

MACFARLANE FERGUSON & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

500 SOUTH FLORIDA AVENUE
SUITE 240
LAKELAND, FLORIDA 33801
(863) 680-9908 FAX (863) 683-2849

400 NORTH TAMPA STREET, SUITE 2300
P O BOX 1531 (ZIP 33601)
TAMPA, FLORIDA 33602
(813) 273-4200 FAX (813) 273-4396

625 COURT STREET
P O BOX 1669 (ZIP 33757)
CLEARWATER, FLORIDA 33756
(727) 441-8966 FAX (727) 442 8470

October 12, 2001

IN REPLY REFER TO

Ansley Watson, Jr.
P.O. Box 1531
Tampa, Florida 33601
e-mail: aw@macfar.com

VIA FEDEX

Blanca S. Bayo, Director
Division of Commission Clerk & Administrative Services
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: **Docket No. 010004-GU -- Natural Gas Conservation Cost Recovery Clause**

RECEIVED - FPSC
OCT 15 AM 10:45
COMMISSION
CLERK

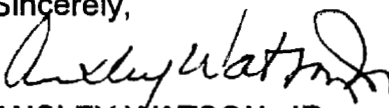
Dear Ms. Bayo:

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 Peoples Preliminary Statement of Issues and Positions.

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.

AWjr/a
Enclosures

cc: Mrs. Kandi M. Floyd
Parties of Record

DOCUMENT NUMBER-DATE
13043 OCT 15 2001
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Natural Gas Conservation :
Cost Recovery Clause :
_____ :

DOCKET NO. 010004-GU

Submitted for Filing:
10-15-01

**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 20, 2001 in this docket.

ISSUE: What is the end-of-period final true-up amount for the period January 1 through December 31, 2000?

PGS (except West Florida): \$443,731 overrecovery.

PGS (West Florida): \$758,566 underrecovery.

ISSUE: What are the appropriate conservation cost recovery factors for the period January 1 through December 31, 2002?

PGS (except West Florida): The appropriate conservation cost recovery factors for the period January 1 through December 31, 2002 are as follow:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.06022
Small Commercial	\$0.05243
Commercial	\$0.02202
Commercial - Large Vol. 1	\$0.01794
Commercial - Large Vol. 2	\$0.01302
Street Lighting	\$0.00759
Natural Gas Vehicle Service	\$0.00594

DOCUMENT NUMBER-DATE
13043 OCT 15 01
FPSC-COMMISSION CLERK

PGS - West Florida: The appropriate conservation cost recovery factors for the period January 1 through December 31, 2002 are as follow:

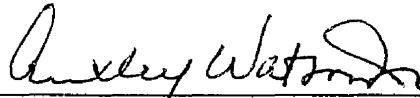
<u>Rate Class</u>	<u>ECCR Factor</u> <u>(per therm)</u>
Residential	\$0.12802
Commercial	\$0.04027
Commercial Large Volume	\$0.03023
Industrial	\$0.02975

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, 2002 through December 31, 2002. Billing cycles may start before January 1, 2002, and the last cycle may be read after December 31, 2002, so that each customer is billed for 12 months regardless of when such adjustment factor becomes effective.

Dated this 12th day of October, 2001.

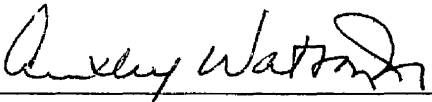
Respectfully submitted,



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 Preliminary Statement of Issues and Positions has been furnished this 12th day of October, 2001, by regular U.S. Mail, to all known parties of record in Docket No. 010004-GU.



Ansley Watson, Jr.