



July 31, 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 August 1, 2007, for the month of August 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: 07-31-07

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 August 1, 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 \$1.09033 per therm for residential rate class customers and decrease its Purchased Gas Adjustment (PGA) Factor to \$0.97422 per therm for commercial (non-residential) rate class for the month of August 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 August 2007 has been submitted.

Dated this 31st day of July, 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: AUGUST 2007				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$55,524	\$200,034	\$144,510
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$32,992	\$32,992	\$0
3	SWING SERVICE	\$2,844,833	\$0	(\$2,844,833)
4	COMMODITY Other (THIRD PARTY)	\$4,198,911	\$5,533,124	\$1,334,213
5	DEMAND	\$3,743,494	\$3,689,063	(\$54,431)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$285,000	\$375,000	\$90,000
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$15,110	\$137,267	\$122,157
8	DEMAND	\$950,351	\$993,961	\$43,610
9	OTHER	\$203,848	\$234,082	\$30,234
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$9,991,445	\$8,464,903	(\$1,526,542)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$9,991,445	\$8,464,903	(\$1,526,542)
THERMS PURCHASED				
15	COMMODITY Pipeline	31,726,237	39,788,082	8,061,845
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	2,842,640	0	(2,842,640)
18	COMMODITY Other (THIRD PARTY)	5,274,117	8,077,200	2,803,083
19	DEMAND	69,310,110	76,538,850	7,228,740
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	24,511,990	902,510
22	DEMAND	24,029,090	24,511,990	482,900
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	8,116,757	8,077,200	(39,557)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	8,116,757	8,077,200	(39,557)
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00175	0.00503	0.00328
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)	1.00077	0.00000	(1.00077)
31	COMM. Other (THIRD PARTY) (4/18)	0.79614	0.68503	(0.11111)
32	DEMAND (5/19)	0.05401	0.04820	(0.00581)
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)	1.23097	1.04800	(0.18297)
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)	1.23097	1.04800	(0.18297)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.19868	1.01571	(0.18297)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.20471	1.02082	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	120.471	102.082	0.000

FOR RESIDENTIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 07 THROUGH DECEMBER 07 CURRENT MONTH: AUGUST 2007				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$22,948	\$80,274	\$57,326
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$16,206	\$16,206	\$0
3	SWING SERVICE	\$1,175,769	\$0	(\$1,175,769)
4	COMMODITY Other (THIRD PARTY)	\$1,735,410	\$2,220,443	\$485,033
5	DEMAND	\$1,838,804	\$1,812,068	(\$26,736)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$117,791	\$150,488	\$32,697
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$6,245	\$55,085	\$48,840
8	DEMAND	\$466,812	\$488,234	\$21,422
9	OTHER	\$100,130	\$114,981	\$14,851
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$4,333,741	\$3,621,179	(\$712,562)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$4,333,741	\$3,621,179	(\$712,562)
THERMS PURCHASED				
15	COMMODITY Pipeline	13,112,454	15,966,957	2,854,503
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	1,174,863	0	(1,174,863)
18	COMMODITY Other (THIRD PARTY)	2,179,870	3,241,380	1,061,510
19	DEMAND	34,045,126	37,595,883	3,550,757
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	9,757,798	9,836,662	78,864
22	DEMAND	11,803,089	12,040,289	237,200
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	3,354,733	3,241,380	(113,353)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	3,354,733	3,241,380	(113,353)
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00175	0.00503	0.00328
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)	1.00077	0.00000	(1.00077)
31	COMM. Other (THIRD PARTY) (4/18)	0.79611	0.68503	(0.11108)
32	DEMAND (5/19)	0.05401	0.04820	(0.00581)
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)	1.29183	1.11716	(0.17467)
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)	1.29183	1.11716	(0.17467)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.25954	1.08487	(0.17467)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.26588	1.09033	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	126.588	109.033	0.000

FOR COMMERCIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 07 THROUGH DECEMBER 07				
CURRENT MONTH: AUGUST 2007				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$32,576	\$119,760	\$87,184
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$16,786	\$16,786	\$0
3	SWING SERVICE	\$1,669,064	\$0	(\$1,669,064)
4	COMMODITY Other (THIRD PARTY)	\$2,463,501	\$3,312,681	\$849,180
5	DEMAND	\$1,904,690	\$1,876,995	(\$27,695)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$167,210	\$224,513	\$57,303
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$8,865	\$82,182	\$73,317
8	DEMAND	\$483,538	\$505,727	\$22,189
9	OTHER	\$103,718	\$119,101	\$15,383
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$5,657,705	\$4,843,725	(\$813,980)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$5,657,705	\$4,843,725	(\$813,980)
THERMS PURCHASED				
15	COMMODITY Pipeline	18,613,783	23,821,125	5,207,342
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	1,667,777	0	(1,667,777)
18	COMMODITY Other (THIRD PARTY)	3,094,247	4,835,820	1,741,573
19	DEMAND	35,264,984	38,942,967	3,677,983
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	13,851,682	14,675,328	823,646
22	DEMAND	12,226,001	12,471,701	245,700
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	4,762,024	4,835,820	73,796
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	4,762,024	4,835,820	73,796
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00175	0.00503	0.00328
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)	1.00077	0.00000	(1.00077)
31	COMM. Other (THIRD PARTY) (4/18)	0.79616	0.68503	(0.11113)
32	DEMAND (5/19)	0.05401	0.04820	(0.00581)
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)	1.18809	1.00163	(0.18646)
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)	1.18809	1.00163	(0.18646)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.15580	0.96934	(0.18646)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.16162	0.97422	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	116.162	97.422	0.000