



November 26, 2008

**VIA E-FILING**

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

**Re: Docket No. 080003-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 December 1, 2008, for the month of December 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 black ink, appearing to read "David M. Nicholson", written in a cursive style.

David M. Nicholson  
Associate General 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. 080003-GU

Submitted for Filing: 11-26-08

**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 December 1, 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 \$1.25533 per therm for residential rate class customers and decrease its Purchased Gas Adjustment (PGA) Factor to \$1.12704 per therm for commercial (non-residential) rate class for the month of December, 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 December 2008 has been submitted.

Dated this 26<sup>th</sup> day of November, 2008.

Respectfully submitted,



\_\_\_\_\_  
David M. Nicholson, Esq.  
Associate General 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: DECEMBER 2008				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
<b>COST OF GAS PURCHASED</b>				
1	COMMODITY Pipeline	\$266,630	\$133,166	(\$133,464)
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$51,406	\$51,406	\$0
3	SWING SERVICE	\$6,385,150	\$0	(\$6,385,150)
4	COMMODITY Other (THIRD PARTY)	\$9,261,724	\$12,769,598	\$3,507,874
5	DEMAND	\$5,485,507	\$4,607,568	(\$877,939)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$400,000	\$150,000	(\$250,000)
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$158,929	\$42,074	(\$116,855)
8	DEMAND	\$1,017,864	\$226,274	(\$791,590)
9	OTHER	\$206,140	\$204,336	(\$1,804)
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$20,467,484	\$17,239,054	(\$3,228,430)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$20,467,484	\$17,239,054	(\$3,228,430)
<b>THERMS PURCHASED</b>				
15	COMMODITY Pipeline	48,678,530	23,924,756	(24,753,774)
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	5,344,890	0	(5,344,890)
18	COMMODITY Other (THIRD PARTY)	8,261,982	14,097,591	5,835,609
19	DEMAND	118,376,600	95,750,860	(22,625,740)
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	5,580,125	(22,800,095)
22	DEMAND	25,101,460	5,580,125	(19,521,335)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	13,606,872	14,097,591	490,719
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	13,606,872	14,097,591	490,719
<b>CENTS PER THERM</b>				
28	COMM. Pipeline (1/15)	0.00548	0.00557	0.00009
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)	1.19463	0.00000	(1.19463)
31	COMM. Other (THIRD PARTY) (4/18)	1.12101	0.90580	(0.21521)
32	DEMAND (5/19)	0.04634	0.04812	0.00178
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	0.00754	0.00194
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)	1.50420	1.22284	(0.28136)
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)	1.50420	1.22284	(0.28136)
41	TRUE-UP (E-4)	(0.04038)	(0.04038)	0.00000
42	TOTAL COST OF GAS (40+41)	1.46383	1.18246	(0.28136)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.47119	1.18840	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	147.119	118.840	0.000

