



August 29, 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 30, 2007, for the month of September 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: 08-29-07

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 30, 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 \$1.04033 per therm for residential rate class customers and decrease its Purchased Gas Adjustment (PGA) Factor to \$0.94800 per therm for commercial (non-residential) rate class for the month of September 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 September 2007 has been submitted.

Dated this 29th day of August, 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: SEPTEMBER 2007				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$57,027	\$224,728	\$167,701
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$31,928	\$31,928	\$0
3	SWING SERVICE	\$2,778,023	\$0	(\$2,778,023)
4	COMMODITY Other (THIRD PARTY)	\$4,562,577	\$5,629,721	\$1,067,144
5	DEMAND	\$3,639,555	\$3,360,433	(\$279,122)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$285,000	\$400,000	\$115,000
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$14,623	\$152,376	\$137,753
8	DEMAND	\$919,694	\$1,103,367	\$183,673
9	OTHER	\$197,272	\$212,205	\$14,933
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$10,222,521	\$8,178,862	(\$2,043,659)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$10,222,521	\$8,178,862	(\$2,043,659)
THERMS PURCHASED				
15	COMMODITY Pipeline	31,112,637	43,251,058	12,138,421
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	6,450,000	6,450,000	0
17	SWING SERVICE	2,750,942	0	(2,750,942)
18	COMMODITY Other (THIRD PARTY)	5,513,811	8,075,800	2,561,989
19	DEMAND	67,178,400	73,476,165	6,297,765
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	22,847,884	27,210,035	4,362,151
22	DEMAND	23,253,958	27,210,035	3,956,077
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	8,264,753	8,075,800	(188,953)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	8,264,753	8,075,800	(188,953)
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00183	0.00520	0.00336
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)	1.00984	0.00000	(1.00984)
31	COMM. Other (THIRD PARTY) (4/18)	0.82748	0.69711	(0.13037)
32	DEMAND (5/19)	0.05418	0.04574	(0.00844)
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)	1.23688	1.01276	(0.22412)
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)	1.23688	1.01276	(0.22412)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.20460	0.98047	(0.22412)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.21065	0.98540	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	121.065	98.540	0.000

FOR RESIDENTIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 07 THROUGH DECEMBER 07				
CURRENT MONTH: SEPTEMBER 2007				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$23,775	\$91,037	\$67,262
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$15,683	\$15,683	\$0
3	SWING SERVICE	\$1,158,158	\$0	(\$1,158,158)
4	COMMODITY Other (THIRD PARTY)	\$1,902,138	\$2,280,600	\$378,462
5	DEMAND	\$1,787,749	\$1,650,645	(\$137,104)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$118,817	\$162,040	\$43,223
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$6,096	\$61,728	\$55,632
8	DEMAND	\$451,754	\$541,974	\$90,220
9	OTHER	\$96,900	\$104,235	\$7,335
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$4,451,569	\$3,492,068	(\$959,501)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$4,451,569	\$3,492,068	(\$959,501)
THERMS PURCHASED				
15	COMMODITY Pipeline	12,970,858	17,521,004	4,550,146
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	3,168,240	3,168,240	0
17	SWING SERVICE	1,146,868	0	(1,146,868)
18	COMMODITY Other (THIRD PARTY)	2,298,491	3,271,507	973,016
19	DEMAND	32,998,030	36,091,492	3,093,462
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	9,525,283	11,022,785	1,497,502
22	DEMAND	11,422,344	13,365,569	1,943,225
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	3,445,359	3,271,507	(173,852)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	3,445,359	3,271,507	(173,852)
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00183	0.00520	0.00336
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)	1.00984	0.00000	(1.00984)
31	COMM. Other (THIRD PARTY) (4/18)	0.82756	0.69711	(0.13045)
32	DEMAND (5/19)	0.05418	0.04574	(0.00844)
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)	1.29205	1.06741	(0.22464)
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)	1.29205	1.06741	(0.22464)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.25976	1.03512	(0.22464)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.26610	1.04033	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	126.610	104.033	0.000

FOR COMMERCIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 07 THROUGH DECEMBER 07				
CURRENT MONTH: SEPTEMBER 2007				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$33,252	\$133,691	\$100,439
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$16,245	\$16,245	\$0
3	SWING SERVICE	\$1,619,865	\$0	(\$1,619,865)
4	COMMODITY Other (THIRD PARTY)	\$2,660,439	\$3,349,121	\$688,682
5	DEMAND	\$1,851,806	\$1,709,788	(\$142,018)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$166,184	\$237,960	\$71,776
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$8,526	\$90,648	\$82,122
8	DEMAND	\$467,940	\$561,393	\$93,453
9	OTHER	\$100,372	\$107,970	\$7,598
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$5,770,951	\$4,686,794	(\$1,084,157)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$5,770,951	\$4,686,794	(\$1,084,157)
THERMS PURCHASED				
15	COMMODITY Pipeline	18,141,779	25,730,054	7,588,275
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	3,281,760	3,281,760	0
17	SWING SERVICE	1,604,074	0	(1,604,074)
18	COMMODITY Other (THIRD PARTY)	3,215,320	4,804,293	1,588,973
19	DEMAND	34,180,370	37,384,673	3,204,303
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	13,322,601	16,187,250	2,864,649
22	DEMAND	11,831,614	13,844,466	2,012,852
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	4,819,394	4,804,293	(15,101)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	4,819,394	4,804,293	(15,101)
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00183	0.00520	0.00336
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)	1.00984	0.00000	(1.00984)
31	COMM. Other (THIRD PARTY) (4/18)	0.82743	0.69711	(0.13032)
32	DEMAND (5/19)	0.05418	0.04573	(0.00844)
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)	1.19744	0.97554	(0.22190)
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)	1.19744	0.97554	(0.22190)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.16516	0.94325	(0.22190)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.17102	0.94800	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	117.102	94.800	0.000