

ORIGINAL



October 17, 2002

VIA FEDERAL EXPRESS

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

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Re: Docket No. 020003-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

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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas : Docket No. 020003-GU
Adjustment (PGA) Clause :
_____ : Submitted for Filing: 10-18-02

**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, 2002 in this docket.

Issue 1: What is the appropriate final purchased gas adjustment true-up amount for the period January 2001 through December 2001?

PGS's Position: \$2,948,202 underrecovery.

Issue 2: What is the estimated purchased gas adjustment true-up amount for the period January 2002 through December 2002?

PGS's Position: \$6,783,915 overrecovery.

Issue 3: What is the total purchased gas adjustment true-up amount to be refunded in the January 2003 through December 2003 period?

PGS's Position: \$3,835,711 overrecovery.

Issue 4: What is the appropriate levelized purchased gas recovery (cap) factor to be charged during the period January 2003 through December 2003?

PGS's Position: \$0.97855 per therm.

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

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PGS's Position: The factor should be effective to all bills beginning the first billing cycle in January 2003 through the last billing cycle in December 2003.

Dated this 17th day of October, 2002.

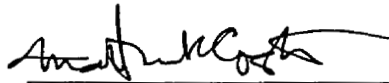
Respectfully submitted



MATTHEW R. COSTA, ESQUIRE
Corporate Counsel
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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 17th day of October 2002 to all known parties of record in Docket No. 020003-GU.



MATTHEW R. COSTA, ESQUIRE