FOR RESIDENTIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 08 THROUGH DECEMBER 08				
CURRENT MONTH: DECEMBER 2008				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
<b>COST OF GAS PURCHASED</b>				
1	COMMODITY Pipeline	\$136,061	\$63,693	(\$72,368)
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$29,671	\$30,047	\$376
3	SWING SERVICE	\$3,258,342	\$0	(\$3,258,342)
4	COMMODITY Other (THIRD PARTY)	\$4,726,258	\$6,107,699	\$1,381,441
5	DEMAND	\$3,166,235	\$2,693,123	(\$473,112)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$204,120	\$71,745	(\$132,375)
	LESS END-USE CONTRACT:			
7	COMMODITY Pipeline	\$81,102	\$20,124	(\$60,978)
8	DEMAND	\$587,511	\$132,257	(\$455,254)
9	OTHER	\$118,984	\$119,434	\$450
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$10,733,091	\$8,694,492	(\$2,038,599)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$10,733,091	\$8,694,492	(\$2,038,599)
<b>THERMS PURCHASED</b>				
15	COMMODITY Pipeline	24,840,654	11,443,211	(13,397,443)
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	5,994,222	6,070,033	75,811
17	SWING SERVICE	2,727,497	0	(2,727,497)
18	COMMODITY Other (THIRD PARTY)	4,215,799	6,742,878	2,527,079
19	DEMAND	68,326,974	55,966,378	(12,360,596)
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
	LESS END-USE CONTRACT:			
21	COMMODITY Pipeline	14,482,426	2,668,974	(11,813,452)
22	DEMAND	14,488,563	3,261,583	(11,226,980)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	6,943,296	6,742,878	(200,418)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	6,943,296	6,742,878	(200,418)
<b>CENTS PER THERM</b>				
28	COMM. Pipeline (1/15)	0.00548	0.00557	0.00009
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)	1.19463	0.00000	(1.19463)
31	COMM. Other (THIRD PARTY) (4/18)	1.12108	0.90580	(0.21528)
32	DEMAND (5/19)	0.04634	0.04812	0.00178
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	0.00754	0.00194
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)	1.54582	1.28942	(0.25640)
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)	1.54582	1.28942	(0.25640)
41	TRUE-UP (E-4)	(0.04038)	(0.04038)	0.00000
42	TOTAL COST OF GAS (40+41)	1.50545	1.24904	(0.25640)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.51302	1.25533	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	151.302	125.533	0.000

FOR COMMERCIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 08 THROUGH DECEMBER 08				
CURRENT MONTH: DECEMBER 2008				
(A)	(B)	(C)	(D)	
	ORIGINAL	FLEX DOWN	DIFFERENCE	
	PROJECTION	ESTIMATE	AMOUNT	
<b>COST OF GAS PURCHASED</b>				
1	COMMODITY Pipeline	\$130,569	\$69,473	(\$61,096)
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$21,734	\$21,359	(\$375)
3	SWING SERVICE	\$3,126,808	\$0	(\$3,126,808)
4	COMMODITY Other (THIRD PARTY)	\$4,535,466	\$6,661,899	\$2,126,433
5	DEMAND	\$2,319,272	\$1,914,445	(\$404,827)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$195,880	\$78,255	(\$117,625)
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$77,828	\$21,950	(\$55,878)
8	DEMAND	\$430,353	\$94,017	(\$336,336)
9	OTHER	\$87,156	\$84,902	(\$2,254)
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$9,734,393	\$8,544,562	(\$1,189,831)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$9,734,393	\$8,544,562	(\$1,189,831)
<b>THERMS PURCHASED</b>				
15	COMMODITY Pipeline	23,837,876	12,481,545	(11,356,331)
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	4,390,778	4,314,968	(75,810)
17	SWING SERVICE	2,617,393	0	(2,617,393)
18	COMMODITY Other (THIRD PARTY)	4,046,183	7,354,713	3,308,530
19	DEMAND	50,049,626	39,784,482	(10,265,144)
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	13,897,794	2,911,151	(10,986,643)
22	DEMAND	10,612,897	2,318,542	(8,294,355)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	6,663,576	7,354,713	691,137
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	6,663,576	7,354,713	691,137
<b>CENTS PER THERM</b>				
28	COMM. Pipeline (1/15)	0.00548	0.00557	0.00009
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)	1.19463	0.00000	(1.19463)
31	COMM. Other (THIRD PARTY) (4/18)	1.12092	0.90580	(0.21512)
32	DEMAND (5/19)	0.04634	0.04812	0.00178
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	0.00754	0.00194
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)	1.46084	1.16178	(0.29906)
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)	1.46084	1.16178	(0.29906)
41	TRUE-UP (E-4)	(0.04038)	(0.04038)	0.00000
42	TOTAL COST OF GAS (40+41)	1.42046	1.12140	(0.29906)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.42761	1.12704	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	142.761	112.704	0.000