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September 2, 1998

IN REPLY REFER TO:

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VIA FEDERAL EXPRESS

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

RECEIVED - FPSC
9 SEP - 4 PM 3:38
RECORDS AND
REPORTING

Re: Docket No. 980002-EG -- Energy 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 the following:

- ◆ Peoples' Petition for Approval of True-Up Amounts for the period October 1997 through April 1998 (attributable to conservation programs of the former Peoples Gas System, Inc., and of the former West Florida Natural Gas Company); *09654-98*
- ◆ Direct Testimony of Vernon I. Krutsinger on behalf of Peoples; *09655-98*
- ◆ Exhibit ___ (VIK-1) (attached to Mr. Krutsinger's Direct Testimony), consisting of Schedules CT-1 through CT-6 for Peoples' divisions other than the West Florida Region; and *09656-98*
- ◆ Exhibit ___ (VIK-2) (also attached to Mr. Krutsinger's Direct Testimony), consisting of Schedules CT-1 through CT-6 for Peoples' West Florida Region. *09657-98*

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The enclosed testimony and exhibits will be offered by Peoples at the hearing in this docket scheduled to commence on February 17, 1999.

A diskette -- containing both the enclosed petition and the Direct Testimony of Mr. Krutsinger -- is also enclosed.

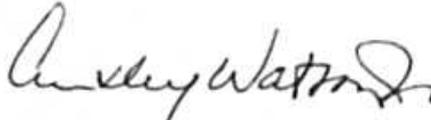
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[Signature]
FPSC BUREAU OF RECORDS

Blanca S. Bayo, Director
September 2, 1998
Page 2

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 preaddressed envelope.

Thank you for your usual assistance.

Sincerely,



ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Mr. Vernon Krutsinger
Mr. J. Brent Caldwell
All Parties of Record

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Energy Conservation :
Cost Recovery Clause :
_____ :

DOCKET NO. 980002-EG

Submitted for Filing:
9-3-98

**PETITION OF PEOPLES GAS SYSTEM
FOR APPROVAL OF TRUE-UP AMOUNTS**

Peoples Gas System ("Peoples") pursuant to the Case Assignment and Scheduling Record for this docket, petitions the Commission to approve its adjusted net energy conservation cost recovery true-up amounts for the period October 1, 1997 through March 31, 1998. In support of its Petition, Peoples states as follows:

1. The name and address of the Petitioner are:

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

2. The person to whom notices, orders, and pleadings in this docket should be addressed is:

Ansley Watson, Jr., Esquire
Macfarlane Ferguson & McMullen
400 North Tampa Street, Suite 2300
P. O. Box 1531
Tampa, Florida 33601-1531

For deliveries by hand or courier service, the ZIP Code for 400 N. Tampa Street is 33602.

Peoples also requests that a courtesy copy of all notices, orders, and pleadings be furnished to:

Vernon I. Krutsinger
Manager, Energy Conservation
Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562.

DOCUMENT FILED DATE

09654 SEP-4 98

REGISTRATION REPORTING

3. Peoples' calculation of the true-ups for which approval is requested is consistent with the Commission's prescribed methodology. These calculations and the supporting documentation are contained in Exhibits ____ (VIK-1), covering Peoples' divisions other than the West Florida Region, and ____ (VIK-2), covering Peoples' West Florida Region (the territory formerly served by West Florida Natural Gas Company). Each exhibit consists of the Energy Conservation Cost Recovery True-Up Reporting Forms, completed as directed by the Commission Staff. A copy of each exhibit is included with the testimony and exhibits of Vernon I. Krutsinger in support of Peoples' petition for approval of the true-ups, which are being filed simultaneously with this Petition.

4. By its Order No. PSC-98-0403-FOF-EG, the Commission approved, as part of Peoples' ECCR factor to be applied to customers' bills in Peoples' divisions other than the West Florida Region during the period April 1998 through March 1999, an estimated true-up of \$341,204 overrecovery for the period October 1997 through March 1998. The actual overrecovery for the October 1997 - March 1998 period for these divisions, including principal and interest, was \$836,117.

5. Subtracting the projected overrecovery from the actual overrecovery produces a final adjusted net true-up, including both principal and interest, of \$494,913 overrecovery for these divisions.

6. By its Order No. PSC-98-0403-FOF-EG, the Commission approved, as part of Peoples' ECCR factor to be applied to customers' bills in Peoples' West Florida Region during the period April 1998 through March 1999, an estimated true-up of \$106,596 overrecovery for the period October 1997 through March 1998. The actual overrecovery for the October 1997 -

March 1998 period for the West Florida Region, including principal and interest, was \$253,399.

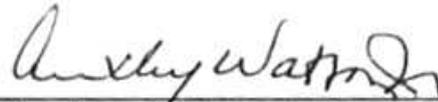
7. Subtracting the projected overrecovery from the actual overrecovery produces a final adjusted net true-up, including both principal and interest, of \$146,803 overrecovery for Peoples' West Florida Region.

WHEREFORE, based on the foregoing, Peoples Gas System respectfully requests that the Commission approve:

A. the overrecovery of \$494,913 as the final true-up amount for the October 1997 through March 1998 period in Peoples' divisions other than the West Florida Region; and

B. the overrecovery of \$146,803 as the final true-up amount for the October 1997 through March 1998 period in Peoples' West Florida Region.

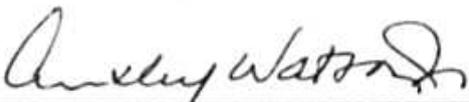
Respectfully submitted,



Ansley Watson, Jr.,
Macfarlane Ferguson & McMullen
P. O. 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 Petition of Peoples Gas System, the Direct Testimony of Vernon I. Krutsinger, and Peoples' Exhibits ____ (VIK-1) and ____ (VIK-2), have been furnished this 2nd day of September, 1998, by regular U.S. Mail, to all known parties of record in this docket.



Ansley Watson, Jr.