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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. 020003-GU -- Purchased Gas Adjustment (PGA) Clause
True-Up Projections and Testimony for January 2003 - December 2003.

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Peoples Gas System ("Peoples"), please find the original and 10 copies of its Petition for Approval of PGA Factor for Application to Bills to be Rendered During the Period January 2003 through December 2003.

Enclosed also for filing on behalf of Peoples, please find 10 copies of Ed Elliott's testimony and 10 copies of Composite Exhibit EE-2 to Mr. Elliott's testimony.

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
Sr. Corporate Counsel
Peoples Gas System

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Enclosures

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

Petition

DOCUMENT NUMBER-DATE

10363 SEP 27 02

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Ed Elliott's Testimony
DOCUMENT NUMBER-DATE
10364 SEP 27 02
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PEOPLES GAS
702 NORTH FRANKLIN STREET
P. O. BOX 2562
TAMPA, FL 33601-2562
AN EQUAL OPPORTUNITY COMPANY

1 (800) 282-4441
WWW.PEOPLES GAS.COM

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas : Docket No. 020003-GU
Adjustment (PGA) True-Up :
: Submitted for Filing: 9-27-02

PETITION OF PEOPLES GAS SYSTEM FOR APPROVAL
OF PGA FACTOR FOR APPLICATION TO BILLS TO BE RENDERED
DURING THE PERIOD JANUARY 2003 THROUGH DECEMBER 2003

Peoples Gas System ("Peoples"), by its undersigned attorneys, hereby files its petition for approval of its purchased gas adjustment ("PGA") factor to be applied to bills rendered for meter readings taken between January 1, 2003 and December 31, 2003, inclusive, and in support thereof says:

1. The name of the petitioner and the mailing address of its principal office is:

Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

2. The names and mailing address of the persons authorized to receive notices and communications with respect to this petition are:

Matthew R. Costa, Esq.
TECO Energy, Inc.
P. O. Box 111
Tampa, Florida 33601-0111

3. By its Orders Nos. 24463 and 24463-A in this docket, the Commission adopted a revised method for the recovery of purchased gas costs by regulated natural gas utilities, to be used for the recovery of such costs commencing October 1, 1991.

Submitted herewith is Peoples' Composite Exhibit EE-2, consisting of Schedules E-1, E-1/R, E-2, E-3, E-4 and E-5. The schedules in Composite Exhibit EE-2 are used to compute a maximum

DOCUMENT NUMBER 020003-GU

10363 SEP 27 02

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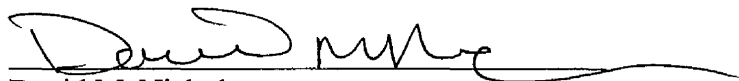
PGA factor for application to bills rendered for gas sold by Peoples during the twelve-month period of January 1, 2003 through December 31, 2003 (the "Projection Period").

4. The maximum PGA factor calculated in Composite Exhibit EE-2 basically represents (A) the sum of the final net true-up amount for the period January 1, 2001 through December 31, 2001, the estimated or projected true-up (based on actual data for eight months and projected data for four months) for the period January 1, 2002 through December 31, 2002, both true-up amounts including interest, and Peoples' projected cost of purchased gas for the January 2003 - December 2003 period, without interest, (B) divided by Peoples' projected therm sales for the Projection Period.

5. By its order No. PSC-99-0634-FOF-GU in Docket No. 981698-GU the Commission approved a methodology for charging separate Purchased Gas Adjustment Factors for different customer classes. The maximum (cap) PGA factor for which Peoples seeks approval for the Projection Period is the Residential factor shown on Line 45, Page 2 of Schedule E-1 of Composite Exhibit EE-2, and is 97.855 cents per therm.

WHEREFORE, Peoples Gas System, respectfully requests that the Commission enter its order approving Peoples' proposed maximum (cap) PGA factor of 97.855 cents per therm for application to bills rendered for meter readings taken from January 1, 2003 through December 31, 2003.


Respectfully submitted,



David M. Nicholson
Sr. Corporate Counsel, Peoples Gas System
P. O. Box 111
Tampa, Florida 33601
(813) 228-1556

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition and the Direct Testimony of W. Edward Elliott has been furnished by regular U.S. Mail this 26th day of September, 2002 to all known parties of record in Docket No. 020003-GU.

A handwritten signature in black ink, appearing to read "David M. Nicholson", written over a horizontal line.

David M. Nicholson