



December 30, 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 31, 2008, for the month of January 2009, 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", written over a horizontal line.

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. 080003-GU

Submitted for Filing: 12-30-08

**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 31, 2008, for its first billing cycle, it will reduce its Purchased Gas Adjustment (PGA) Factor approved by Order No. PSC-08-0784-FOF-GU to \$1.25533 per therm for residential rate class customers and decrease its Purchased Gas Adjustment (PGA) Factor to \$1.25513 per therm for commercial (non-residential) rate class for the month of January, 2009. 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 2009 has been submitted.

Dated this 30<sup>th</sup> day of December, 2008.

Respectfully submitted,



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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 09 THROUGH DECEMBER 09 CURRENT MONTH: JANUARY 2009				
(A)	(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT	
<b>COST OF GAS PURCHASED</b>				
1	COMMODITY Pipeline	\$66,806	\$148,685	\$81,879
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$51,406	\$51,406	\$0
3	SWING SERVICE	\$5,792,915	\$0	(\$5,792,915)
4	COMMODITY Other (THIRD PARTY)	\$15,343,511	\$14,898,283	(\$445,228)
5	DEMAND	\$4,507,526	\$4,300,546	(\$206,980)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$420,000	\$162,000	(\$258,000)
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$16,089	\$50,388	\$34,299
8	DEMAND	\$400,243	\$270,983	(\$129,260)
9	OTHER	\$219,014	\$248,746	\$29,732
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$25,546,819	\$18,990,803	(\$6,556,016)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$25,546,819	\$18,990,803	(\$6,556,016)
<b>THERMS PURCHASED</b>				
15	COMMODITY Pipeline	34,827,129	25,897,730	(8,929,399)
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	4,986,920	0	(4,986,920)
18	COMMODITY Other (THIRD PARTY)	13,687,931	15,165,345	1,477,414
19	DEMAND	94,509,080	90,107,979	(4,401,101)
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	9,870,350	6,682,700	(3,187,650)
22	DEMAND	9,870,350	6,682,700	(3,187,650)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	18,674,851	15,165,345	(3,509,506)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	18,674,851	15,165,345	(3,509,506)
<b>CENTS PER THERM</b>				
28	COMM. Pipeline (1/15)	0.00192	0.00574	0.00382
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)	1.16162	0.00000	(1.16162)
31	COMM. Other (THIRD PARTY) (4/18)	1.12095	0.98239	(0.13856)
32	DEMAND (5/19)	0.04769	0.04773	0.00003
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)	0.00163	0.00754	0.00591
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)	1.36798	1.25225	(0.11573)
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)	1.36798	1.25225	(0.11573)
41	TRUE-UP (E-4)	(0.00328)	(0.00328)	0.00000
42	TOTAL COST OF GAS (40+41)	1.36470	1.24897	(0.11573)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.37156	1.25525	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	137.156	125.525	0.000

