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October 3, 2002

IN REPLY REFER TO:

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VIA FEDEX

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

Re: Docket No. 020004-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 the following:

- ◆ Peoples' Amended Petition for Approval of True-Up Amounts (for the period January 2001 - December 2001) and Conservation Cost Recovery Factors (to be applied during the period January - December 2003);
◆ Direct Testimony of Kandi M. Floyd on behalf of Peoples, to which are attached:
◆ Revised Exhibit \_\_\_\_ (KMF-1R), consisting of Schedules CT-1 through CT-6 for Peoples' divisions other than the West Florida Region;
◆ Revised Exhibit \_\_\_\_ (KMF-2R), consisting of Schedules CT-1 through CT-6 for Peoples' West Florida Region;
◆ Exhibit \_\_\_\_ (KMF-3), consisting of Schedules C-1 through C-5 for Peoples' divisions other than the West Florida Region; and

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Blanca S. Bayo, Director  
October 3, 2002  
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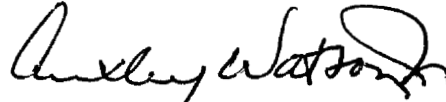
- ◆ Exhibit \_\_\_\_ (KMF-4), consisting of Schedules C-1 through C-5 for Peoples' West Florida Region.

The enclosed testimony and exhibits will be offered by Peoples at the hearing in this docket scheduled to commence on November 20, 2002.

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  
Matthew R. Costa, Esquire  
Parties of Record

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Natural Gas Conservation :  
Cost Recovery Clause :

DOCKET NO. 020004-GU

Submitted for Filing:  
10-4-02

**AMENDED PETITION OF PEOPLES GAS SYSTEM  
FOR APPROVAL OF TRUE-UP AMOUNTS  
AND CONSERVATION COST RECOVERY FACTORS**

Peoples Gas System ("Peoples"), by its undersigned attorneys and pursuant to Rule 25-17.015, Florida Administrative Code, submits this amended petition for approval of (A) its end-of-period final energy conservation cost recovery true-up amounts for the period January 1 through December 31, 2001, and (B) its conservation cost recovery factors for the period January 1 through December 31, 2003, and in support thereof says:

1. The name and address of the Petitioner are:

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

2. The persons to whom notices, orders, and pleadings in this docket should be addressed are:

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

Angela Llewellyn  
Peoples Gas System  
702 North Franklin Street  
P. O. Box 2562  
Tampa, Florida 33601-2562

Ansley Watson, Jr., Esquire  
Macfarlane Ferguson & McMullen  
400 North Tampa Street, Suite 2300  
P. O. Box 1531  
Tampa, Florida 33601-1531

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3. This amended petition (together with the testimony and exhibits which accompany it) is being filed as a result of changes in exhibits calculating the true-up amounts for the period January 1 through December 31, 2001.

4. Peoples' calculation of the true-up amounts for which approval is hereby requested is consistent with the Commission's prescribed methodology. These calculations and the supporting documentation are contained in Revised Exhibits \_\_\_\_ (KMF-1R), covering Peoples' divisions other than the West Florida Region, and \_\_\_\_ (KMF-2R), covering Peoples' West Florida Region (the territory formerly served by West Florida Natural Gas Company), and in the direct testimony of PGS witness Kandi M. Floyd, which testimony is filed herewith. Each of the exhibits mentioned above consists of the Conservation Cost Recovery True-Up Reporting Forms, completed as directed by the Commission Staff. These exhibits are being filed simultaneously with this amended petition, and supersede and replace Exhibits \_\_\_\_ (KMF-1) and \_\_\_\_ (KMF-2), which were filed in this docket on May 15, 2002.

5. For the period January through December 2001, Peoples has calculated its end-of-period final true-up amount for its divisions other than the West Florida Region to be an overrecovery, including principal and interest, of \$352,527. For the same period, the end-of-period final true-up amount for the West Florida Region, including principal and interest, is an underrecovery of \$1,138,610.

6. The conservation cost recovery factors for which approval is sought were calculated in accordance with the methodology previously approved by the Commission in this docket. The factors are designed to recover the projected conservation program expenses of Peoples for the period January 1 through December 31, 2003, adjusted for the estimated true-up for the period

January through December 2002, as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation are contained in Exhibits \_\_\_\_ (KMF-3), covering Peoples' divisions other than the West Florida Region, \_\_\_\_ (KMF-4), covering Peoples' West Florida Region, and the direct testimony of PGS witness Kandi M. Floyd, which testimony and exhibits are being filed simultaneously with this amended petition.

7. For Peoples' divisions other than the West Florida Region, Peoples projects total conservation program expenses of \$8,528,131 for the period January 1 through December 31, 2003. The estimated true-up for these divisions is an underrecovery of \$542,061. After increasing the projected conservation expenses by the amount of this underrecovery, \$9,070,192 remains to be recovered during the January - December 2003 period. When this expense is allocated to the affected rate classes pursuant to the methodology approved by the Commission, and expanded for taxes, the recovery factors for the period January - December 2003 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.05960
Small Commercial	\$0.05146
Commercial	\$0.02152
Commercial Large Vol. 1	\$0.01750
Commercial Large Vol. 2	\$0.01270
Street Lighting	\$0.00740
NGVS	\$0.00578

8. For Peoples' West Florida Region, Peoples projects total conservation program expenses of \$1,829,220 for the period January 1 through December 31, 2003. The estimated true-up for the West Florida Region is an underrecovery of \$853,519. After increasing the projected

conservation expenses by the amount of this underrecovery, \$2,682,739 remains to be recovered during the January - December 2003 period. When this expense is allocated to the affected rate classes pursuant to the methodology approved by the Commission, and expanded for taxes, the recovery factors for the period January - December 2003 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.12620
Commercial	\$0.03951
Commercial Large Vol. 1	\$0.02943
Industrial	\$0.02904

WHEREFORE, based on the foregoing, Peoples Gas System respectfully requests that the Commission grant this amended petition and approve:

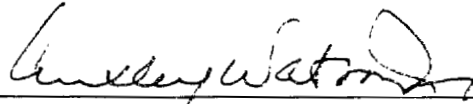
A. the overrecovery of \$352,527 as the final net true-up amount for the January through December 2001 period in Peoples' divisions other than the West Florida Region;

B. the underrecovery of \$1,138,610 as the final true-up amount for the January through December 2001 period in Peoples' West Florida Region;

C. the conservation adjustment factors for the period January 1 through December 31, 2003 set forth in paragraph 7 of this amended petition to be applied in Peoples' divisions other than the West Florida Region; and

D. the conservation adjustment factors for the period January 1 through December 31, 2003 set forth in paragraph 8 of this amended petition to be applied in Peoples' West Florida Region.

Respectfully submitted,



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Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P. O. Box 1531, Tampa, Florida 33601  
(813) 273-4200

and

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

Attorneys for Peoples Gas System

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Amended Petition of Peoples Gas System, the Direct Testimony of Kandi M. Floyd, and Peoples' Revised Exhibits \_\_\_\_ (KMF-1R) and \_\_\_\_ (KMF-2R), and Exhibits \_\_\_\_ (KMF-3) and \_\_\_\_ (KMF-4), have been furnished this 3rd day of October, 2001, by regular U.S. Mail, to all known parties of record in this docket.



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Ansley Watson, Jr.