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October 18, 2001

VIA FEDERAL EXPRESS

Blanca S. Bayo, Director Division of Records & Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0859

Re: Docket No. 010003-GU – Purchased Gas Adjustment (PGA)

Preliminary Statement of Issues and Positions

Dear Ms. Bayo:

Enclosed for filing in the above referenced 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 that is enclosed and returning the same to the undersigned. Thank you for your assistance.

Sincerely,

Matt Costa

Corporate Counsel

Enclosures

APP CAF CC: Ms. Angie Llewellyn Mr. W. Edward Elliott
COM Ms. Wraye Grimard
CTR All Parties of Record
EUR
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OTH FPSC-JURIAU OF RECORDS

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

DOCUMENT NUMBER-DATE

FPSC-COMMISSION CLERK

13275 OCT 19 =

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas : Docket No. 010003-GU

Adjustment (PGA) Clause : Submitted for Filing: 10-19-01

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 taken up at the hearing now scheduled to begin on November 20, 2001 in this docket.

Issue 1: What is the appropriate final purchased gas adjustment true-up amount for the period January 2000 through December 2000?

PGS's Position: \$13,661,513 underrecovery.

<u>Issue 2</u>: What is the estimated purchased gas adjustment true-up amount for the period January 2001 through December 2001?

PGS's Position: \$17,264,427 overrecovery.

Issue 3: What is the total purchased gas adjustment true-up amount to be refunded in the January 2002 through December 2002 period?

PGS's Position: \$3,600,915 overrecovery.

<u>Issue 4</u>: What is the appropriate levelized purchased gas recovery (cap) factor to be charged during the period January 2002 through December 2002?

PGS's Position: \$0.98473 per therm.

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

DOCUMENT HIMBER-DATE

13275 OCT 195

FPSC-CONDINSSION CLERK

PGS's Position:

The factor should be effective to all bills beginning the first billing cycle in January 2002 through the last billing cycle in December 2002.

Respectfully submitted

Matthew R. Costa, Esq.

Corporate Counsel

TECO ENERGY, INC.

P.O. Box 111

Tampa, Florida 33601

(813) 228-4938

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 18th day of October 2001 to all known parties of record in Docket No. 010003-GU.

Matthew R. Costa, Esq.