

ORIGINAL

MACFARLANE FERGUSON & McMULLEN

RECEIVED-PPSC

ATTORNEYS AND COUNSELORS AT LAW

06 OCT -9 AM 10:08
625 COURT STREET

1501 SOUTH FLORIDA AVENUE
LAKELAND, FLORIDA 33803
(863) 680-9908 FAX (863) 683-2849

ONE TAMPA CITY CENTER, SUITE 2000
201 NORTH FRANKLIN STREET
P.O. BOX 1531 (ZIP 33601)
TAMPA, FLORIDA 33602
(813) 273-4200 FAX (813) 273-4396

P. O. BOX 1669 (ZIP 33757)
CLEARWATER, FLORIDA 33756
(727) 441-8989 FAX (727) 442-8470
COMMISSION CLERK

www.mfmlegal.com

EMAIL: info@mfmlegal.com

IN REPLY REFER TO:

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

October 6, 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

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

Dear Ms. Bayo:

Enclosed for filing in the above docket please find the original and 15 copies of Peoples Gas System's Prehearing Statement.

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.

- CMP _____
- COM 5
- CTR _____
- ECR _____
- 3CL _____
- DPC _____
- RCA _____
- SCR _____
- IGA _____
- EC 1
- ITH _____

AWjr/a
Enclosures

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

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

09293 OCT-9 08

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 060003-GU
Submitted for filing:
10-9-06

**PEOPLES GAS SYSTEM'S
PREHEARING STATEMENT**

Peoples Gas System ("PGS"), by its undersigned attorneys, submits the following Prehearing Statement for the hearing scheduled to be held in the above docket November 6-8, 2006.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
(Direct)		
W. Edward Elliott (PGS)	Projected gas costs, therm sales and weighted average cost of gas ("WACOG"); final PGA true-up amount for January 2005 - December 2005; estimated PGA true-up amounts for January 2006 - December 2006; total PGA true-up amount for January 2007 - December 2007; and levelized PGA cost recovery (cap) factor for January 2007 - December 2007	1-5

B. EXHIBITS

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
_____ (EE-1)	Elliott	Calculation of final true-up for January 2005 - December 2005 (Schedule A-7)

DOCUMENT NUMBER-DATE

09293 OCT-9 8

FPSC-COMMISSION CLERK

(EE-2)

Elliott

Calculation of estimated true-up for January 2006 – December 2006; total true-up for January 2007 – December 2007); calculation of PGA factor for January 2007 – December 2007 (Schedules E-1 through E-5)

C. STATEMENT OF BASIC POSITION

PGS's Statement of Basic Position:

The Commission should approve PGS's final PGA true-up amount of \$10,786,747 (underrecovery) for the period January 2005 through December 2005; its estimated PGA true-up amount of \$15,611,711 (overrecovery) for the period January - December 2006; and its levelized PGA (cap) factor of \$1.34870 per therm for the period January 1 through December 31, 2007. (Elliott)

D. STATEMENT OF ISSUES AND POSITIONS

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?

PGS: \$10,786,747 underrecovery (Elliott)

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

PGS: \$15,611,711 overrecovery (Elliott)

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

PGS: \$4,824,964 overrecovery (Elliott)

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

PGS: \$1.34870 per therm (Elliott)

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

PGS: The charge should be effective beginning with the specified purchased gas 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 charge became effective. (Elliott)

E. STIPULATED ISSUES

None as to PGS.

F. PENDING MOTIONS

None as to PGS.

G. PENDING CONFIDENTIALITY CLAIMS OR REQUESTS

PGS has no pending confidentiality claims or requests at this time.

H. COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

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

Dated this 6th day of October, 2006.

Respectfully submitted,



Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531
Phone: (813) 273-4321
Fax: (813) 273-4396
E-mail: aw@macfar.com

Attorneys for Peoples Gas System

Matthew R. Costa
Corporate Counsel
TECO Energy, Inc.
P. O. Box 111
Tampa, Florida 33601-0111
Phone: (813) 228-4938
Fax: (813) 228-1328
E-mail: mcosta@tecoenergy.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing Prehearing Statement has been furnished by U. S. Mail this 6th day of October, 2006, to the following:

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

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

Office of the Public Counsel
John R. Marks, III, Esquire
c/o The Florida Legislature
111 W. Madison St. - #812
Tallahassee, FL 32399-1400

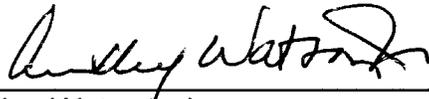
Florida Public Utilities Company
Cheryl Martin
P. O. Box 3395
West Palm Beach, FL 33402-3395

Beth Keating, Esquire
Akerman Senterfitt
106 E. College Avenue, Suite 1200
Tallahassee, FL 32301

Norman H. Horton, Jr., Esquire
Messer, Caparello & Self, P.A.
P.O. Box 15579
Tallahassee, FL 32317

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

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



Ansley Watson, Jr.