

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

DOCKET NO. 060003-GU

DATED: OCTOBER 4, 2006

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-06-0209-PCO-GU, filed March 15, 2006, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

Staff does not intend to call any witnesses.

b. All Known Exhibits

Staff does not intend to sponsor any exhibits, but reserves the right to use exhibits for the purpose of cross-examination.

c. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

d. Staff's Position on the Issues

Generic Purchased Gas Adjustment Issues

ISSUE 1: What are the appropriate final purchased gas adjustment true-up amounts for the period January 2005 through December 2005?

POSITION:

| | | |
|-----------------------------|--------------|---------------|
| Florida City Gas | \$1,660,788 | Overrecovery |
| Florida Public Utilities | \$1,480,240 | Underrecovery |
| Peoples Gas System, Inc. | \$10,786,747 | Underrecovery |
| St. Joe Natural Gas Company | \$6,541 | Overrecovery |

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ISSUE 2: What are the estimated purchased gas adjustment true-up amounts for the period January 2006 through December 2006?

POSITION:

| | | |
|-----------------------------|--------------|---------------|
| Florida City Gas | \$770,384 | Underrecovery |
| Florida Public Utilities | \$3,894,424 | Overrecovery |
| Peoples Gas System, Inc. | \$15,611,711 | Overrecovery |
| St. Joe Natural Gas Company | \$208,831 | Overrecovery |

ISSUE 3: What are the total purchased gas adjustment true-up amounts to be collected during the period January 2007 through December 2007?

POSITION:

| | | |
|-----------------------------|-------------|--------------|
| Florida City Gas | \$890,404 | Overrecovery |
| Florida Public Utilities | \$2,414,184 | Overrecovery |
| Peoples Gas System, Inc. | \$4,824,964 | Overrecovery |
| St. Joe Natural Gas Company | \$215,373 | Overrecovery |

ISSUE 4: What are the appropriate levelized purchased gas cost recovery (cap) factors for the period January 2007 through December 2007?

POSITION:

| | |
|-----------------------------|-------------------------|
| Florida City Gas | 143.110 cents per therm |
| Florida Public Utilities | 151.800 cents per therm |
| Peoples Gas System, Inc. | 134.870 cents per therm |
| St. Joe Natural Gas Company | 103.900 cents per therm |

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

POSITION: The factor should be effective for all meter readings on or after January 1, 2007, beginning with the first or applicable billing cycle for the period January 2007 through December 2007.

e. Stipulated Issues

There are no issues that have been stipulated at this time.

f. Pending Motions

Staff has no pending motions.

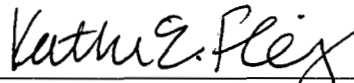
g. Pending Confidentiality Claims or Requests

Staff is aware of one pending confidentiality request, Document No. 06106-06.

h. Compliance with Order No. PSC-06-0209-PCO-GU.

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 4th day of October, 2006.



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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Purchased gas adjustment (PGA) true-up. || DOCKET NO. 040003-GU

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Staff's Prehearing Statement has been furnished by electronic mail and U. S. Mail this 4th day of October 2006, to the following:

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