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IN REPLY REFER TO:

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

April 28, 2006

VIA FEDEX

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

RECEIVED FPSC
05 MAY -1 AM 11:22
COMMISSION
CLERK

Re: Docket No. 060003-GU – Purchased gas adjustment (PGA) true-up

Dear Ms. Bayo:

Enclosed for filing with the Commission on behalf of Peoples Gas System, please find the original and 15 copies of the following:

- Peoples' Petition for Approval of True-Up Amount (for the period January through December 2005);
- Direct Testimony of Edward Elliott (including diskette containing such testimony in MS Word format); and
- Exhibit ___(EE-1), consisting of Schedule A-7 of the prescribed reporting forms.

- CMP 5
- COM 5
- CTR orig
- ECR 1
- GCL 1
- OPC 1
- RCA 1
- SCR 1
- SGA 1
- SEC 1
- OTH 1

The enclosed testimony and exhibit will be offered by Peoples at the hearing in this docket scheduled to commence on November 6, 2006.

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

RECEIVED & FILED
M. Beckard
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER - DATE


03808 MAY-1 06

FPSC-COMMISSION CLERK

Blanca S. Bayo, Director
April 28, 2006
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Thank you for your usual assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ansley Watson, Jr.", written in a cursive style.

ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Parties of Record
Mrs. Kandi M. Floyd
Matthew R. Costa, Esquire

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased gas adjustment)
(PGA) true-up.)
_____)

Docket No. 060003-GU
Submitted for Filing:
5-1-06

**PEOPLES GAS SYSTEM'S PETITION
FOR APPROVAL OF TRUE-UP AMOUNT**

Peoples Gas System, through undersigned counsel, and pursuant to the requirements in this docket, hereby petitions the Commission for approval of its purchased gas adjustment true-up amount for the period January 1 through December 31, 2005, and in support thereof says:

1. The name and mailing address of Peoples is:

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

2. The names and mailing addresses of the persons authorized to receive notices, orders, pleadings and other communications and documents in this docket are:

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

Ms. Brenda Irizarry
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. Pursuant to the requirements in this docket, Peoples has submitted for filing with this petition the testimony of W. Edward Elliott and Exhibit ___(EE-1), consisting of Schedule A-7 of the purchased gas adjustment true-up reporting form supplied by the Commission Staff.

DOCUMENT NUMBER-DATE

03808 MAY-1 06

FPSC-COMMISSION CLERK

4. As indicated in the testimony of Mr. Elliott and in Schedule A-7, Peoples' final true-up amount for the period January 1 through December 31, 2005, including interest and adjustment, net of the estimated true-up for the same period, is an overrecovery of \$4,922,467.

WHEREFORE, Peoples Gas System respectfully requests that the Commission enter its order approving Peoples' final true-up amount for the period January 1 through December 31, 2005.

Respectfully submitted,



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E-mail: mcosta@tecoenergy.com

Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been furnished by U. S. Mail, this 28th day of April, 2006, to the following:

Katherine E. Fleming, 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

Florida Public Utilities Company
Cheryl Martin
P. O. Box 3395
West Palm Beach, FL 33402-3395

Norman H. Horton, Jr., Esquire
Messer, Capareello & Self, P.A.
P.O. Box 1876
Tallahassee, FL 32302-1876

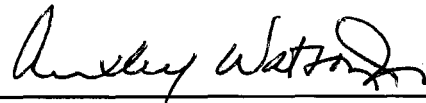
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Office of Public Counsel
c/o The Florida Legislature
111 W. Madison St. - #812
Tallahassee, FL 32399-1400

Mr. Stuart L. Shoaf
St. Joe Natural Gas Company, Inc
P. O. Box 549
Port St. Joe, FL 32457-0549

Elizabeth Wade/Melvin Williams
AGL Resources Inc.
Ten Peachtree Place
Location 1470
Atlanta, GA 30309

Ms. Brenda Irizarry
Regulatory Affairs
Peoples Gas System
P. O. Box 111
Tampa, FL 33601-0111



Ansley Watson, Jr.

