	79.964	79.026	80.834	89.522	86.600	100.188







COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT  
COST RECOVERY CLAUSE CALCULATION

SCHEDULE E-1/R.1  
REVISED-WITH MID-COURSE CORRECTION  
1 of 3

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY 01 through DECEMBER 01

Appendix B

Combined For All Rate Classes

	REVISED PROJECTION												TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
<b>COST OF GAS PURCHASED</b>													
1 COMMODITY Pipeline	\$182,073	\$189,738	\$151,545	\$130,444	\$116,893	\$108,714	\$106,701	\$103,514	\$101,961	\$104,786	\$108,468	\$123,022	\$1,507,680
2 NO NOTICE SERVICE	\$80,787	\$51,481	\$42,067	\$23,895	\$39,324	\$38,055	\$39,324	\$39,324	\$38,055	\$21,948	\$41,595	\$61,383	\$497,217
3 SWING SERVICE	\$13,888,011	\$7,883,379	\$4,645,291	\$1,090,200	\$1,031,640	\$1,579,911	\$1,017,253	\$1,033,458	\$2,047,818	\$3,103,573	\$2,078,721	\$3,204,842	\$42,403,895
4 COMMODITY Other	\$19,076,734	\$16,940,045	\$13,689,038	\$9,131,700	\$8,460,890	\$4,975,136	\$5,002,501	\$4,476,670	\$3,470,757	\$2,498,949	\$4,615,557	\$5,305,552	\$95,643,621
5 DEMAND	\$3,089,966	\$2,712,978	\$2,978,218	\$2,506,641	\$1,619,726	\$1,569,178	\$1,830,978	\$1,834,555	\$1,567,318	\$1,772,269	\$2,759,805	\$2,783,187	\$26,624,817
6 OTHER	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,200,000
LESS END-USE CONTRACT:													
7 COMMODITY Pipeline	\$72,322	\$65,324	\$72,322	\$69,989	\$72,322	\$69,989	\$72,322	\$72,322	\$69,989	\$72,322	\$69,989	\$72,322	\$851,539
8 DEMAND	\$565,942	\$511,174	\$565,942	\$547,686	\$565,942	\$547,686	\$565,942	\$565,942	\$547,686	\$565,942	\$547,686	\$565,942	\$6,663,514
9 OTHER	\$142,935	\$126,902	\$160,710	\$233,222	\$221,944	\$206,806	\$204,584	\$212,279	\$216,554	\$229,050	\$257,509	\$283,640	\$2,496,135
10													
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$35,616,372	\$26,954,203	\$20,807,184	\$12,131,982	\$8,508,064	\$7,548,513	\$7,053,999	\$6,538,977	\$6,491,676	\$6,734,210	\$6,828,961	\$10,855,882	\$157,666,023
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 COMPANY USE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 TOTAL THERM SALES	\$18,081,655	\$27,543,489	\$21,867,907	\$16,159,013	\$12,889,330	\$11,319,622	\$10,440,472	\$9,521,534	\$9,686,262	\$9,804,715	\$11,796,933	\$14,448,003	\$173,558,935
<b>THERMS PURCHASED</b>													
15 COMMODITY Pipeline	41,055,270	37,841,409	34,526,420	28,879,685	26,579,804	24,766,792	24,474,448	23,723,207	23,278,818	23,882,153	24,948,777	27,982,545	341,937,326
16 NO NOTICE SERVICE	10,302,850	8,722,280	7,130,000	4,050,000	6,665,000	6,450,000	6,665,000	6,665,000	6,450,000	3,720,000	7,050,000	10,403,910	84,274,040
17 SWING SERVICE	8,760,000	7,465,290	4,853,880	1,495,260	1,549,960	2,399,760	1,549,990	1,580,900	3,150,000	4,773,890	3,150,000	4,773,890	45,503,020
18 COMMODITY Other	17,069,490	16,623,802	14,446,780	12,649,789	9,804,064	7,832,406	7,699,678	6,918,527	5,392,190	3,882,383	7,084,151	7,982,775	117,163,205
19 DEMAND	75,002,284	67,194,785	73,440,076	61,616,035	36,152,047	34,749,272	36,354,112	36,418,358	34,715,840	40,525,026	66,105,527	67,352,875	629,626,215
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT:													
21 COMMODITY Pipeline	15,225,780	13,752,317	15,225,780	14,734,626	15,225,780	14,734,626	15,225,780	15,225,780	14,734,626	15,225,780	14,734,626	15,225,780	179,271,281
22 DEMAND	15,225,780	13,752,317	15,225,780	14,734,626	15,225,780	14,734,626	15,225,780	15,225,780	14,734,626	15,225,780	14,734,626	15,225,780	179,271,281
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18)	25,829,490	24,089,092	19,300,640	14,145,059	11,354,024	10,032,166	9,248,668	8,497,427	8,542,190	8,658,373	10,214,151	12,756,765	182,666,045
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
27 TOTAL THERM SALES (24-26)	25,829,490	24,089,092	19,300,640	14,145,059	11,354,024	10,032,166	9,248,668	8,497,427	8,542,190	8,658,373	10,214,151	12,756,765	182,666,045
<b>CENTS PER THERM</b>													
28 COMMODITY Pipeline (1/15)	0.00443	0.00449	0.00439	0.00452	0.00439	0.00439	0.00436	0.00436	0.00438	0.00439	0.00435	0.00440	0.00441
29 NO NOTICE SERVICE (2/16)	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590
30 SWING SERVICE (3/17)	1.58539	1.02921	0.95703	0.72910	0.66559	0.65836	0.65830	0.65371	0.65010	0.65010	0.65991	0.67127	0.93189
31 COMMODITY Other (4/18)	1.11759	1.01902	0.94755	0.72189	0.65900	0.65184	0.64980	0.64724	0.64366	0.64366	0.65338	0.66663	0.81633
32 DEMAND (5/19)	0.04120	0.04037	0.04055	0.04068	0.04480	0.04516	0.04488	0.04488	0.04515	0.04373	0.04175	0.04132	0.04229
33 OTHER (6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LESS END-USE CONTRACT:													
34 COMMODITY Pipeline (7/21)	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475	0.00475
35 DEMAND (8/22)	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717
36 OTHER (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37 TOTAL COST OF PURCHASES (11/24)	1.37890	1.11894	1.07806	0.85768	0.74934	0.75223	0.76270	0.76929	0.75995	0.77795	0.86439	0.83531	0.97049
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39 COMPANY USE (13/28)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40 TOTAL COST OF THERMS SOLD (11/27)	1.37890	1.11894	1.07806	0.85768	0.74934	0.75223	0.76270	0.76929	0.75995	0.77795	0.86439	0.83531	0.97049
41 TRUE-UP (E-4)	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635
42 TOTAL COST OF GAS (40+41)	1.40525	1.14529	1.10441	0.88403	0.77569	0.77858	0.78905	0.79564	0.78630	0.80430	0.89074	0.86166	0.99684
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.41232	1.15105	1.10996	0.88848	0.77960	0.78250	0.79302	0.79984	0.79984	0.80834	0.89522	0.86600	1.00186
45 PGA FACTOR ROUNDED TO NEAREST .001	141.232	115.105	110.996	88.848	77.960	78.250	79.302	79.984	79.026	80.834	89.522	86.600	100.186





