



December 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 January 2, 2008, for the month of January 2008, together with a copy of Schedule A-1 showing the calculation of both factors.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Matthew R. Costa" followed by a vertical line and the letter "s".

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

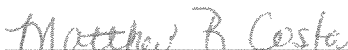
Submitted for Filing: 12-31-07

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 January 2, 2008, for its first billing cycle, it will reduce its Purchased Gas Adjustment (PGA) Factor approved by Order No. PSC-07-0934-FOF-GU to \$1.01033 per therm for residential rate class customers and decrease its Purchased Gas Adjustment (PGA) Factor to \$1.00619 per therm for commercial (non-residential) rate class for the month of January 2008. 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 January 2008 has been submitted.

Dated this 31st day of December, 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 08 THROUGH DECEMBER 08				
CURRENT MONTH: JANUARY 2008				
(A)	(B)	(C)	(D)	
	ORIGINAL	FLEX DOWN	DIFFERENCE	
	PROJECTION	ESTIMATE	AMOUNT	
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$297,491	\$128,069	(\$169,422)
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$51,406	\$51,406	\$0
3	SWING SERVICE	\$2,832,239	\$0	(\$2,832,239)
4	COMMODITY Other (THIRD PARTY)	\$15,747,245	\$15,224,549	(\$522,696)
5	DEMAND	\$5,485,507	\$5,080,665	(\$404,842)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$400,000	\$400,000	\$0
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$158,929	\$43,616	(\$115,313)
8	DEMAND	\$1,017,864	\$597,509	(\$420,355)
9	OTHER	\$206,140	\$229,806	\$23,666
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$23,430,955	\$20,013,758	(\$3,417,197)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$23,430,955	\$20,013,758	(\$3,417,197)
THERMS PURCHASED				
15	COMMODITY Pipeline	54,401,923	41,503,958	(12,897,965)
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	10,385,000	10,385,000	0
17	SWING SERVICE	2,872,740	0	(2,872,740)
18	COMMODITY Other (THIRD PARTY)	16,299,340	19,172,080	2,872,740
19	DEMAND	118,376,600	108,444,510	(9,932,090)
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	28,380,220	14,735,128	(13,645,092)
22	DEMAND	25,101,460	14,735,128	(10,366,332)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	19,172,080	19,172,080	0
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	19,172,080	19,172,080	0
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00547	0.00309	(0.00238)
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)	0.98590	0.00000	(0.98590)
31	COMM. Other (THIRD PARTY) (4/18)	0.96613	0.79410	(0.17203)
32	DEMAND (5/19)	0.04634	0.04685	0.00051
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)	0.00560	0.00296	(0.00264)
35	DEMAND (8/22)	0.04055	0.04055	(0.00000)
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.22214	1.04390	(0.17824)
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)	1.22214	1.04390	(0.17824)
41	TRUE-UP (E-4)	(0.04038)	(0.04038)	0.00000
42	TOTAL COST OF GAS (40+41)	1.18176	1.00352	(0.17824)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.18771	1.00857	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	118.771	100.857	0.000

FOR RESIDENTIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 08 THROUGH DECEMBER 08				
CURRENT MONTH: JANUARY 2008				
(A)	(B)	(C)	(D)	
	ORIGINAL	FLEX DOWN	DIFFERENCE	
	PROJECTION	ESTIMATE	AMOUNT	
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$170,373	\$73,345	(\$97,028)
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$29,671	\$29,671	\$0
3	SWING SERVICE	\$1,622,023	\$0	(\$1,622,023)
4	COMMODITY Other (THIRD PARTY)	\$9,018,447	\$8,719,099	(\$299,348)
5	DEMAND	\$3,166,235	\$2,932,560	(\$233,675)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$229,080	\$229,080	\$0
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$91,019	\$24,979	(\$66,040)
8	DEMAND	\$587,511	\$344,882	(\$242,629)
9	OTHER	\$118,984	\$132,644	\$13,660
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$13,438,316	\$11,481,250	(\$1,957,066)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$13,438,316	\$11,481,250	(\$1,957,066)
THERMS PURCHASED				
15	COMMODITY Pipeline	31,155,981	23,769,317	(7,386,664)
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	5,994,222	5,994,222	0
17	SWING SERVICE	1,645,218	0	(1,645,218)
18	COMMODITY Other (THIRD PARTY)	9,333,701	10,979,850	1,646,149
19	DEMAND	68,326,974	62,594,171	(5,732,803)
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	16,253,352	8,438,808	(7,814,544)
22	DEMAND	14,488,563	8,505,116	(5,983,447)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	10,978,919	10,979,850	931
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	10,978,919	10,979,850	931
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00547	0.00309	(0.00238)
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)	0.98590	0.00000	(0.98590)
31	COMM. Other (THIRD PARTY) (4/18)	0.96622	0.79410	(0.17212)
32	DEMAND (5/19)	0.04634	0.04685	0.00051
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)	0.00560	0.00296	(0.00264)
35	DEMAND (8/22)	0.04055	0.04055	(0.00000)
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.22401	1.04565	(0.17836)
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)	1.22401	1.04565	(0.17836)
41	TRUE-UP (E-4)	(0.04038)	(0.04038)	0.00000
42	TOTAL COST OF GAS (40+41)	1.18364	1.00527	(0.17836)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.18959	1.01033	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	118.959	101.033	0.000

FOR COMMERCIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 08 THROUGH DECEMBER 08				
CURRENT MONTH: JANUARY 2008				
(A)	(B)	(C)	(D)	
	ORIGINAL	FLEX DOWN	DIFFERENCE	
	PROJECTION	ESTIMATE	AMOUNT	
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$127,118	\$54,724	(\$72,394)
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$21,734	\$21,734	\$0
3	SWING SERVICE	\$1,210,216	\$0	(\$1,210,216)
4	COMMODITY Other (THIRD PARTY)	\$6,728,798	\$6,505,450	(\$223,348)
5	DEMAND	\$2,319,272	\$2,148,105	(\$171,167)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$170,920	\$170,920	\$0
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$67,910	\$18,637	(\$49,273)
8	DEMAND	\$430,353	\$252,627	(\$177,726)
9	OTHER	\$87,156	\$97,162	\$10,006
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$9,992,639	\$8,532,507	(\$1,460,132)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$9,992,639	\$8,532,507	(\$1,460,132)
THERMS PURCHASED				
15	COMMODITY Pipeline	23,245,942	17,734,641	(5,511,301)
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	4,390,778	4,390,778	0
17	SWING SERVICE	1,227,522	0	(1,227,522)
18	COMMODITY Other (THIRD PARTY)	6,965,639	8,192,230	1,226,591
19	DEMAND	50,049,626	45,850,339	(4,199,287)
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	12,126,868	6,296,320	(5,830,548)
22	DEMAND	10,612,897	6,230,012	(4,382,885)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	8,193,161	8,192,230	(931)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	8,193,161	8,192,230	(931)
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00547	0.00309	(0.00238)
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)	0.98590	0.00000	(0.98590)
31	COMM. Other (THIRD PARTY) (4/18)	0.96600	0.79410	(0.17190)
32	DEMAND (5/19)	0.04634	0.04685	0.00051
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)	0.00560	0.00296	(0.00264)
35	DEMAND (8/22)	0.04055	0.04055	(0.00000)
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.21963	1.04153	(0.17810)
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)	1.21963	1.04153	(0.17810)
41	TRUE-UP (E-4)	(0.04038)	(0.04038)	0.00000
42	TOTAL COST OF GAS (40+41)	1.17926	1.00115	(0.17810)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.18519	1.00619	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	118.519	100.619	0.000