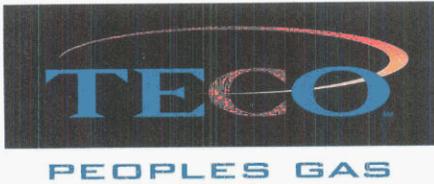


ORIGINAL



October 24, 2000

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

VIA FEDERAL EXPRESS

**Re: Docket No. 000003-GU -- Purchased Gas Adjustment  
(PGA) True-up; Prehearing Statement.**

Dear Ms. Bayo:

Enclosed for filing in the above docket please find the original and 15 copies of Peoples Gas System's Prehearing Statement. We also enclose a computer diskette (IBM-DOS 4.0, WP6.1) containing the same.

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.

Sincerely,

DAVID M. NICHOLSON

APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_

COM 3 cc: Ms. Angie Llewellyn  
CTR \_\_\_\_\_ Mr. W. Edward Elliott  
ECR \_\_\_\_\_  
LEG 1 All Parties of Record

OPC \_\_\_\_\_  
PAI \_\_\_\_\_  
RGO Handover  
SEC 1  
SER \_\_\_\_\_  
OTH \_\_\_\_\_

PEOPLES GAS  
702 NORTH FRANKLIN STREET  
P. O. BOX 2562  
TAMPA, FL 33601-2562  
AN EQUAL OPPORTUNITY COMPANY

RECEIVED & FILED  
  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
**13667** OCT 25 8  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas : DOCKET NO. 000003-GU
Adjustment (PGA) True-Up : Filed: 10-25-00

PREHEARING STATEMENT OF PEOPLES GAS SYSTEM

A. APPEARANCES:

DAVID M. NICHOLSON, Esquire,
Peoples Gas System
P. O. Box 111, Tampa, Florida 33601

B. WITNESSES:

Table with 3 columns: Witness, Subject Matter, Issues. Row 1: W. Edward Elliott (Peoples), Projected gas costs, therm sales and weighted average cost of gas ("WACOG"); final PGA true-up amount for January 1999-December 1999; estimated PGA true-up amounts for January 2000 - December 2000; total PGA true-up amounts for January 2001 - December 2001; and levelized PGA cost recovery (cap) factor for January 2001 - December 2001. 1 - 5

C. EXHIBITS:

Table with 3 columns: Exhibit, Witness, Description. Row 1: (EE-1), Elliott, Calculation of final true-up for January 1999-December 1999 (Schedules A-1 through A-6). Row 2: (EE-2), Elliott, Calculation of estimated true-up for January 2000 - December 2000; total true-up for January 2001 -December 2001 Calculation of PGA factor for January 2001 December 2001 (Schedules E-1 through E-5)

DOCUMENT NUMBER-DATE

13667 OCT 25 8

FPSC-RECORDS/REPORTING

D. STATEMENT OF BASIC POSITION:

Peoples' Statement of Basic Position:

The Commission should approve Peoples' final PGA true-up amount for the period January 1999 through December 1999 of \$866,759 (underrecovery), its estimated PGA true-up amount of \$2,939,165 (underrecovery) for the period January 2000 through December 2000, and its levelized PGA (cap) factor of 71.171 cents per therm for application to customers' bills during the period January 1, 2001 through December 31, 2001.

E. STATEMENT OF ISSUES AND POSITIONS:

Generic Purchased Gas Adjustment Issues

ISSUE 1: What is the appropriate final purchased gas adjustment true-up amount for the period January 1999 through December 1999?

POSITION:

Peoples: \$866,759 underrecovery. (Elliott)

ISSUE 2: What is the appropriate estimated purchased gas adjustment true-up amount for the period January 2000 through December 2000?

POSITION:

Peoples: \$2,939,165 underrecovery. (Elliott)

ISSUE 3: What is the total purchased gas adjustment true-up amount to be collected or refunded during the period January 2001 through December 2001?

POSITION:

Peoples: \$3,805,923 underrecovery. (Elliott)

ISSUE 4: What is the appropriate levelized purchased gas cost recovery (cap) factor for the period January 2001 through December 2001?

POSITION:

Peoples: 71.171 cents per therm. (Elliott)

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

POSITION:

Peoples: Agree with Staff. (Elliott)

F. STIPULATED ISSUES:

None as to Peoples at this time.

G. MOTIONS:

Peoples has no pending motions at this time.

H. OTHER MATTERS:

None as to Peoples at this time.

Dated this 24th day of October, 2000.

Respectfully submitted,



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David M. Nicholson,  
P. O. Box 111, Tampa, Florida 33601  
(813) 228-1556  
Corporate Counsel, 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 24th day of October 2000, by regular U.S. Mail, to all known parties of record in Docket No. 000003-GU.

  
\_\_\_\_\_  
David M. Nicholson