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October 15, 1999

IN REPLY REFER TO:

Ansley Watson, Jr.
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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 with the Commission in the above docket please find the original and 15* copies of Peoples Gas System's Preliminary Statement of Issues and Positions for the hearing scheduled to commence in the above docket on November 22, 1999.

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.

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FPC
OCT 18 1999

AWjr/a
Enclosures
3

cc: Mrs. Kandi M. Floyd
Parties of Record

*Copies not included

DOCUMENT NO.
12670-99
10-18-99

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 990002-EG

Submitted for Filing:
10-18-99

**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 November 22, 1999 in this docket.

ISSUE: What is the end-of-period final true-up amount for the period April 1, 1998 through March 31, 1999?

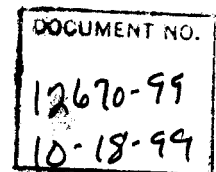
PGS (except West Florida): \$446,455 overrecovery.

PGS (West Florida): \$204,737 overrecovery.

ISSUE: What are the appropriate conservation cost recovery factors for the period January 1 through December 31, 2000?

PGS (except West Florida): The appropriate conservation cost recovery factors for the period January 1 through December 31, 2000 are as follow:

<u>Rate Class</u>	<u>ECCR Factor (cents per therm)</u>
Residential	8.099
Commercial - Small Volume	6.811
Commercial	2.835
Commercial - Large Volume 1	2.299
Commercial - Large Volume 2	1.672
Commercial Street Lighting	0.966
Natural Gas Vehicle Service	0.759



PGS - West Florida: The appropriate conservation cost recovery factors for the period January 1 through December 31, 2000 are as follow:

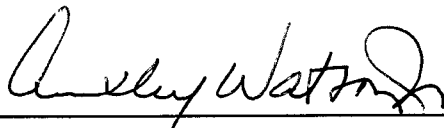
<u>Rate Class</u>	<u>ECCR Factor</u> <u>(cents per therm)</u>
Residential	9.005
Commercial	3.118
Commercial Large Volume	2.315
Commercial Large Volume - Transp.	2.315
Industrial	2.291
Firm Transportation	0.804
Special Contract	0.706

ISSUE: What should be the effective date of the new conservation cost recovery factors for billing purposes?

PGS: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 1, 2000 through December 31, 2000. Billing cycles may start before January 1, 2000, and the last cycle may be read after December 31, 2000, so that each customer is billed for 12 months regardless of when such adjustment factor becomes effective.

Dated this 15th day of October, 1999.

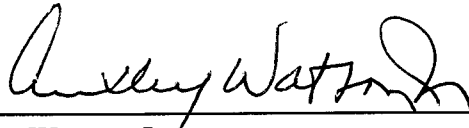
Respectfully submitted,



Ansley Watson, Jr.
Scott C. Davis
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 15th day of October, 1999, by regular U.S. Mail, to all known parties of record in Docket No. 990002-EG.

A handwritten signature in cursive script, reading "Ansley Watson, Jr.", written over a horizontal line.

Ansley Watson, Jr.