

ORIGINAL



PEOPLES GAS

Matthew R Costa  
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October 14, 2003

via Federal Express

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

Re: Docket No. 030004-GU –  
Natural Gas Conservation Cost Recovery Clause

Dear Ms. Bayo:

Enclosed for filing with the Commission in the above docket on behalf of Peoples Gas System ("Peoples"), please find the original and 15 copies of Peoples Prehearing Statement. Also enclosed is a 3½" diskette containing the document in MS Word form.

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 pre-addressed envelope.

Thank you for your assistance.

RECEIVED & FILED  
*ib*  
FPSC-BUREAU OF RECORDS

Sincerely,

Matthew R. Costa  
Corporate Counsel

AUS \_\_\_  
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OPC \_\_\_  
MMS \_\_\_  
SEC 1  
CTH \_\_\_

MRC/sb  
Enclosures  
cc: Ms. Kandi M. Floyd  
Parties of Record

PEOPLES GAS  
702 NORTH FRANKLIN STREET  
P. O. BOX 2562  
TAMPA, FL 33601 2562  
AN EQUAL OPPORTUNITY COMPANY

DOCUMENT NUMBER DATE

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(813) 275-3900  
FPSC-CORP. RELATIONS CLERK

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OCT 15 AM 10:52  
COMMISSION  
CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Natural Gas Conservation Cost : DOCKET NO. 030004-GU  
Recovery Clause : Submitted for Filing: 10-15-03

**PREHEARING STATEMENT OF PEOPLES GAS SYSTEM**

**A. APPEARANCES**

Matthew R. Costa, Esquire  
Corporate Counsel  
Post Office Box 111, Tampa, Florida 33601  
On behalf of Peoples Gas System

**B. WITNESSES**

| <u>Witness</u>         | <u>Subject Matter</u>   | <u>Issues</u> |
|------------------------|---|---------------|
| (Direct)               |   |               |
| Kandi M Floyd<br>(PGS) | True-up for period<br>January 2002 – December 2002<br>Projected expenses and ECCR factors<br>for period January 2004 through<br>December 2004 | 1-3           |

**C. EXHIBITS**

| <u>Exhibit</u>        | <u>Witness</u> | <u>Description</u>   |
|-----------------------|----------------|--|
| <u>(KMF-1)</u>        | Floyd          | Conservation cost recovery true-up data<br>(January 2002 – December 2002)<br>consisting of schedules CT-1 through CT-6<br>(except PGS West Florida Region)                           |
| <u>(KMF-2)</u>        | Floyd          | Conservation cost recovery true-up data<br>(January 2002 – December 2002)<br>consisting of schedules CT-1 through CT-6<br>(PGS West Florida Region)                                  |
| <u>(KMF-3 and 3R)</u> | Floyd          | Data for development of conservation cost<br>recovery factor (January 1, 2004 –<br>December 31, 2004, consisting of<br>schedules C-1 through C-5 (except PGS<br>West Florida Region) |

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

(KMF-4 and 4R)

Floyd

Data for development of conservation cost recovery factor (January 1, 2004 – December 31, 2004, consisting of schedules C-1 through C-5 (PGS West Florida Region).

D. STATEMENT OF BASIC POSITION

PGS's Statement of Basic Position.

The Commission should approve – for areas other than PGS's West Florida Region – PGS's end-of-period final true-up amount of \$380,930 (underrecovery) for the period January 2002 through December 2002; the estimated true-up amount for the period January 2003 through December 2003; and the projected conservation program expenses for the period January 1, 2004 through December 31, 2004

For areas other than PGS's West Florida Region, the Commission should approve the following ECCR factors for the following rate classes for the period January 1, 2004 through December 31, 2004:

| <u>Rate Class</u>           | <u>ECCR Factor<br/>(per therm)</u> |
|-----------------------------|------------------------------------|
| Residential                 | \$0.06961                          |
| Small General Service       | \$0.06203                          |
| General Service 1           | \$0.02286                          |
| General Service 2           | \$0.01859                          |
| General Service 3           | \$0.01564                          |
| General Service 4           | \$0.01411                          |
| General Service 5           | \$0.00799                          |
| Commercial Street Lighting  | \$0.00998                          |
| Natural Gas Vehicle Service | \$0.01185                          |

(Floyd)

For PGS's West Florida Region, the Commission should approve PGS's end-of-period final true-up amount of \$530,074 (underrecovery) for the period January 2002 through December 2002; the estimated true-up amount for the period January 2003 through December 2003; and the projected conservation program expenses for the period January 1, 2004 through December 31, 2004.

