



October 24, 2001

VIA FEDERAL EXPRESS

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

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

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Peoples Gas System, Inc. (“Peoples”), please find the original and 15 copies of its Prehearing Statement.

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,

A handwritten signature in black ink that reads "Matt Costa".

Matt Costa
Corporate Counsel

Enclosures

cc: Ms. Angie Llewellyn
Mr. W. Edward Elliott
Ms. Wraye Grimard
All Parties of Record

DOCUMENT NUMBER-DATE

13517 OCT 25 01

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas)
Adjustment (PGA) True-Up)
_____)

DOCKET NO. 010003-GU
Filed: 10-25-01

PREHEARING STATEMENT OF PEOPLES GAS SYSTEM

A. APPEARANCES:

MATTHEW R. COSTA, Esquire,
TECO ENERGY, INC.
P.O. Box 111, Tampa, Florida, 33601

B. WITNESSES:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
1. W. Edward Elliott (Peoples)	Projected gas costs, therm sales and weighted average cost of gas (“WACOG”); final PGA true-up amount for January 2000 – December 2000; Estimated PGA true-up amounts For January 2001 – December 2001; Total PGA true-up amounts for January 2002 – December 2002; and levelized PGA cost recovery (cap) factor for January 2002 – December 2002.	1-5

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
_____ (EE-1)	Elliott	Calculation of final true-up for January 2000 – December 2000 (Schedules A-1 through A-6)
_____	Elliott	Calculation of estimated true-up for January 2001 – December 2001; Total true-up for January 2002 – December 2002; Calculation of PGA Factor for January 2002 – December 2002 (Schedules E-1 through E-5)

D. STATEMENT OF BASIC POSITION:

Peoples' Statement of Basic Position:

The Commission should approve Peoples' final PGA true-up amount for the period January 2000 through December 2000 of \$13,661,513 (underrecovery), its estimated PGA true-up amount of \$17,264,427 (overrecovery) for the period January 2001 through December 2001, and its levelized PGA (cap) factor of \$0.98473 per therm for application to customers' bills during the period January 1, 2002 through December 31, 2002.

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 2000 through December 2000?

POSITION:

Peoples: \$13,661,513 underrecovery. (Elliott)

ISSUE 2: What is the appropriate estimated purchased gas adjustment true-up amount for the period January 2001 through December 2001?

POSITION:

Peoples: \$17,264,427 overrecovery. (Elliott)

ISSUE 3: What is the total purchased gas adjustment true-up amount to be collected or refunded during the period January 2002 through December 2002?

POSITION:

Peoples: \$3,600,915 overrecovery. (Elliott)

ISSUE 4: What is the appropriate levelized purchased gas cost recovery (cap) factor for the period January 2002 through December 2002?

POSITION:

Peoples: \$0.98473 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)

Company-Specific Purchased Gas Adjustment Issues

ISSUE 6*: Should voluntary funding of the Gas Research Institute (GRI) surcharge be recovered through the purchased gas adjustment true-up cost recovery clause as proposed by Peoples Gas System?

POSITION:

Peoples: Peoples believes it is appropriate to recover GRI expenses through the purchased gas adjustment true-up cost recovery clause. Peoples reserves the right to file supplemental materials and/or present testimony at the hearing regarding this matter.

F. STIPULATED ISSUES:

None as to Peoples at this time.

G. MOTIONS:

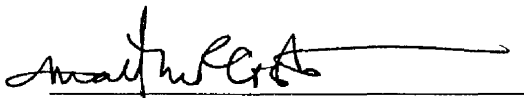
Peoples has no pending motions at this time.

H. OTHER MATTERS:

None as to Peoples at this time.

Dated this 24th day of October, 2001.

Respectfully submitted,



Matthew R. Costa, Esq.
Corporate Counsel
TECO ENERGY, INC.
P.O. Box 111
Tampa, Florida, 33601
(813) 228-4938

* Peoples did not include this issue in it's Preliminary List of Issues and Positions since it was raised for the first time by the Staff in its Preliminary List of Issues and Positions.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas)
Adjustment (PGA) True-Up)
_____)

DOCKET NO. 010003-GU
Filed: 10-25-01

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing **PEOPLES GAS SYSTEM'S PREHEARING STATEMENT**, has been furnished by regular U.S. Mail this 24th day of October 2001 to all know parties of record in Docket No. 010003-GU as follows:

City Gas Company of Florida
Mary Patricia Keefe
One Elizabethtown Plaza
P.O. Box 3175
Union, NJ 07083

Chesapeake Utilities Corporation
P.O. Box 960
1015 Sixth Street, N.W.
Winter Haven, FL 33882-0960

Wayne Schiefelbein
P.O. Box 15856
Tallahassee, FL 32317-5856

Florida Public Utilities Company
George Bachman
P.O. Box 3395
West Palm Beach, FL 33402-3395

Messer Lawn Firm
Norman H. Horton, Jr.
P.O. Box 1876
Tallahassee, FL 32302-1876

Ausley Law Firm
James D. Beasley/Lee Willis
P.O. Box 391
Tallahassee, FL 32302

Tampa Electric Company
Angela Llewelyn
P.O. Box 111
Tampa, FL 33601-0111

Indiantown Gas Company
Brian J. Powers
P.O. Box 8
Indiantown, FL 34956-0008

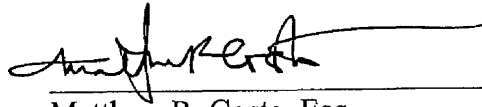
Sebring Gas System
Jerry Melendy
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Rob Vandiver/Jack Shreve
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111 W. Madison Street #812
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Mr. Al Kara
South Florida Natural Gas
P.O. Box 248
New Smyrna Beach, FL 32170-0248

Mr. Stuart L. Shoaf
St. Joe Natural Gas Company
P.O. Box 549
Port St. Joe, FL 32457-0549

A handwritten signature in black ink, appearing to read "Matthew R. Costa", with a long horizontal flourish extending to the right.

Matthew R. Costa, Esq.
Corporate Counsel
TECO ENERGY, INC.
P.O. Box 111
Tampa, FL 33601
(813) 228-4938