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September 10, 1998

VIA FEDERAL EXPRESS

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

Re: Docket No. 980003-GU -- Purchased Gas Adjustment (PGA)
Petition for Approval of Final True-Up Amounts.

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Peoples Gas System ("Peoples"), please find an original and 15 copies of each of the following:

- Peoples' Petition for Approval of its PGA True-Up Amounts for the Period April 1, 1997 through March 31, 1998;
- Direct Testimony of W. Edward Elliott (including diskette containing testimony in WP5.1); and
- Composite Exhibit EE-1 (redacted, subject to confidentiality earlier granted).

ACK Went Please acknowledge your receipt and filing of the enclosures by stamping a
AFA Went duplicate copy of this letter and returning the same to the undersigned in the
APP Went enclosed preaddressed envelope.

CAF _____ Thank you for your assistance.

CMU _____

CTR _____

EAG Atkins

LEG 1 Fog test

LIN 3 DMN

OPC Enclosures

RCH _____

SEC 1 cc:

WAS _____

OTH _____

Ms. Angie Llewellyn
Mr. W. Edward Elliott
All Parties of Record

Petition
DOCUMENT NUMBER-DATE

09964 SEP 11 88

FPSC-RECORDS/REPORTING

Sincerely,

DAVID M. NICHOLSON

Test ? Echo
DOCUMENT NUMBER-DATE

09965 SEP 11 88

FPSC-RECORDS/REPORTING

96
Tampa
11
MAIL ROOM
11
MAY 11 1998

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 980003-GU
Submitted for Filing:
09-11-98

DIRECT TESTIMONY OF W. EDWARD ELLIOTT
On Behalf of Peoples Gas System

DOCUMENT NUMBER-DATE

09965 SEP 11 88

FPSC-RECORDS/REPORTING

1 Q. Please state your name and business address.
2 A. My name is W. Edward Elliott. My business address
3 is 702 N. Franklin Street, Tampa, Florida 33602.
4 Q. By whom are you employed and in what capacity?
5 A. I am Manager of Gas Accounting for Peoples Gas
6 System ("Peoples").
7 Q. Please summarize your educational background and
8 professional qualifications.
9 A. I graduated from the University of South Florida in
10 1972 with the degree of Bachelor of Arts in
11 Accounting. I have over 10 years of experience in
12 the utility field.
13 Q. What are your primary responsibilities in your
14 present position with Peoples?
15 A. As Manager of Gas Accounting, I am responsible for
16 recording the Company's cost of gas.
17 Q. Have you previously prepared testimony in
18 regulatory proceedings?
19 A. I have filed prepared direct testimony in previous
20 Purchased Gas Adjustment proceedings.
21 Q. Have you prepared or caused to be prepared certain
22 schedules for use in this proceeding?
23 A. Yes. As Composite Exhibit EE-1, I sponsored the
24 preparation of the following schedules with respect
25 to the final true-up for the period April 1997

1 through March 1998:

2 A-1 -- Comparison of actual versus original
3 estimate of the purchased gas adjustment cost
4 recovery factor;

5 A-1 Supporting Detail -- Purchased gas
6 adjustment cost recovery clause calculation;

7 A-2 -- Calculation of true-up and interest
8 provision;

9 A-3 -- Transportation purchases - system
10 supply and end use;

11 A-4 -- Transportation system supply;

12 A-5 -- Therm sales and customer data;

13 A-6 -- Conversion factor calculation; and

14 A-7 -- Final fuel over/(under) recovery.

15 The referenced schedules comprising
16 Composite Exhibit EE-1 include data for Peoples Gas
17 System's ("Peoples") entire system, including
18 divisions under the former Peoples Gas System, Inc.
19 ("PGS") and the divisions, Panama City and Ocala,
20 formerly under West Florida Natural Gas Co. ("West
21 Florida Region").

22 Q. What was Peoples' cost of gas to be recovered
23 through the PGA clause for the period April
24 1997 through March 1998?

25 A. As shown on Schedule A-7, p. 16 of 91 in EE-1, the

- 1 cost of gas purchased, adjusted for company use,
2 was \$101,374,695 for PGS, column (A), and
3 \$9,347,792 for the West Florida Region, column (B),
4 for a total of \$110,722,487, for Peoples, column
5 (C).
- 6 Q. What was the amount of gas revenue collected for
7 the period April 1997 through March 1998?
- 8 A. The amount of gas revenue collected to cover the
9 cost of gas was \$104,387,574 for PGS and \$9,574,029
10 for the West Florida Region, for a total of
11 \$113,961,603 for Peoples.
- 12 Q. What was the final true-up amount for the period
13 April 1997 through March 1998?
- 14 A. The final true-up amount for the period, including
15 interest and including adjustments of \$1,737,624
16 for PGS and adjustments of \$13,946 for the West
17 Florida Region, is an overrecovery of \$4,727,810
18 for PGS and an overrecovery of \$205,875 for the
19 West Florida Region, for a total overrecovery of
20 \$4,933,685 for Peoples.
- 21 Q. Is this amount net of the estimated true-up for the
22 period April 1997 through March 1998, which was
23 included in the April 1998 through March 1999
24 PGA factor calculation?
- 25 A. No. The final true-up net of the estimated true-up

1 for the period April 1997 through March 1998 is an
2 overrecovery of \$832,362 for PGS and an
3 overrecovery of \$182,383 for the West Florida
4 Region, for a total overrecovery of \$1,014,745 for
5 Peoples.

6 Q. Is this the final overrecovery amount to be
7 included in the January 1999 through December 1999
8 projection?

9 A. Yes.

10 Q. Does this conclude your testimony?

11 A. Yes.