

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas : Docket No. 980003-GU
Adjustment (PGA) True-Up :
: Submitted for Filing: 01-12-98

ORIGINAL

PETITION OF PEOPLES GAS SYSTEM FOR APPROVAL
OF PGA FACTOR FOR APPLICATION TO BILLS TO BE RENDERED
DURING THE PERIOD APRIL 1997 THROUGH MARCH 1998

Peoples Gas System ("Peoples"), by its undersigned attorneys, hereby files its petition for approval of its purchased gas adjustment ("PGA") factor to be applied to bills rendered for meter readings taken between April 1, 1998 and March 31, 1999, inclusive, and in support thereof says:

1. The name of the petitioner and the mailing address of its principal office is:

Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

2. The names and mailing address of the persons authorized to receive notices and communications with respect to this petition are:

David M. Nicholson, Esq. and
Ansley Watson, Jr., Esq.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

3. By its Orders Nos. 24463 and 24463-A in this docket, the Commission adopted a revised method for the recovery of purchased gas costs by regulated natural gas utilities, to be used for the recovery of such costs commencing October 1, 1991.

Submitted herewith is Peoples' Composite Exhibit EE-3, consisting of Schedules E-1, E-1/R, E-2, E-3, E-4 and E-5. The schedules in Composite Exhibit EE-3 are used to compute a

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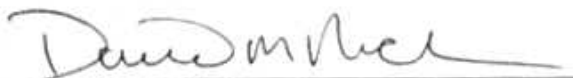
maximum PGA factor for application to bills rendered for gas sold by Peoples during the twelve-month period of April 1, 1998 through March 31, 1999 (the "Projection Period").

4. The maximum PGA factor calculated in Composite Exhibit EE-3 basically represents (A) the sum of the final net true-up amount for the period April 1, 1996 through March 31, 1997, the estimated or projected true-up (based on actual data for eight months and projected data for four months) for the period April 1, 1997 through March 31, 1998, both true-up amounts including interest, and Peoples' projected cost of purchased gas for the April 1998 - March 1999 period, without interest, (B) divided by Peoples' projected therm sales for the Projection Period.

5. The maximum (cap) PGA factor for which Peoples seeks approval for the Projection Period is shown on Line 45, Page 3 of Schedule E-1 of Composite Exhibit EE 3, and is 49.521 cents per therm.

WHEREFORE, Peoples Gas System, respectfully requests that the Commission enter its order approving Peoples' proposed maximum (cap) PGA factor of 49.521 cents per therm for application to bills rendered for meter readings taken from April 1, 1998 through March 31, 1999.

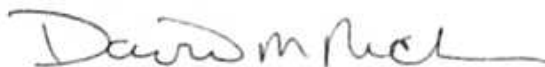
Respectfully submitted,



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Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition and the Direct Testimony of W. Edward Elliott has been furnished by regular U.S. Mail this 12th day of January, 1998, to all known parties of record in Docket No. 980003-GU.

A handwritten signature in cursive script, appearing to read "David M. Nicholson", written over a horizontal line.

David M. Nicholson