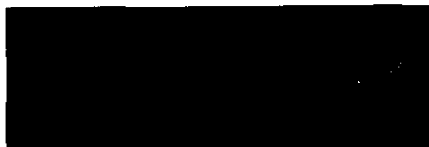


ORIGINAL



PEOPLES GAS

October 15, 1999

**VIA FEDERAL EXPRESS**

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

Re: Docket No. 990003-GU -- Purchased Gas Adjustment (PGA) Clause  
Preliminary Statement of Issues and Positions

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Peoples Gas System, Inc. ("Peoples"), please find the original and 15 copies of its Preliminary Statement of Issues and Positions.

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.

AFA Under  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_  
 EAG Staher  
 LEG \_\_\_\_\_  
 MAS 3  
 OPC \_\_\_\_\_  
 PAI \_\_\_\_\_ Enclosures  
 SEC 1  
 WAW \_\_\_\_\_  
 OTH \_\_\_\_\_ cc:

Sincerely,

DAVID M. NICHOLSON

RECEIVED  
 FLORIDA PUBLIC  
 SERVICE COMMISSION  
 99 OCT 18 AM 9:09  
 MAIL ROOM

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

PEOPLES GAS

P.O. BOX 2562

TAMPA, FL 33601-2562

813-273-0074

AN EQUAL OPPORTUNITY COMPANY

DOCUMENT NUMBER-DATE

12693 OCT 18 99

FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas : Docket No. 990003-GU  
Adjustment (PGA) Clause :  
\_\_\_\_\_ : 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 taken up at the hearing now scheduled to begin on November 22, 1999 in this docket.

Issue 1: What is the appropriate final purchased gas adjustment true-up amount for the period April 1998 through December 1998?

PGS's Position: \$4,088,862 overrecovery.

Issue 2: What is the estimated purchased gas adjustment true-up amount for the period January 1999 through December 1999?

PGS's Position: \$3,807,198 underrecovery.

Issue 3: What is the total purchased gas adjustment true-up amount to be refunded in the January 2000 - December 2000 period?

PGS's Position: \$281,665 overrecovery.

Issue 4: What is the appropriate levelized purchased gas recovery (cap) factor to be charged during the period January 2000 through December 2000?

PGS's Position: 55.097 cents per therm.

Issue 5: What should be the effective date of the new purchased gas adjustment charge for billing purposes?

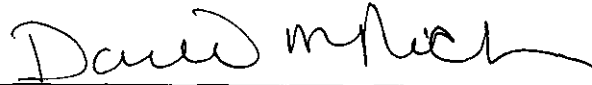
DOCUMENT NUMBER-DATE

12693 OCT 18 99

FPSC-RECORDS/REPORTING

PGS's Position: The factor should be effective for all meter readings on or after January 1, 2000, beginning with the first or applicable billing cycle for the period January 2000 through December 2000.

Respectfully submitted,

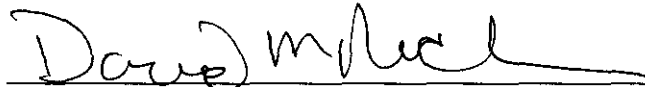


---

David M. Nicholson  
P. O. Box 111, Tampa, Florida 33601  
(813) 228-1556  
Corporate Counsel for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing **PEOPLES GAS SYSTEM'S PRELIMINARY STATEMENT OF ISSUES AND POSITIONS**, has been furnished by regular U.S. Mail this 15th day of October 1999 to all known parties of record in Docket No. 990003-GU.



---

David M. Nicholson