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IN REPLY REFER TO:

November 25, 2002

Ansley Watson, Jr.  
P.O. Box 1531  
Tampa, Florida 33601  
e-mail: [aw@macfar.com](mailto:aw@macfar.com)

VIA FEDERAL EXPRESS

Blanca S. Bayo, Director  
Division of Commission Clerk & Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

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Re: Docket No. 020384-GU -- Petition for rate increase by PEOPLES GAS SYSTEM

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Peoples Gas System, please find the original and 20 copies of Exhibit BNN-2R, together with a certificate of service with respect thereto. This revised exhibit supersedes and replaces Exhibit BNN-2 which was attached to the Rebuttal Testimony of Bruce Narzissenfeld filed in the above docket on November 12, 2002.

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

Thank you for your assistance.

Sincerely,

  
ANSLEY WATSON, JR.

AWjr/a  
Enclosures

- AUS 2
- CAF 1
- CMP 1
- COM 4 original
- CTR 1
- ECR 1 / stemkewicz
- GCL 1
- OPC 1
- MMS 1
- SEC 1
- OTH 1

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Blanca S. Bayo, Director  
November 25, 2002  
Page 2

cc: Parties of Record  
Ms. Angela Llewellyn  
Matthew R. Costa, Esquire

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for rate increase by :  
Peoples Gas System :

Docket No. 020384-GU

Submitted for Filing:  
11-26-02

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Exhibit BNN-2R (Narzissenfeld) has been furnished to the following by Federal Express\*\* or hand delivery\*, this 25th day of November, 2002:

John W. McWhirter, Jr., Esquire\*  
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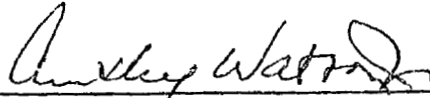
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Attorneys for Peoples Gas System

PEOPLES GAS SYSTEM  
 Projected Test Year Ended December 31, 2003

Exhibit No. \_\_\_\_\_  
 Docket No. 020384-GU  
 Peoples Gas System  
 (BNN-2R)  
 Page 1 of 2

Additional Accumulated Deferred Income Taxes - Revised Depreciation Projections

Line No.	Description	Amount	Reference
1.	Revised 2002 Tax Depreciation	45,612,000	
2.	2002 Book Depreciation	30,193,000	Exhibit__(JPH-2)
3.	Projected 2002 Depreciation M-1	15,419,000	Line 1 Less Line 2
4.	2002 Depreciation M-1 Reported on MFRs	7,496,000	MFR Schedule G-2, p. 249
5.	Additional M-1	7,923,000	Line 3 Less Line 4
6.	Tax Rate	38.575%	
7.	Addition to Deferred Income Tax Balance - 2002	3,056,297	Line 5 x Line 6
8.	Revised 2003 Tax Depreciation	47,390,000	
9.	2003 Book Depreciation	32,409,000	Exhibit__(JPH-2)
10.	Projected 2003 Depreciation M-1	14,981,000	Line 8 Less Line 9
11.	2003 Depreciation M-1 Reported on MFRs	6,380,000	MFR Schedule G-2, p. 252
12.	Additional M-1	8,601,000	Line 10 Less Line 11
13.	Tax Rate	38.575%	
14.	Addition to Deferred Income Tax Balance - 2003	3,317,836	Line 12 x Line 13
15.	Total Addition to Deferred Income Tax Balance - Year End	6,374,133	Line 7 + Line 14
16.	Total Addition to Deferred Income Tax Balance - 13 Month Average	4,715,215	Exhibit__(BNN-2), page 2

(BNN-2R)

Additional Accumulated Deferred Income Taxes - Revised Depreciation Projections

	BEG	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	13 MONTH	Reference
	BALANCE	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	AVERAGE	
Accumulated Deferred Income Tax - Originally Reported	17,305,014	17,273,350	17,241,687	17,210,023	17,178,360	17,146,696	17,115,032	17,083,369	17,051,705	17,020,041	16,988,378	16,956,714	16,925,050	17,115,032	MFR Schedule G-1, p 189
Increase to Deferred Income Tax - Revised Depreciation	3,056,297	3,332,783	3,609,270	3,885,756	4,162,242	4,438,729	4,715,215	4,991,701	5,268,188	5,544,674	5,821,160	6,097,647	6,374,133	4,715,215	Exhibit (BNN-2), p 1 of 2
Revised Accumulated Deferred Income Tax	20,361,311	20,606,133	20,850,957	21,095,779	21,340,602	21,585,425	21,830,247	22,075,070	22,319,893	22,564,715	22,809,538	23,054,361	23,299,183	21,830,247	