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September 24, 1999

IN REPLY REFER TO:

Ansley Watson, Jr.
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ORIGINAL

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 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' Amended Petition for Approval of True-Up Amounts (for the period April 1998 - March 1999) and Conservation Cost Recovery Factors (to be applied during the period January - December 2000);
- ◆ Prepared Direct Testimony of Bruce N. Narzissenfeld on behalf of Peoples;
- ◆ Prepared Direct Testimony of J. Brent Caldwell on behalf of Peoples;
- ◆ Exhibit ____ (JBC-1), consisting of Schedules C-1 through C-5 for Peoples' divisions other than the West Florida Region; and
- ◆ Exhibit ____ (JBC-2), consisting of Schedules C-1 through C-5 for Peoples' West Florida Region.

AFA Vandiver
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
JEG 1
MAS 3 + org
JPC _____
PAI _____
SEC 1
NAW _____
DTH _____

The enclosed testimony and exhibits will be offered by Peoples at the hearing in this docket scheduled to commence on November 22, 1999.

Amended Petition
DOCUMENT NUMBER-DATE
11611 SEP 27 89
FPSC-RECORDS/REPORTING

Caldwell
DOCUMENT NUMBER-DATE
11612 SEP 27 89
FPSC-RECORDS/REPORTING

Narzissenfeld
DOCUMENT NUMBER-DATE
11613 SEP 27 89
FPSC-RECORDS/REPORTING

COMMISSION PUBLIC SERVICE

1999 SEP 27 AM 10:08

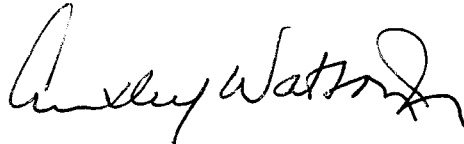
Blanca S. Bayo, Director
September 24, 1999
Page 2

A diskette -- containing both the enclosed amended petition and the testimonies of Messrs. Narzissenfeld and Caldwell -- 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,

A handwritten signature in cursive script, appearing to read "Ansley Watson, Jr.", written in black ink.

ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Vernon I. Krutsinger
J. Brent Caldwell
Kandi Floyd
Angela Llewellyn
All Parties of Record

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 990002-EG

Submitted for Filing:
9-27-99

**AMENDED PETITION OF PEOPLES GAS SYSTEM
FOR APPROVAL OF TRUE-UP AMOUNTS
AND CONSERVATION COST RECOVERY FACTORS**

Peoples Gas System ("Peoples"), by its undersigned attorneys and pursuant to Rule 25-17.015, Florida Administrative Code, submits this amended petition for approval of (A) its end-of-period final net energy conservation cost recovery true-up amounts for the period April 1, 1998 through March 31, 1999, and (B) its conservation cost recovery factors to be applied to bills rendered for meter readings taken between January 1 and December 31, 2000, inclusive, and to continue in effect thereafter until modified by the Commission, and in support thereof says:

- 1. The name and address of the Petitioner are:

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

- 2. The persons to whom notices, orders, and pleadings in this docket should be addressed are:

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

Angela Llewellyn
Peoples Gas System
702 North Franklin Street
P. O. Box 2562
Tampa, Florida 33601-2562

For deliveries by hand or courier service, the ZIP Code for both 400 North Tampa Street and 702 North Franklin Street is 33602.

DOCUMENT NUMBER-DATE

11611 SEP 27 99

FPSC-RECORDS/REPORTING

3. This amended petition supersedes and replaces Peoples' petition served on May 13, 1999, and filed in this docket on May 14, 1999.

4. 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 ____ (BNN-1), covering Peoples' divisions other than the West Florida Region, and ____ (BNN-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. These exhibits were filed simultaneously with Peoples' petition filed in this docket on May 14, 1999.

5. For the period April 1998 through March 1999, Peoples has calculated its end-of-period final net true-up amount for its divisions other than the West Florida Region to be an overrecovery, including principal and interest, of \$405,192. For the same period, the final net true-up amount for the West Florida Region, including principal and interest, is an overrecovery of \$62,169.

6. The conservation cost recovery factors for which approval is sought were calculated in accordance with the methodology which has been previously approved by the Commission in this docket. The factors are designed to recover the projected conservation program expenses of Peoples for the period January 1 through December 31, 2000, adjusted for the estimated true-up for the period September through December 1999, as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation are contained in Exhibits ____ (JBC-1), covering Peoples' divisions other than the West Florida Region, and ____ (JBC-2), covering Peoples' West Florida Region, and in the prepared

testimony of PGS witness J. Brent Caldwell, which prepared testimony is filed herewith.

7. For Peoples' divisions other than the West Florida Region, Peoples projects total conservation program expenses, net of all program revenues, of \$10,426,620 for the period January 1 through December 31, 2000. The net true-up for these divisions is an overrecovery of \$258,644. After decreasing the projected conservation expenses by the amount of this overrecovery, \$10,167,976 remains to be recovered during the January - December 2000 period. When this expense is allocated to the affected rate classes pursuant to the methodology approved by the Commission, and expanded for taxes, the recovery factors for the period January - December 2000 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (cents per therm)</u>
Residential	8.133
Small Commercial	6.840
Commercial	2.847
Commercial Large Vol. 1	2.309
Commercial Large Vol. 2	1.679
Street Lighting	0.970
NGVSS	0.762

8. For Peoples' West Florida Region, Peoples projects total conservation program expenses, net of all program revenues, of \$1,564,992 for the period January 1 through December 31, 2000. The net true-up for the West Florida Region is an underrecovery of \$277,025. After increasing the projected conservation expenses by the amount of this underrecovery, \$1,842,017 remains to be recovered during the January - December 2000 period. When this expense is allocated to the affected rate classes pursuant to the methodology approved by the Commission, and expanded for taxes, the recovery factors for the period January - December 2000 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (cents per therm)</u>
Residential	9.442
Commercial	3.269
Commercial Large Vol. 1	2.428
Industrial	2.402
Firm Transportation	0.843
Special Contract	0.741

WHEREFORE, based on the foregoing, Peoples Gas System respectfully requests that the Commission grant this amended petition and approve:

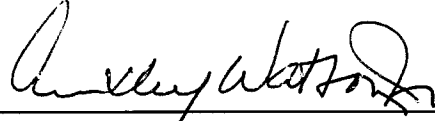
A. the overrecovery of \$405,192 as the final net true-up amount for the April 1998 through March 1999 period in Peoples' divisions other than the West Florida Region;

B. the overrecovery of \$62,169 as the final true-up amount for the April 1998 through March 1999 period in Peoples' West Florida Region;

C. the conservation adjustment factors set forth in paragraph 7 of this amended petition to be applied to bills rendered for meter readings taken between January 1 and December 31, 2000, inclusive, in Peoples' divisions other than the West Florida Region; and

D. the conservation adjustment factors set forth in paragraph 8 of this amended petition to be applied to bills rendered for meter readings taken between January 1 and December 31, 2000, inclusive, in Peoples' West Florida Region.

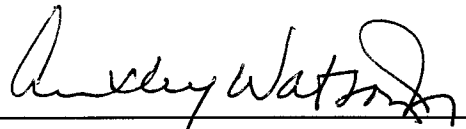
Respectfully submitted,



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 Amended Petition of Peoples Gas System, the Prepared Direct Testimonies of Bruce N. Narzissenfeld and J. Brent Caldwell, and Peoples' Exhibits ____ (JBC-1) and ____ (JBC-2), have been furnished this 24th day of September, 1999, by regular U.S. Mail, to all known parties of record in this docket.



Ansley Watson, Jr.