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January 13, 1999

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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

Re: Docket No. 990002-EG -- Energy Conservation Cost Recovery Clause

Dear Ms. Bayo:

Enclosed for filing in the above docket please find the original and 15 copies of Peoples Gas System's Preliminary Statement of Issues and Positions.

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.

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AFA	Mandever	Sincerely,
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CMU		ANSLEY WATSON, JR.
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RCH	Ms. Angela Llewellyn All Parties of Record	HOOK JIAM GOTTARTZIKINGA
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Energy Conservation : DOCKET NO. 990002-EG

Cost Recovery Clause : Submitted for Filing: 1-14-99

PEOPLES GAS SYSTEM'S PRELIMINARY STATEMENT OF ISSUES AND POSITIONS

Peoples Gas System ("PGS") hereby submits its preliminary statement of issues and positions to be addressed at the hearing now scheduled to commence on February 10, 1999 in this docket.

ISSUE: What is the adjusted net true-up amount for the period October 1, 1997 through

March 31, 1998?

PGS (except West Florida): \$513,876 overrecovery.

PGS (West Florida): \$149,604 overrecovery.

<u>ISSUE</u>: What are the appropriate conservation cost recovery factors for the period April

through December 1999?

PGS (except West Florida): The appropriate conservation cost recovery factors

for the period April through December 1999 are as

follow:

	ECCR Factor
Rate Class	(cents per therm)
Residential	6.936
Commercial - Small Volume	6.144
Commercial	2.287
Commercial - Large Volume 1	1.843
Commercial - Large Volume 2	1.339
Commercial Street Lighting	0.778
Natural Gas Vehicle Service	0.604

DOCUMENT NUMBER-DATE

00512 JAN 148

<u>PGS - West Florida</u>: The appropriate conservation cost recovery factors for the period April through December 1999 are as follow:

	ECCR Factor
Rate Class	(cents per therm)
Residential	4.927
Commercial	1.382
Commercial Large Volume	1.041
Commercial Large Volume - Transp.	1.041
Industrial	1.010
Firm Transportation	0.372
Special Contract	0.235

Dated this 13th day of January, 1999.

Respectfully submitted,

Ansley Watson, Jr.

James M. Robinson IV

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 Preliminary Statement of Issues and Positions has been furnished this 13th day of January, 1999, by regular U.S. Mail, to all known parties of record in Docket No. 990002-EG.

Ansley Watson, Jr.