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February 2, 1996

IN REPLY REFER TO:

Matthew R. Costa
P. O. Box 1531
Tampa, FL 33601

Via Federal Express

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

Re: Docket No. 960003-GU -- Purchased Gas Adjustment
(PGA) Truc-up; Prehearing Statement.

ACK

AFA Dear Ms. Bayo:

APP

CAF Enclosed for filing in the above docket please find the original and 15 copies of
CMU Peoples Gas System, Inc.'s Prehearing Statement. We also enclose a computer diskette
CTR (IBM-DOS 4.0, WP5.1) containing the same.

EAG

LEG 1 Please acknowledge your receipt and filing of the enclosures by stamping the
LIN 3 duplicate copy of this letter which is enclosed and returning the same to the undersigned.

OPC Thank you for your assistance.

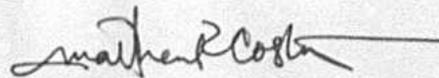
ROH

SEC

WAS

QTH

Sincerely,



MATTHEW R. COSTA

MRC/m
Enclosures

RECEIVED & FILED

FPSC BUREAU OF RECORDS

ADMINISTRATION
MAIL ROOM
FEB 5 10 27 AM '96

DOCUMENT NUMBER-DATE

01265 FEB-5-96

FPSC-RECORDS/REPORTING

Blanca S. Bayo, Director
February 2, 1996
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cc: Mr. Hugh M. Grey, III
Ms. Adriene W. Guidry
Mr. W. Edward Elliott
All Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas :
Adjustment (PGA) True-Up :
_____ :

DOCKET NO. 960003-GU
Filed: 02-02-96

PREHEARING STATEMENT OF PEOPLES GAS SYSTEM, INC.

ORIGINAL
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A. APPEARANCES:

MATTHEW R. COSTA, Esquire,
Macfarlane, Ausley, Ferguson, & McMullen
P. O. Box 1531, Tampa, Florida 33601
On behalf of Peoples Gas System, Inc.

B. WITNESSES:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
1. W. Edward Elliott (Peoples)	Projected gas costs, therm sales and weighted average cost of gas ("WACOG"); final PGA true- up amount for April 1994 - March 1995; estimated PGA true-up amounts for April 1995 - March 1996; total PGA true-up amounts for April 1996 - March 1997; and levelized PGA cost recovery (cap) factor for April 1996 - March 1997.	1 - 5

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>(EE-1)</u>	Elliott	Calculation of final true-up for April 1994 - March 1995 (Schedules A-1 through A-6)
<u>(EE-2)</u>	Elliott	Calculation of estimated true-up for April 1995 - March 1996; total true-up for April 1996 - March 1997; Calculation of PGA factor for April 1996 - March 1997 (Schedules E-1 through E-5)

DOCUMENT NUMBER-DATE

01265 FEB-5 96

FPSC-RECORDS/REPORTING

D. STATEMENT OF BASIC POSITION:

Peoples' Statement of Basic Position:

The Commission should approve Peoples' final PGA true-up amount for the period April, 1994 through March, 1995 of \$4,372,789 (overrecovery), its estimated PGA true-up amount of \$5,890,774 (underrecovery) for the period April, 1995 through March, 1996, and its levelized PGA (cap) factor of \$38.469 per therm for application to customers' bills during the period April 1, 1996 through March 31, 1997.

E. STATEMENT OF ISSUES AND POSITIONS:

Generic Purchased Gas Adjustment Issues

ISSUE 1: What is the appropriate final purchased gas adjustment true-up amount for the period April, 1994 through March, 1995?

POSITION:

Peoples: \$4,372,789 overrecovery. (Elliott)

ISSUE 2: What is the appropriate estimated purchased gas adjustment true-up amount for the period April, 1995 through March, 1996?

POSITION:

Peoples: \$5,890,774 underrecovery. (Elliott)

ISSUE 3: What is the total purchased gas adjustment true-up amount to be collected or refunded during the period April, 1996 through March, 1997?

POSITION:

Peoples: \$1,517,985 underrecovery. (Elliott)

ISSUE 4: What is the appropriate levelized purchased gas cost recovery (cap) factor for the period April, 1996 through March, 1997?

POSITION:

Peoples: 38.469 cents per therm. (Elliott)

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

POSITION:

Peoples: Agree with Staff. (Elliott)

F. STIPULATED ISSUES:

None as to Peoples at this time.

G. MOTIONS:

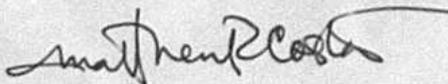
Peoples has no pending motions at this time.

H. OTHER MATTERS:

None as to Peoples at this time.

Dated this 2nd day of February, 1996.

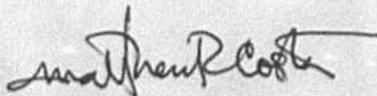
Respectfully submitted,



Ansley Watson, Jr., and
Matthew R. Costa of
Macfarlane, Ausley, Ferguson & McMullen
P. O. Box 1531, Tampa, Florida 33601
(813) 273-4200
Attorneys for Peoples Gas System, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Prehearing Statement of Peoples Gas System, Inc., has been furnished this 2nd day of February, 1996, by regular U.S. Mail, to all known parties of record in Docket No. 960003-GU.



Matthew R. Costa