



June 27, 2007

VIA E-FILING

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Docket No. 070003-GU-- Purchased Gas Adjustment (PGA)
-- Notice of PGA Factors.**

Dear Ms. Cole:

We submit herewith on behalf of Peoples Gas System, a Notice of PGA Factors, effective June 29, 2007, for the month of July 2007, together with a copy of Schedule A-1 showing the calculation of both factors.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew R. Costa".

Matthew R. Costa
Corporate Counsel

Enclosures

cc: Mr. Daniel Lee (via e-mail)
Ms. Paula Brown (via e-mail)
Mr. W. Edward Elliott (via e-mail)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas :
Adjustment (PGA) Clause :
_____ :

Docket No. 070003-GU

Submitted for Filing: 06-27-07

PEOPLES GAS SYSTEM'S
NOTICE OF PGA FACTORS

Peoples Gas System, by its undersigned attorney and pursuant to Commission Orders Nos. 24463 and 24463-A, hereby notifies the Commission that, effective June 29, 2007, for its first billing cycle, it will reduce its Purchased Gas Adjustment (PGA) Factor approved by Order No. PSC-06-0995-FOF-GU to \$1.16033 per therm for residential rate class customers and decrease its Purchased Gas Adjustment (PGA) Factor to \$1.04411 per therm for commercial (non-residential) rate class for the month of July 2007. Separate PGA factors will be used pursuant to the methodology approved by vote of the Commission on March 16, 1999 in Docket No. 981698. Schedule A-1 showing a comparison of the Company's projections for July 2007 has been submitted.

Dated this 27th day of June, 2007.

Respectfully submitted,



Matthew R. Costa, Esq.
Corporate Counsel
TECO Energy, Inc.
P.O. Box 111, Tampa, Florida 33601
(813) 228-4938
Attorney for Peoples Gas System

COMBINED FOR ALL RATE CLASSES		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 07 THROUGH DECEMBER 07				
CURRENT MONTH: JULY 2007				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$57,785	\$178,024	\$120,239
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$32,992	\$32,992	\$0
3	SWING SERVICE	\$1,284,446	\$0	(\$1,284,446)
4	COMMODITY Other (THIRD PARTY)	\$6,281,634	\$6,239,841	(\$41,793)
5	DEMAND	\$3,744,389	\$3,609,626	(\$134,763)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$285,000	\$363,000	\$78,000
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$15,110	\$106,697	\$91,587
8	DEMAND	\$950,351	\$772,599	(\$177,752)
9	OTHER	\$203,848	\$241,393	\$37,545
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$10,516,937	\$9,302,794	(\$1,214,143)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$10,516,937	\$9,302,794	(\$1,214,143)
THERMS PURCHASED				
15	COMMODITY Pipeline	31,931,931	34,608,947	2,677,016
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	6,665,000	6,665,000	0
17	SWING SERVICE	1,294,140	0	(1,294,140)
18	COMMODITY Other (THIRD PARTY)	7,028,311	8,322,451	1,294,140
19	DEMAND	69,332,740	73,538,960	4,206,220
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	23,609,480	19,052,986	(4,556,494)
22	DEMAND	24,029,090	19,052,986	(4,976,104)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	8,322,451	8,322,451	0
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	8,322,451	8,322,451	0
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00181	0.00514	0.00333
28a	COMM. Pipeline (1a/15a)	0.00000	0.00000	0.00000
28b	COMM. Pipeline (1b/15b)	0.00000	0.00000	0.00000
29	NO NOTICE SERVICE (2/16)	0.00495	0.00495	0.00000
30	SWING SERVICE (3/17)	0.99251	0.00000	(0.99251)
31	COMM. Other (THIRD PARTY) (4/18)	0.89376	0.74976	(0.14400)
32	DEMAND (5/19)	0.05401	0.04908	(0.00492)
32a	DEMAND (5a/19a)	0.00000	0.00000	0.00000
32b	DEMAND (5b/19b)	0.00000	0.00000	0.00000
33	OTHER (6/20)	0.00000	0.00000	0.00000
LESS END-USE CONTRACT:				
34	COMMODITY Pipeline (7/21)	0.00064	0.00560	0.00496
35	DEMAND (8/22)	0.03955	0.04055	0.00100
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.26368	1.11780	(0.14588)
38	NET UNBILLED (12/25)	0.00000	0.00000	0.00000
39	COMPANY USE (13/26)	0.00000	0.00000	0.00000
40	TOTAL THERM SALES (37)	1.26368	1.11780	(0.14588)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.23140	1.08551	(0.14588)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.23759	1.09097	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	123.759	109.097	0.000

