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IN REPLY REFER TO:
Ansley Watson, Jr.
P.O. Box 1531
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September 26, 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-HPSC
06 SEP 27 AM 9:27
COMMISSION
CLERK

Re: Docket No. 060004-GU – Natural gas conservation cost recovery

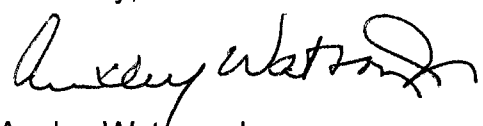
Dear Ms. Bayo:

Enclosed for filing in the above docket please find the original and 15 copies of Peoples Gas System's Preliminary List of Issues and Positions.

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.

Thank you for your usual assistance.

Sincerely,



Ansley Watson, Jr.

- MP _____
- DM 5
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- DR _____
- CL _____
- PC _____
- CA _____
- CR _____
- GA _____
- EC 1
- TH kiml

AWjr/a
Enclosures

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

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EPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DA
08906 SEP 27
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 060004-GU
Submitted for filing:
9-27-06

**PEOPLES GAS SYSTEM'S
PRELIMINARY LIST OF ISSUES AND POSITIONS**

Peoples Gas System ("PGS"), by its undersigned attorneys, submits the following Preliminary List of Issues and Positions:

Generic Conservation Issues

ISSUE 1: What is the final end of the period true-up amount for the period January 2005 through December 2005?

PGS (except West Florida): \$2,343,999 overrecovery

PGS (West Florida): \$1,117,450 underrecovery

ISSUE 2: What are the appropriate conservation cost recovery factors for the period January 2007 through December 2007?

PGS:

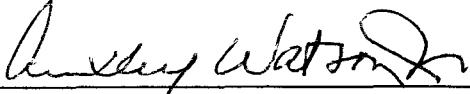
<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.07370
Small General Service	\$0.06710
General Service 1	\$0.02553
General Service 2	\$0.02092
General Service 3	\$0.01757
General Service 4	\$0.01586
General Service 5	\$0.00901
Commercial Street Lighting	\$0.01122
Natural Gas Vehicle Service	\$0.01381

ISSUE 3: What should be the effective date of the cost recovery factors for billing purposes?

PGS: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2007 through December 2007. Billing cycles may start before January 1, 2007, and the last cycle may be read after December 31, 2007, so that each customer is billed for twelve months regardless of

when the adjustment factor became effective.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing Preliminary List of Issues and Positions has been furnished by U. S. Mail this 26th day of September, 2006, to the following:

Katherine Fleming, Esquire
Office of General Counsel
Florida Public Service Commission
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Tallahassee, FL 32399-0850

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Florida City Gas
955 East 25th Street
Hialeah, FL 33013-3498

Mr. Thomas A. Geoffroy
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Winter Haven, FL 33882-0960

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Mr. Marc S. Seagrave
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