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October 19, 2001

IN REPLY REFER TO

Ansley Watson, Jr.
P O. Box 1531
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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

RECEIVED-FPSC
01 OCT 22 AM 11:34
COMMISSION
CLERK

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

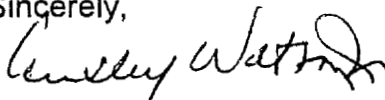
Dear Ms. Bayo:

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 Prehearing Statement. A diskette containing the 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.

2001 OCT 22 AM 9:26
DISTRIBUTION CENTER

- APP
 - CAF
 - CMP
 - COM
 - CTR
 - ECR
 - LEG
 - OPC
 - PAI
 - RGO
 - SEC
 - SER
 - OTH
- cc: Mrs. Kandi M. Floyd
Parties of Record
- AWjr
Enclosures
- over pg

RECEIVED & FILED

FPSC-BUREAU OF RECORDS DOCUMENT NUMBER-DATE

1-3350 OCT 22 01

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 010004-GU

Submitted for Filing:
10-22-01

PREHEARING STATEMENT OF PEOPLES GAS SYSTEM

A. APPEARANCES:

ANSLEY WATSON, JR., 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)		
Kandi M. Floyd (PGS)	True-up for period January 2000 - December 2000; Projected expenses and ECCR factors for period January through December 2002	1 - 3

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
_____ (KMF-1R)	Floyd	Conservation cost recovery true-up data (January 2000 - December 2000) consisting of schedules CT-1 through CT-6 (except PGS West Florida Region).
_____ (KMF-2R)	Floyd	Conservation cost recovery true-up data (January 2000 - December 2000) consisting of

DOCUMENT NUMBER-DATE

13350 OCT 22 01

FPSC-COMMISSION CLERK

schedules CT-1 through CT-6 (PGS West Florida Region).

<u> </u> (KMF-3)	Floyd	Data for development of conservation cost recovery factor (January 1 - December 31, 2002), consisting of schedules C-1 through C-5 (except PGS West Florida Region).
<u> </u> (KMF-4)	Floyd	Data for development of conservation cost recovery factor (January 1 - December 31, 2002), consisting of schedules C-1 through C-5 (PGS West Florida Region).
<u> </u> (KMF-5)	Floyd	GetGasFL Advertising Campaign

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 \$443,731 (overrecovery) for the period January 2000 through December 2000; the estimated true-up amount for the period January - December 2001; and the projected conservation program expenses for the period January 1 through December 31, 2002.

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, 2002:

<u>Rate Class</u>	<u>ECCR Factor</u> <u>(per therm)</u>
Residential	\$0.06023
Small Commercial	\$0.05243
Commercial	\$0.02202
Commercial - Large Volume 1	\$0.01794
Commercial - Large Volume 2	\$0.01302
Street Lighting	\$0.00760
Natural Gas Vehicle Service	\$0.00594

(Floyd)

For PGS's West Florida Region, the Commission should approve PGS's end-of-period final true-up amount of \$758,566 (underrecovery) for the period January 2000 through December 2000; the estimated true-up amount for the period January - December 2001; and the projected conservation program expenses for the period January 1 through December 31, 2002.

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, 2002:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.12793
Commercial	\$0.04024
Commercial Large Volume	\$0.03021
Industrial	\$0.02973

(Floyd)

E. STATEMENT OF ISSUES AND POSITIONS:

Generic Conservation Cost Recovery Issues For Natural Gas Utilities

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

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

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

2. 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 follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.06023
Small Commercial	\$0.05243
Commercial	\$0.02202
Commercial - Large Volume 1	\$0.01794
Commercial - Large Volume 2	\$0.01302

Street Lighting	\$0.00760
Natural Gas Vehicle Service	\$0.00594

(Floyd)

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

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.12793
Commercial	\$0.04024
Commercial Large Volume	\$0.03021
Industrial	\$0.02973

(Floyd)

3. ISSUE: What should be the effective date of the 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, 2002, through December, 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 the adjustment factor becomes effective.

4. ISSUE: What is the appropriate treatment of FPUC's promotional advertising items and television commercial advertising?

PGS: No position at this time.

F. STIPULATED ISSUES:

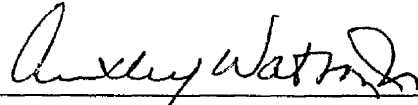
None at this time as to PGS.

G. PENDING MOTIONS AND OTHER MATTERS:

None as to PGS.

Dated this 19th day of October, 2001.

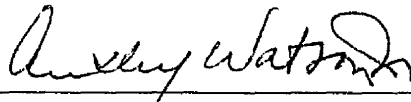
Respectfully submitted,



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 Prehearing Statement of Peoples Gas System has been furnished this 19th day of October, 2001, by regular U.S. Mail, to all known parties of record in Docket No. 010004-GU.



Ansley Watson, Jr.