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IN REPLY REFER TO:

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

September 22, 2005

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. 050004-GU – Natural gas conservation cost recovery

Dear Ms. Bayo:

Enclosed herewith for filing in the above docket on behalf of Peoples Gas System, please find the following:

- Peoples' Petition for Approval of Conservation Cost Recovery Factors;
- Direct Testimony of Kandi M. Floyd on behalf of Peoples ; and
- Exhibits ___ (KMF-3) and ___(KMF-4), consisting of the conservation cost recovery projection forms prescribed by the Commission Staff.

The direct testimony of Mrs. Floyd and the referenced exhibits will be offered by Peoples at the hearing in this docket, currently scheduled for November 7, 2005.

Please acknowledge your receipt of the enclosures on the duplicate copy of this letter, and return the same to me in the enclosed preaddressed envelope.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Blanca S. Bayo, Director
September 22, 2005
Page 2

Thank you for your usual assistance.

Sincerely,

A handwritten signature in black ink that reads "Ansley Watson Jr". The signature is written in a cursive style with a large, stylized initial "A".

ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Ms. Angela Llewellyn
Ms. Kandi M. Floyd
Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost)
recovery.)
_____)

Docket No. 050004-GU
Submitted for Filing:
9-23-05

**PETITION OF PEOPLES GAS SYSTEM
FOR APPROVAL OF CONSERVATION COST RECOVERY FACTORS**

Peoples Gas System ("Peoples"), through undersigned counsel and pursuant to Rule 25-17.015, *Florida Administrative Code*, petitions the Commission for approval of its conservation cost recovery factors for the period January 1 through December 31, 2006, 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, pleadings and correspondence in this docket should be addressed are:

Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

Ms. Angela L. Llewellyn
Regulatory Affairs
Peoples Gas System
P. O. Box 111
Tampa, Florida 33601-0111

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

3. For Peoples' divisions other than the West Florida Region, Peoples projects total conservation program expenses of \$7,500,943 for the period January 1 through December 31, 2006. The estimated true-up for these divisions is an overrecovery of \$1,717,975. After decreasing the projected conservation expenses by

the amount of this overrecovery, \$5,782,968 remains to be recovered during the January - December 2006 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 2006 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.03814
Small General Service	\$0.03260
General Service 1	\$0.01310
General Service 2	\$0.01069
General Service 3	\$0.00879
General Service 4	\$0.00808
General Service 5	\$0.00460
Commercial Street Lighting	\$0.00572
Natural Gas Vehicle Service	\$0.00694

4. For Peoples' West Florida Region, Peoples projects total conservation program expenses of \$2,263,630 for the period January 1 through December 31, 2006. The estimated true-up for the West Florida Region is an underrecovery of \$913,868. After increasing the projected conservation expenses by the amount of this underrecovery, \$3,177,498 remains to be recovered during the January - December 2006 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 2006 required to recover such expense are as follows:

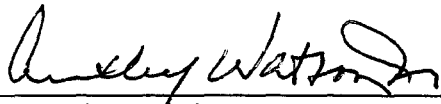
<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.16931
Small General Service	\$0.20030
General Service 1	\$0.05824
General Service 2	\$0.04676
General Service 3	\$0.03906
General Service 4	\$0.03550
General Service 5	\$0.01979
Commercial Street Lighting	\$0.02486
Natural Gas Vehicle Service	\$0.02486

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

A. the conservation adjustment factors for the period January 1 through December 31, 2006 set forth in paragraph 3 of this petition to be applied in Peoples' divisions other than the West Florida Region; and

B. the conservation adjustment factors for the period January 1 through December 31, 2006 set forth in paragraph 4 of this petition to be applied in Peoples' West Florida Region.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing petition, together with copies of the Direct Testimony of Kandi M. Floyd and Exhibits ___(KMF-3) and ___(KMF-4), have been furnished by U. S. Mail, this 22nd day of September, 2005, to the following:

Martha Brown, Esquire
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Mr. Charles A. Rawson, III
Florida City Gas
955 East 25th Street
Hialeah, FL 33013-3498

Mr. Thomas A. Geoffroy
Florida Division
Chesapeake Utilities Corporation
P. O. Box 960
Winter Haven, FL 33882-0960

Mr. Geoff Hartmen
Florida Public Utilities Company
P. O. Box 3395
West Palm Beach, FL 33402-3395


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Tallahassee, FL 32302-1877

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Port St. Joe, FL 32457-0549

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Ansley Watson, Jr.