

ORIGINAL

MACFARLANE FERGUSON & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

900 HIGHPOINT CENTER  
108 EAST COLLEGE AVENUE  
TALLAHASSEE, FLORIDA 32301  
PHONE (904) 738-1121 FAX (904) 681-0281

400 NORTH TAMPA STREET, SUITE 2300  
P.O. BOX 1531 ZIP 33601  
TAMPA, FLORIDA 33602  
PHONE (813) 273-4200 FAX (813) 273-4396

825 COURT STREET  
P.O. BOX 1668 ZIP 33751  
CLEARWATER, FLORIDA 33756  
PHONE (813) 441-8966 FAX (813) 442-8470

October 30, 1998

IN REPLY REFER TO:

David M. Nicholson, Esq.  
P.O. Box 1531  
Tampa, Florida 33601

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

**via FEDERAL EXPRESS**

**Re: Docket No. 980003-GU -- Purchased Gas Adjustment  
(PGA) True-up; Prehearing Statement.**

Dear Ms. Bayo:

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

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

Thank you for your assistance.

Sincerely,

*David M. Nicholson*

DAVID M. NICHOLSON

- ACK
- AFA *Uanderei*
- APP
- CAF
- CMU
- CTR
- EAG**
- LES 1 Enclosures
- LIN 3
- OPS
- RCH
- SEL 1
- NAS
- RTH

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

RECEIVED & FILED

*[Signature]*  
FPSC-BUREAU OF RECORDS

MAIL ROOM  
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## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 980003-GU  
 Filed: 11-02-98

PREHEARING STATEMENT OF PEOPLES GAS SYSTEMA. APPEARANCES:

DAVID M. NICHOLSON, Esquire,  
 Macfarlane Ferguson & McMullen  
 P. O. Box 1531, Tampa, Florida 33601  
On behalf of Peoples Gas System

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 1997-March 1998; estimated PGA true-up amounts for April 1998 - December 1998; total PGA true-up amounts for January 1999 - December 1999; and levelized PGA cost recovery (cap) factor for January 1999 - December 1999.	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 1997 - March 1998 (Schedules A-1 through A-6)
<u>(EE-2)</u>	Elliott	Calculation of estimated true-up for April 1998 - December 1998; total true-up for January 1999 - December 1999; Calculation of PGA factor for January 1999 - December 1999 (Schedules E-1 through E-5)

D. STATEMENT OF BASIC POSITION:

Peoples' Statement of Basic Position:

The Commission should approve Peoples' final PGA true-up amount for the period April, 1997 through March, 1998 of \$1,014,745 (overrecovery), its estimated PGA true-up amount of \$804,877 (underrecovery) for the period April, 1998 through December, 1998, and its levelized PGA (cap) factor of 49.786 cents per therm for application to customers' bills during the period January 1, 1999 through December 31, 1999.

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, 1997 through March, 1998?

POSITION:

Peoples: \$1,014,745 overrecovery. (Elliott)

ISSUE 2: What is the appropriate estimated purchased gas adjustment true-up amount for the period April, 1998 through December, 1998?

POSITION:

Peoples: \$804,877 underrecovery. (Elliott)

ISSUE 3: What is the total purchased gas adjustment true-up amount to be collected or refunded during the period January, 1999 through December, 1999?

POSITION:

Peoples: \$209,981 overrecovery. (Elliott)

ISSUE 4: What is the appropriate levelized purchased gas cost recovery (cap) factor for the period January, 1999 through December, 1999?

POSITION:

Peoples: 49.786 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 November, 1998.

Respectfully submitted,

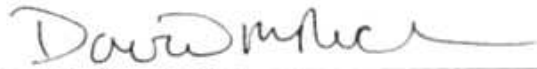


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David M. Nicholson,  
Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P. O. Box 1531, Tampa, Florida 33601  
(813) 273-4200  
Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Prehearing Statement of Peoples Gas System has been furnished this 30th day of October, 1998, by regular U.S. Mail, to all known parties of record in Docket No. 980003-GU.



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David M. Nicholson