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October 22, 1999

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

RECEIVED-FPSC
OCT 25 PM 3:14
RECORDS AND REPORTING

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 Prehearing Statement for the hearing scheduled to commence in the above docket on November 22, 1999. A diskette containing this 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. (handwritten signature)

ANSLEY WATSON, JR.

- AFA 1
APP
CAF
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MAS 3
OPC
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SEC 1
WAW
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AWjr/a
Enclosures

cc: Mrs. Kandi M. Floyd
Parties of Record

DOCUMENT NUMBER-DATE

13097 OCT 25 99

RECEIVED-FPSC REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost :
Recovery Clause :
_____ :

DOCKET NO. 990002-EG

Submitted for Filing:

10-25-99

PREHEARING STATEMENT OF PEOPLES GAS SYSTEM

A. APPEARANCES:

ANSLEY WATSON, JR., Esquire, and
SCOTT C. DAVIS, 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)		
Bruce Narzissenfeld (PGS)	True-up for period April 1998 - March 1999	1
J. Brent Caldwell (PGS)	Projected expenses and ECCR factors for period January through December 2000	2, 3

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u> </u> (BNN-1R)	Narzissenfeld	Conservation cost recovery true-up data (April 1998 - March 1999) consisting of schedules CT-1 through CT-6 (except PGS West Florida Region).

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COMMUNICATIONS
DIVISION

DOCUMENT NUMBER-DATE

13097 OCT 25 99

FPSC-RECORDS/REPORTING

<u>(BNN-2R)</u>	Narzissenfeld	Conservation cost recovery true-up data (April 1998 - March 1999) consisting of schedules CT-1 through CT-6 (PGS West Florida Region).
<u>(JBC-1R)</u>	Caldwell	Data for development of conservation cost recovery factor (January 1 - December 31, 2000), consisting of schedules C-1 through C-5 (except PGS West Florida Region).
<u>(JBC-2R)</u>	Caldwell	Data for development of conservation cost recovery factor (January 1 - December 31, 2000), 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 end-of-period final true-up amount of \$446,455 (overrecovery) for the period April 1998 through March 1999; the estimated true-up amount for the period April - December 1999; and the projected conservation program expenses for the period January 1 through December 31, 2000.

For areas other than PGS's West Florida Region, the Commission should approve the following ECCR factors for the following rate classes for the period January 1 through December 31, 2000:

<u>Rate Class</u>	<u>ECCR Factor</u> <u>(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

(Caldwell)

For PGS's West Florida Region, the Commission should approve PGS's end-of-period final true-up amount of \$204,737 (overrecovery) for the period April 1998 through March 1999; the estimated true-up amount for the period April - December 1999; and the projected conservation program expenses for the period January 1 through December 31, 2000.

For PGS's West Florida Region, the Commission should approve the following ECCR factors for the following rate classes for the period January 1 through December 31, 2000:

<u>Rate Class</u>	<u>ECCR Factor (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

(Caldwell)

E. STATEMENT OF ISSUES AND POSITIONS:

Generic Conservation Cost Recovery Issues For Natural Gas Utilities

1. 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. (Narzissenfeld)

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

2. 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</u> <u>(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

(Caldwell)

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

(Caldwell)

3. 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.

F. STIPULATED ISSUES:

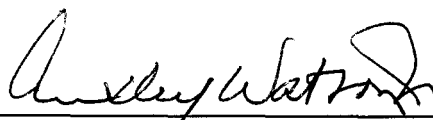
None as to PGS.

G. PENDING MOTIONS AND OTHER MATTERS:

None as to PGS.

Dated this 22nd day of October, 1999.

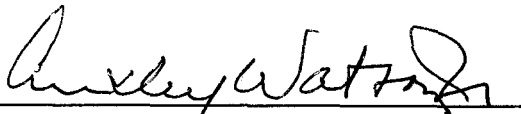
Respectfully submitted,



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 Prehearing Statement of Peoples Gas System has been furnished this 22nd day of October, 1999, by regular U.S. Mail, to all known parties of record in Docket No. 990002-EG.



Ansley Watson, Jr.