**COMPANY: PEOPLES GAS SYSTEM**

**Appendix C**

**PURCHASED GAS ADJUSTMENT FACTOR (Or Cap)(Dollars Per Therm\*)  
FOR THE PERIOD JANUARY 2001 THROUGH DECEMBER 2001**

**WITHOUT MID-COURSE CORRECTION**

**PGA FACTOR(OR CAP):**

Jan 1 '01 through Dec 31, '01 0.71171

	Jan'01 Revised Projection	Feb'01 Revised Projection	Mar'01 Revised Projection	Apr'01 Revised Projection	May'01 Revised Projection	Jun'01 Revised Projection	Jul'01 Revised Projection	Aug'01 Revised Projection	Sep'01 Revised Projection	Oct'01 Revised Projection	Nov'01 Revised Projection	Dec'01 Revised Projection
Residential Customers	0.71171	0.71171	0.71171	0.71171	0.71171	0.71171	0.71171	0.71171	0.71171	0.71171	0.71171	0.65619
Commercial Customers	0.69273	0.68451	0.66886	0.68265	0.67366	0.66413	0.66421	0.65269	0.67094	0.66790	0.70178	0.71171

**WITH MID-COURSE CORRECTION**

**PGA FACTOR(OR CAP):**

Date of Commission Vote Through Dec 31, '01 1.16073

	Jan'01 Revised Projection	Feb'01 Revised Projection	Mar'01 Revised Projection	Apr'01 Revised Projection	May'01 Revised Projection	Jun'01 Revised Projection	Jul'01 Revised Projection	Aug'01 Revised Projection	Sep'01 Revised Projection	Oct'01 Revised Projection	Nov'01 Revised Projection	Dec'01 Revised Projection
Residential Customers	0.71171	1.16073	1.16073	1.16073	1.16073	1.16073	1.16073	1.16073	1.16073	1.16073	1.16073	1.10521
Commercial Customers	0.69273	1.13353	1.11788	1.13167	1.12268	1.11315	1.11323	1.10171	1.11996	1.11693	1.15080	1.16073

**INCREASE IN PGA FACTOR(OR CAP)**

Date of Commission Vote Through Dec 31, '01 0.44902

\*Includes Revenue Tax Factor