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IN REPLY REFER TO

October 29, 2003

Ansley Watson, Jr.
P.O. Box 1531
Tampa, Florida 33601
e-mail: aw@macfar.com

031023-GW

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: Petition for approval of Transition Cost Recovery Factor true-up, by Peoples Gas System

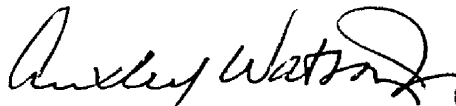
Dear Ms. Bayo:

Enclosed for filing with the Commission, please find the original and 15 copies of the petition of Peoples Gas System referenced above, together with a diskette containing the petition in Microsoft Word format. The diskette does not contain the two exhibits to the petition.)

Please acknowledge your receipt and the date of filing of the enclosures, together with the docket number assigned, on the enclosed duplicate copy of this letter, and return the same to me in the preaddressed envelope which is also enclosed.

Thank you for your usual assistance.

Sincerely,



Ansley Watson, Jr.

AWjr/a
Enclosures

COMMUNICATIONS SECTION

10746 OCT 30 8

FPSC-COMMISSION CLERK

cc: Mrs. Kandi R. Floyd
Ms. Angela Llewellyn
Mr. Wayne R. Makin

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of Transition)
Cost Recovery Factor true-up, by Peoples)
Gas System)

DOCKET NO. 031023-GU

Submitted for Filing:
10/30/2003

P E T I T I O N

Peoples Gas System ("Peoples" or the "Company"), by its undersigned attorneys, files its petition for approval of the true-up for collections by the Company of amounts under its Transition Cost Recovery Factor and, in support of its petition, states as follows:

1. The name and address of the petitioner are:

Peoples Gas System
702 N. Franklin Street - 7th Floor
Tampa, Florida 33602

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

Ansley Watson, Jr., Esquire
Macfarlane Ferguson & McMullen
Post Office Box 1531
Tampa, Florida 33601-1531

Angela Llewellyn
Peoples Gas System
Post Office Box 2562
Tampa, Florida 33601-2562

B A C K G R O U N D

3. By its Order No. PSC-00-1814-TRF-GU, issued October 4, 2000 in Docket No. 000810-GU, the Commission approved, among other things, Peoples' proposed transition cost recovery charges for the purpose of recovering an estimated \$2.9 million in non-recurring charges associated with Peoples' compliance with the Commission's Rule 25-7.0335, F.A.C. (which required that

FILED
10/30/03
PUBLIC UTILITIES COMMISSION

all Florida natural gas utilities make transportation available to all commercial customers).

4. Order No. PSC-00-1814-TRF-GU further approved the collection of the transition cost recovery charges for a period of three years from their effective date (November 1, 2000), and provided for the true-up of any over or under collection of the actual charges incurred by Peoples to comply with the rule.

RELIEF REQUESTED

5. Since the inception of Peoples' collection of the Commission-approved transition cost recovery charges, the Company has collected from its customers a total of \$3,497,358.20. The actual costs incurred by Peoples (including carrying costs) to comply with Rule 25-7.0335 have been \$3,420,505.94.

6. Peoples seeks authority to refund the over collection of its actual transition costs through a one-time credit to the customers who paid the transition cost recovery factor. The calculation of the true-up amount is set forth on Exhibit A to this Petition, and its allocation to the involved customers through a one-time refund is set forth on Exhibit B.

WHEREFORE, Peoples requests that the Commission enter its order:

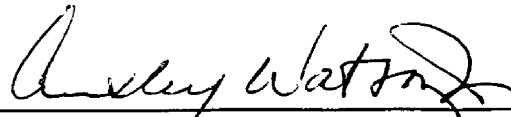
(A) approving the true-up of costs incurred to transition cost recovery revenues collected in the amount of \$76,852.26,

(B) approving the one-time refund of such true-up amount pursuant to the methodology set forth in Exhibit B to this Petition, and

(C) approving (i) the crediting of any amount remaining after the one-time refund to Peoples' Purchased Gas Adjustment, and the charging of the amount of any over-refund to Peoples' Purchased Gas Adjustment.

Dated: October 29, 2003

Respectfully submitted,



**ANSLEY WATSON, JR., of
Macfarlane Ferguson & McMullen
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Facsimile: (813) 273-4396
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Attorneys for Peoples Gas System**

Transition Expense True-Up (Through July 2003)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>TOTALS</u>
Expenses \$	9,346.09	\$ 2,112,452.84	\$ 834,877.75	\$ 459.23	\$ 20,000.00	\$ 2,977,135.91
Recovered from Customers \$	-	\$ (192,723.90)	\$ (1,239,286.08)	\$ (1,294,502.96)	\$ (770,845.26)	\$ (3,497,358.20)
Interest \$	-	\$ -	\$ 317,467.34	\$ 111,482.28	\$ 14,420.41	\$ 443,370.03
Total \$	<u>9,346.09</u>	<u>\$ 1,919,728.94</u>	<u>\$ (86,940.99)</u>	<u>\$ (1,182,561.45)</u>	<u>\$ (736,424.85)</u>	<u>\$ (76,852.26)</u>
Cumulative Total \$	9,346.09	\$ 1,929,075.03	\$ 1,842,134.04	\$ 659,572.59	\$ (76,852.26)	over-recovery

**Peoples Gas System
Transition Cost Recovery True-Up
One-Month Refund Calculation**

	December 2003 Budget			Class		Rate
	<u>Proj Customers</u>	<u>Proj Therms</u>	<u>Proj Revenue</u>	<u>Allocation</u>		
CSL	113	142,043	\$ 18,223	\$ 169.34	\$	0.00119
SGS	6,383	235,483	\$ 191,168	\$ 1,776.49	\$	0.00754
GS-1	18,401	9,627,717	\$ 2,770,737	\$ 25,747.92	\$	0.00267
GS-2	2,840	6,819,999	\$ 1,618,009	\$ 15,035.84	\$	0.00220
GS-3	753	6,717,965	\$ 1,346,105	\$ 12,509.09	\$	0.00186
GS-4	146	3,895,953	\$ 706,981	\$ 6,569.84	\$	0.00169
GS-5	55	4,114,027	\$ 418,727	\$ 3,891.15	\$	0.00095
NGV	19	63,448	\$ 9,556	\$ 88.80	\$	0.00140
SIS	40	5,699,236	\$ 417,884	\$ 3,883.31	\$	0.00068
IS	15	15,637,585	\$ 531,798	\$ 4,941.89	\$	0.00032
ISLV	3	22,466,934	\$ 226,019	\$ 2,100.35	\$	0.00009
WHS	3	107,000	\$ 14,876	\$ 138.24	\$	0.00129
	28,771	75,527,390	8,270,083	\$ 76,852.26		Over Collection