FOR RESIDENTIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 09 THROUGH DECEMBER 09				
CURRENT MONTH: JANUARY 2009				
(A)	(B)	(C)	(D)	
	ORIGINAL	FLEX DOWN	DIFFERENCE	
	PROJECTION	ESTIMATE	AMOUNT	
<b>COST OF GAS PURCHASED</b>				
1	COMMODITY Pipeline	\$41,253	\$86,877	\$45,624
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$30,047	\$30,047	\$0
3	SWING SERVICE	\$3,577,125	\$0	(\$3,577,125)
4	COMMODITY Other (THIRD PARTY)	\$9,474,618	\$8,705,067	(\$769,551)
5	DEMAND	\$2,634,649	\$2,513,669	(\$120,980)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$259,350	\$94,657	(\$164,693)
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$9,935	\$29,442	\$19,507
8	DEMAND	\$233,942	\$158,390	(\$75,552)
9	OTHER	\$128,014	\$145,392	\$17,378
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$15,645,151	\$11,097,093	(\$4,548,058)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$15,645,151	\$11,097,093	(\$4,548,058)
<b>THERMS PURCHASED</b>				
15	COMMODITY Pipeline	21,505,752	15,132,044	(6,373,708)
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	6,070,033	6,070,033	0
17	SWING SERVICE	3,079,423	0	(3,079,423)
18	COMMODITY Other (THIRD PARTY)	8,452,316	8,861,111	408,795
19	DEMAND	55,240,557	52,668,114	(2,572,443)
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	6,094,941	3,904,702	(2,190,239)
22	DEMAND	5,769,220	3,906,038	(1,863,182)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	11,531,739	8,861,111	(2,670,628)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	11,531,739	8,861,111	(2,670,628)
<b>CENTS PER THERM</b>				
28	COMM. Pipeline (1/15)	0.00192	0.00574	0.00382
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)	1.16162	0.00000	(1.16162)
31	COMM. Other (THIRD PARTY) (4/18)	1.12095	0.98239	(0.13856)
32	DEMAND (5/19)	0.04769	0.04773	0.00003
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)	0.00163	0.00754	0.00591
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)	1.35670	1.25233	(0.10437)
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)	1.35670	1.25233	(0.10437)
41	TRUE-UP (E-4)	(0.00328)	(0.00328)	0.00000
42	TOTAL COST OF GAS (40+41)	1.35342	1.24905	(0.10437)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.36023	1.25533	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	136.023	125.533	0.000

FOR COMMERCIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 09 THROUGH DECEMBER 09				
CURRENT MONTH: JANUARY 2009				
(A)	(B)	(C)	(D)	
	ORIGINAL	FLEX DOWN	DIFFERENCE	
	PROJECTION	ESTIMATE	AMOUNT	
<b>COST OF GAS PURCHASED</b>				
1	COMMODITY Pipeline	\$25,553	\$61,808	\$36,255
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$21,359	\$21,359	\$0
3	SWING SERVICE	\$2,215,790	\$0	(\$2,215,790)
4	COMMODITY Other (THIRD PARTY)	\$5,868,893	\$6,193,216	\$324,323
5	DEMAND	\$1,872,877	\$1,786,877	(\$86,000)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$160,650	\$67,343	(\$93,307)
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$6,154	\$20,946	\$14,792
8	DEMAND	\$166,301	\$112,593	(\$53,708)
9	OTHER	\$91,000	\$103,354	\$12,354
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$9,901,667	\$7,893,710	(\$2,007,957)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$9,901,667	\$7,893,710	(\$2,007,957)
<b>THERMS PURCHASED</b>				
15	COMMODITY Pipeline	13,321,377	10,765,686	(2,555,691)
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	4,314,968	4,314,968	0
17	SWING SERVICE	1,907,497	0	(1,907,497)
18	COMMODITY Other (THIRD PARTY)	5,235,615	6,304,234	1,068,619
19	DEMAND	39,268,523	37,439,865	(1,828,658)
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	3,775,409	2,777,998	(997,411)
22	DEMAND	4,101,130	2,776,662	(1,324,468)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	7,143,112	6,304,234	(838,878)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	7,143,112	6,304,234	(838,878)
<b>CENTS PER THERM</b>				
28	COMM. Pipeline (1/15)	0.00192	0.00574	0.00382
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)	1.16162	0.00000	(1.16162)
31	COMM. Other (THIRD PARTY) (4/18)	1.12096	0.98239	(0.13857)
32	DEMAND (5/19)	0.04769	0.04773	0.00003
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)	0.00163	0.00754	0.00591
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)	1.38618	1.25213	(0.13405)
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)	1.38618	1.25213	(0.13405)
41	TRUE-UP (E-4)	(0.00328)	(0.00328)	0.00000
42	TOTAL COST OF GAS (40+41)	1.38290	1.24885	(0.13405)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.38986	1.25513	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	138.986	125.513	0.000