FOR RESIDENTIAL CUSTOMERS		SCHEDULE A-1		
		ESTIMATE FOR THE PERIOD: JANUARY 07 THROUGH DECEMBER 07		
		CURRENT MONTH: JULY 2007		
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$23,293	\$71,761	\$48,468
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$16,206	\$16,206	\$0
3	SWING SERVICE	\$517,760	\$0	(\$517,760)
4	COMMODITY Other (THIRD PARTY)	\$2,532,127	\$2,515,280	(\$16,847)
5	DEMAND	\$1,839,244	\$1,773,048	(\$66,196)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$114,884	\$146,325	\$31,441
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$6,091	\$43,010	\$36,919
8	DEMAND	\$466,812	\$379,501	(\$87,311)
9	OTHER	\$100,130	\$118,572	\$18,442
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$4,470,480	\$3,981,537	(\$488,943)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$4,470,480	\$3,981,537	(\$488,943)
THERMS PURCHASED				
15	COMMODITY Pipeline	12,871,761	13,950,867	1,079,106
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	3,273,848	3,273,848	0
17	SWING SERVICE	521,668	0	(521,668)
18	COMMODITY Other (THIRD PARTY)	2,833,251	3,354,780	521,529
19	DEMAND	34,056,242	36,122,337	2,066,095
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	9,516,981	7,680,259	(1,836,722)
22	DEMAND	11,803,089	9,358,827	(2,444,262)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	3,354,919	3,354,780	(139)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	3,354,919	3,354,780	(139)
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00181	0.00514	0.00333
28a	COMM. Pipeline (1a/15a)	0.00000	0.00000	0.00000
28b	COMM. Pipeline (1b/15b)	0.00000	0.00000	0.00000
29	NO NOTICE SERVICE (2/16)	0.00495	0.00495	0.00000
30	SWING SERVICE (3/17)	0.99251	0.00000	(0.99251)
31	COMM. Other (THIRD PARTY) (4/18)	0.89372	0.74976	(0.14396)
32	DEMAND (5/19)	0.05401	0.04908	(0.00492)
32a	DEMAND (5a/19a)	0.00000	0.00000	0.00000
32b	DEMAND (5b/19b)	0.00000	0.00000	0.00000
33	OTHER (6/20)	0.00000	0.00000	0.00000
LESS END-USE CONTRACT:				
34	COMMODITY Pipeline (7/21)	0.00064	0.00560	0.00496
35	DEMAND (8/22)	0.03955	0.04055	0.00100
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.33251	1.18681	(0.14570)
38	NET UNBILLED (12/25)	0.00000	0.00000	0.00000
39	COMPANY USE (13/26)	0.00000	0.00000	0.00000
40	TOTAL THERM SALES (37)	1.33251	1.18681	(0.14570)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.30023	1.15452	(0.14570)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.30677	1.16033	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	130.677	116.033	0.000

FOR COMMERCIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 07 THROUGH DECEMBER 07 CURRENT MONTH: JULY 2007				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$34,492	\$106,263	\$71,771
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$16,786	\$16,786	\$0
3	SWING SERVICE	\$766,686	\$0	(\$766,686)
4	COMMODITY Other (THIRD PARTY)	\$3,749,507	\$3,724,561	(\$24,946)
5	DEMAND	\$1,905,145	\$1,836,578	(\$68,567)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$170,117	\$216,675	\$46,558
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$9,019	\$63,687	\$54,668
8	DEMAND	\$483,538	\$393,098	(\$90,440)
9	OTHER	\$103,718	\$122,821	\$19,103
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$6,046,457	\$5,321,257	(\$725,200)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$6,046,457	\$5,321,257	(\$725,200)
THERMS PURCHASED				
15	COMMODITY Pipeline	19,060,170	20,658,080	1,597,910
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	3,391,152	3,391,152	0
17	SWING SERVICE	772,472	0	(772,472)
18	COMMODITY Other (THIRD PARTY)	4,195,060	4,967,671	772,611
19	DEMAND	35,276,498	37,416,623	2,140,125
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	14,092,499	11,372,727	(2,719,772)
22	DEMAND	12,226,001	9,694,159	(2,531,842)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	4,967,532	4,967,671	139
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	4,967,532	4,967,671	139
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00181	0.00514	0.00333
28a	COMM. Pipeline (1a/15a)	0.00000	0.00000	0.00000
28b	COMM. Pipeline (1b/15b)	0.00000	0.00000	0.00000
29	NO NOTICE SERVICE (2/16)	0.00495	0.00495	0.00000
30	SWING SERVICE (3/17)	0.99251	0.00000	(0.99251)
31	COMM. Other (THIRD PARTY) (4/18)	0.89379	0.74976	(0.14403)
32	DEMAND (5/19)	0.05401	0.04908	(0.00492)
32a	DEMAND (5a/19a)	0.00000	0.00000	0.00000
32b	DEMAND (5b/19b)	0.00000	0.00000	0.00000
33	OTHER (6/20)	0.00000	0.00000	0.00000
LESS END-USE CONTRACT:				
34	COMMODITY Pipeline (7/21)	0.00064	0.00560	0.00496
35	DEMAND (8/22)	0.03955	0.04055	0.00100
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.21720	1.07117	(0.14603)
38	NET UNBILLED (12/25)	0.00000	0.00000	0.00000
39	COMPANY USE (13/26)	0.00000	0.00000	0.00000
40	TOTAL THERM SALES (37)	1.21720	1.07117	(0.14603)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.18491	1.03888	(0.14603)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.19087	1.04411	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	119.087	104.411	0.000