1 Q. Please state your name and business address.

2 A. My name is W. Edward Elliott. My business address
3 is 702 N. Franklin Street, Tampa, Florida 33602.

4 Q. By whom are you employed and in what capacity?

5 A. I am Manager of Gas Accounting for Peoples Gas
6 System ("Peoples").

7 Q. Please summarize your educational background and
8 professional qualifications.

9 A. I graduated from the University of South Florida in
10 1972 with the degree of Bachelor of Arts in
11 Accounting. I have over 18 years of experience in
12 the utility field.

13 Q. What are your primary responsibilities in your
14 present position with Peoples?

15 A. As Manager of Gas Accounting, I am responsible for
16 recording the Company's cost of gas.

17 Q. Have you previously prepared testimony in
18 regulatory proceedings?

19 A. I have filed prepared direct testimony in previous
20 Purchased Gas Adjustment proceedings.

21 Q. Have you prepared or caused to be prepared certain
22 schedules for use in this proceeding?

23 A. Yes. As Composite Exhibit EE-1, I sponsored the
24 preparation of the following schedule with respect
25 to the final true-up for the period January

1 2005 through December 2005:

2 A-7 -- Final fuel over/(under) recovery.

3 Q. What was Peoples' cost of gas to be recovered

4 through the PGA clause for the period January 2005

5 through December 2005?

6 A. As shown on Schedule A-7 in EE-1, the cost of gas

7 purchased, adjusted for company use,

8 was \$337,464,336.

9 Q. What was the amount of gas revenue collected for

10 the period January 2005 through December 2005?

11 A. The amount of gas revenue collected to cover the

12 cost of gas was \$342,535,037.

13 B. What was the final true-up amount for the period

14 January 2005 through December 2005?

15 A. The final true-up amount for the period, including

16 interest and adjustments, is an overrecovery of

17 \$4,922,467.

18 Q. Is this amount net of the estimated true-up for the

19 period January 2005 through December 2005, which

20 was included in the January 2006 through December

21 2006 PGA factor calculation?

22 A. No. The final true-up net of the estimated true-up

23 or the period January 2005 through December 2005 is

24 an underrecovery of \$10,786,747.

25 Q. Is this the final underrecovery amount to be

1 included in the January 2007 through December 2007
2 projection.

3 A. Yes.

4 Q. Does this conclude your testimony?

5 A. Yes.

FINAL FUEL OVER/UNDER RECOVERY

FOR THE PERIOD: JANUARY 05 THROUGH DECEMBER 05

1 TOTAL ACTUAL FUEL COST FOR THE PERIOD	A-2 Line 3, Period To Date Dec.'05	\$337,464,336
2 TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD	A-2 Line 6, Period To Date Dec.'05	\$342,535,037
3 ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (2-1)		\$5,070,701
4 INTEREST PROVISION	A-2 Line 8, Period To Date Dec.'05	(\$148,305)
5 ACTUAL OVER/(UNDER) RECOVERY FOR THE PERIOD (3+4)		\$4,922,396
6 ADJUSTMENT		\$71
7 NET OVER/(UNDER) RECOVERY FOR THE 12 MONTH PERIOD ENDING DECEMBER 31, 2005 (5+6)		\$4,922,467
8 LESS: ESTIMATED OVER/(UNDER) RECOVERY FOR THE PERIOD JANUARY '05 THROUGH DECEMBER '05 WHICH WAS INCLUDED IN THE CURRENT JANUARY '06 THROUGH DECEMBER '06 PERIOD	E-4 Line 4 Col. 4	\$15,709,214
9 FINAL FUEL OVER/(UNDER) RECOVERY TO BE INCLUDED IN THE PROJECTED JANUARY '07 THROUGH DECEMBER '07 PERIOD (7-8)		(\$10,786,747)

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 PGA 2005 True Up
 Peoples Gas System
 Exhibit EE-1, Schedule A-7 Page 1 of 1