

ORIGINAL
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost)
Recovery Clause.)
_____)

DOCKET NO. 960002-EG
FILED: February 5, 1996

PEOPLES GAS SYSTEM, INC.'s
PRELIMINARY LIST OF ISSUES AND POSITIONS

Peoples Gas System, Inc., by and through its undersigned attorneys, and pursuant to the Case Assignment and Scheduling Record for this docket, hereby files its Preliminary List of Issues and Positions to be addressed at the hearing scheduled to begin on February 21, 1996 herein. Peoples has followed the numeration used by the Commission Staff in their Preliminary List of Issues and Positions issued on February 2, 1996.

Generic Conservation Cost Recovery Clause Issues

ISSUE 1: What are the appropriate adjusted net true-up amounts for the period October, 1994 through September, 1995?

POSITION: Peoples Gas System, Inc.: \$4,752,586 overrecovery

ISSUE 2: What are the appropriate conservation cost recovery factors for the period April, 1996 through March, 1997?

POSITION: Peoples Gas System, Inc.:

ACK _____
SEA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG 6 _____
LEG 1 _____
LIN 3 _____
OPC _____
RCH _____
SEC 1 _____
WAS _____
OTH _____

<u>Rate Class</u>	<u>ECCR Factor</u>
Residential	\$ 0.03629 per therm
Commercial - Street Lt	\$ 0.00443 per therm
Small Commercial	\$ 0.03347 per therm
Commercial	\$ 0.01293 per therm
Commercial - Lg Vol 1	\$ 0.01046 per therm
Commercial - Lg Vol 2	\$ 0.00762 per therm
NGVS	\$ 0.00000 per therm

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J. D.
FPSC BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

01282 FEB-5 96

FPSC-RECORDS/REPORTING

Company-Specific Issues

ISSUE 10: Is it appropriate for Peoples Gas System, Inc. to recover legal costs incurred in defense of its Commission approved conservation programs when challenged for cost-effectiveness by a competitive utility?

POSITION: Yes. Generically, such costs are directly associated with and attributable to Peoples' implementation and administration of its Commission-approved energy conservation programs. The specific expense item raised in the Staff's audit report on Peoples' energy conservation programs was incurred to defend Peoples' implementation of its approved programs against discriminatory, unapproved, gas-busting incentives offered by a competitor.

ISSUE 11: Is it appropriate for PGS to recover \$41,038 for outside consulting fees related to research conducted to forecast and monitor financial impact of their conservation programs?

POSITION: Yes. As indicated by Staff's issue statement, these costs were incurred for the express purpose of forecasting and monitoring the financial impacts of Peoples' energy conservation programs, and accordingly, recovery of these costs through Peoples' ECCR charge is appropriate. However, to avoid controversy and the uncertainty and expense associated with litigation, Peoples is willing to stipulate to the Staff's recommended treatment of the subject expenses, *i.e.*, that fifty percent would be recovered through ECCR charges and fifty percent would be recorded as a general above-the-line expense.

ISSUE 12: Should PGS be allowed to recover costs incurred in Docket No. 941104-GU, related to the development of a demand-side management cost recovery methodology?

POSITION: Yes. Peoples is entitled to recover the subject expenses (\$7,828) because: (1) they were incurred directly as part of Peoples' energy conservation program activities pursuant to FEECA and Peoples' Commission-approved Energy Conservation Plan; and (2) they meet the statutory criteria of being "reasonable and prudent unreimbursed costs projected to be incurred" in connection with utility conservation programs in accordance with FEECA. These costs were included in the projected costs for outside services filed by the Company for recovery under ECCR in Docket No. 950002-EG, which, in total, were approved for ECCR recovery by the Commission.

Respectfully submitted this 5th day of February, 1996.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by hand delivery (*) or by United States Mail, postage prepaid, on the following individuals this 5th day of February, 1996:

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