For PGS's West Florida Region, the Commission should approve the following ECCR factors for the following rate classes for the period January 1, 2004 through December 31, 2004.

| <u>Rate Class</u> | <u>ECCR Factor<br/>(per therm)</u> |
|-------------------|------------------------------------|
| Residential       | \$0.14384                          |

|                             |           |
|-----------------------------|-----------|
| Small General Service       | \$0.12685 |
| General Service 1           | \$0.05425 |
| General Service 2           | \$0.04296 |
| General Service 3           | \$0.03596 |
| General Service 4           | \$0.03245 |
| General Service 5           | \$0.01806 |
| Commercial Street Lighting  | \$0.02292 |
| Natural Gas Vehicle Service | \$0.00000 |

(Floyd)

E STATEMENT OF ISSUES AND POSITIONS:

Generic Purchased Gas Adjustment Issues

1. ISSUE 1: What is the final end-of-period true-up amount for the period January 1, 2002 through December 31, 2002?

PGS (except West Florida): \$380,930 underrecovery. (Floyd)

PGS -- West Florida: \$530,074 underrecovery. (Floyd)

2. ISSUE 2 What are the appropriate conservation cost recovery factors for the period January 1, 2004 through December 31, 2004?

PGS (except West Florida): The appropriate conservation cost recovery factors for the period January 1, 2004 through December 31, 2004 are as follows:

| <u>Rate Class</u>           | <u>ECCR Factor<br/>(per therm)</u> |
|-----------------------------|------------------------------------|
| Residential                 | \$0.06961                          |
| Small General Service       | \$0.06203                          |
| General Service 1           | \$0.02286                          |
| General Service 2           | \$0.01859                          |
| General Service 3           | \$0.01564                          |
| General Service 4           | \$0.01411                          |
| General Service 5           | \$0.00799                          |
| Commercial Street Lighting  | \$0.00998                          |
| Natural Gas Vehicle Service | \$0.01185                          |

(Floyd)

PGS -- West Florida: The appropriate conservation cost recovery factors for the period January 1, 2004 through December 31, 2004 are as follows:

| <u>Rate Class</u>           | <u>ECCR Factor<br/>(per therm)</u> |
|-----------------------------|------------------------------------|
| Residential                 | \$0.14384                          |
| Small General Service       | \$0.12685                          |
| General Service 1           | \$0.05425                          |
| General Service 2           | \$0.04296                          |
| General Service 3           | \$0.03596                          |
| General Service 4           | \$0.03245                          |
| General Service 5           | \$0.01806                          |
| Commercial Street Lighting  | \$0.02292                          |
| Natural Gas Vehicle Service | \$0.00000                          |

(Floyd)

3. ISSUE: What should be the effective date of the cost recovery factors for billing purposes?

PGS: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January, 2004 through December 2004. Billing cycles may start before January 1, 2004, and the last cycle may be read after December 31, 2004, so that each customer is billed for 12 months regardless of when the adjustment factor becomes effective.

F. STIPULATED ISSUES:

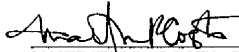
None at this time as to PGS.

G. PENDING MOTIONS AND OTHER MATTERS:

None as to PGS

Dated this the 14th day of October, 2003.

Respectfully submitted



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MATTHEW R. COSTA, ESQUIRE  
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Tampa, Florida 33601  
(813) 228-4938

and

ANSLEY WATSON, JR., ESQUIRE  
Macfarlane Ferguson & McMullen  
Post Office Box 1531  
Tampa, Florida 33601  
(813) 273-4200  
Attorneys for Peoples Gas System

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Prehearing Statement of Peoples Gas System has been furnished this 14<sup>th</sup> day of October, 2003, by regular U.S. Mail, to all known parties of record in Docket No. 030004-GU as follows:

*City Gas Company of Florida*  
Ms. Gloria L. Lopez  
955 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3498

*Messer Law Firm*  
Norman H. Horton, Jr.  
Post Office Box 1876  
Tallahassee, FL 32302-1876

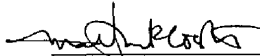
*Florida Division of Chesapeake  
Utilities Corporation*  
Mr. Thomas A. Geoffroy  
Post Office Box 960  
Winter Haven, FL 33882

*Rose Law Firm*  
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West Palm Beach, FL 33402-3395

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Port St. Joe, FL 32457-0549

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Richard Melson/Gary Perko  
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