

MACFARLANE FERGUSON & McMULLIN ORIGINAL

ATTORNEYS AND COUNSELORS AT LAW

900 HIGHPOINT CENTER
106 EAST COLLEGE AVENUE
TALLAHASSEE, FLORIDA 32301
(850) 681-7381 FAX (850) 681-0281

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

625 COURT STREET
P. O. BOX 1669 (ZIP 33757)
CLEARWATER, FLORIDA 33756
(813) 441-8966 FAX (813) 442-8470

January 20, 1999

IN REPLY REFER TO:

Ansley Watson, Jr.
P. O. Box 1531
Tampa, Florida 33601
e-mail: aw@macfar.com

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 Prehearing Statement. A diskette containing the enclosed document is also enclosed.

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.
ANSLEY WATSON, JR.

- ACK _____
- AFA Handover
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG 1 AWjr/a
- LEG 1 Enclosures
- LIN 3 cc: Mr. Vernon I. Krutsinger
- OPC _____ Mrs. Kandi Floyd
- RCH _____ Ms. Angela Llewellyn
- SEC 1 All Parties of Record
- WAS _____
- OTH _____

RECEIVED & FILED
[Signature]
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
~~99017~~ JAN 21 99
FPSC-RECORDS/REPORTING

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JAN 21 10 41 AM '99
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost :
Recovery Clause :
_____ :

DOCKET NO. 990002-EG
Filed: 1-21-99

PREHEARING STATEMENT OF PEOPLES GAS SYSTEM

A. APPEARANCES:

ANSLEY WATSON, JR., Esquire, and
JAMES M. ROBINSON IV, 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>
(Direct)		
V.I. Krutsinger (PGS)	Generic Conservation Cost Recovery Issues	1, 2

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u> </u> (VIK-1)	Krutsinger	Conservation cost recovery true-up data (October 1997 - March 1998) consisting of schedules CT-1 through CT-6 (except PGS West Florida Region).

DOCUMENT NUMBER-DATE

00817 JAN 21 99

FPSC-REGISTRATION/REPORTING

<u>(VIK-2)</u>	Krutsinger	Conservation cost recovery true-up data (October 1997 - March 1998) consisting of schedules CT-1 through CT-6 (PGS West Florida Region).
<u>(VIK-3)</u>	Krutsinger	Data for development of conservation cost recovery factor (April - December 1999), consisting of schedules C-1 through C-5 (except PGS West Florida Region).
<u>(WBG-4)</u>	Krutsinger	Data for development of conservation cost recovery factor (April - December 1999), consisting of schedules C-1 through C-5 (PGS West Florida Region).

D. STATEMENT OF BASIC POSITION:

PGS's Statement of Basic Position:

The Commission should approve -- for areas other than PGS's West Florida Region -- PGS's final adjusted net true-up amount of \$513,876 (overrecovery) for the period October 1997 through March 1998; the estimated true-up amount for the 12 months ending March 31, 1999; and the projected conservation program expenses for the period April 1 through December 31, 1999.

For areas other than PGS's West Florida Region, the Commission should approve the following ECCR factors for the following rate classes for application to bills rendered for meter readings taken between April 1 and December 31, 1999:

<u>Rate Class</u>	<u>ECCR Factor</u> <u>(cents per therm)</u>
Residential	6.823
Commercial - Small Volume	6.043
Commercial	2.250
Commercial - Large Volume 1	1.813

Commercial - Large Volume 2	1.317
Commercial Street Lighting	0.766
Natural Gas Vehicle Service	0.594

For PGS's West Florida Region, the Commission should approve PGS's final adjusted net true-up amount of \$149,604 (overrecovery) for the period October 1997 through March 1998; the estimated true-up amount for the 12 months ending March 31, 1999; and the projected conservation program expenses for the period April 1 through December 31, 1999.

For PGS's West Florida Region, the Commission should approve the following ECCR factors for the following rate classes for application to bills rendered for meter readings taken between April 1 and December 31, 1999:

<u>Rate Class</u>	<u>ECCR Factor</u> <u>(cents per therm)</u>
Residential	4.687
Commercial	1.315
Commercial Large Volume	0.990
Commercial Large Volume Transportation	0.990
Industrial	0.961
Firm Transportation	0.354
Special Contract	0.224

E. STATEMENT OF ISSUES AND POSITIONS:

Generic Conservation Cost Recovery Issues For Natural Gas Utilities

- ISSUE: What is the final end-of-the-period true-up amount for the period October 1, 1997 through March 31, 1998?

PGS: \$513,876 (overrecovery). (Krutsinger)

PGS - West Florida: \$149,604 (overrecovery). (Krutsinger)
- ISSUE: What are the appropriate conservation cost recovery factors for the period April 1999 through December 1999?

PGS: The appropriate conservation cost recovery factors for the period April through December 1999 are as follow:

<u>Rate Class</u>	<u>ECCR Factor</u> <u>(cents per therm)</u>
Residential	6.823
Commercial - Small Volume	6.043
Commercial	2.250
Commercial - Large Volume 1	1.813
Commercial - Large Volume 2	1.317
Commercial Street Lighting	0.766
Natural Gas Vehicle Service	0.594

(Krutsinger)

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

<u>Rate Class</u>	<u>ECCR Factor</u> <u>(cents per therm)</u>
Residential	4.687
Commercial	1.315
Commercial Large Volume	0.990
Commercial Large Volume Transportation	0.990
Industrial	0.961
Firm Transportation	0.354
Special Contract	0.224

(Krutsinger)

F. STIPULATED ISSUES:

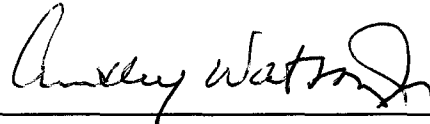
None as to PGS.

G. PENDING MOTIONS AND OTHER MATTERS:

None as to PGS.

Dated this 20th day of January, 1999.

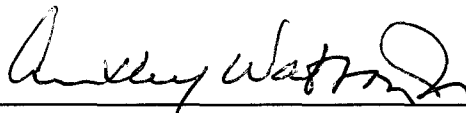
Respectfully submitted,



Ansley Watson, Jr.
James M. (Buddy) 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 Prehearing Statement of Peoples Gas System has been furnished this 20th day of January, 1999, by regular U.S. Mail, to all known parties of record in Docket No. 990002-EG.



Ansley Watson, Jr.