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IN REPLY REFER TO:

Ansley Watson, Jr.  
P.O. Box 1531  
Tampa, Florida 33601  
e-mail: [aw@macfar.com](mailto:aw@macfar.com)

September 12, 2011

**VIA FEDEX**

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

**Re: Docket No. 110003-GU – Purchased gas adjustment (PGA) true-up**

Dear Ms. Cole:

Enclosed for filing with the Commission on behalf of Peoples Gas System, please find the original and 15 copies of the following:

- Peoples' Petition for Approval of PGA Factor For Application To Bills To Be Rendered During The Period January 2012 Through December 2012;
- Direct Testimony of Kandi M. Floyd; and
- Composite Exhibit \_\_\_ (KMF-2), consisting of Schedules E-1 through E-5 of the prescribed reporting forms.

The enclosed testimony and exhibit will be offered by Peoples at the hearing in this docket scheduled to commence on November 1, 2011.

Please acknowledge your receipt and the date of filing of the enclosures on the enclosed duplicate copy of this letter, and return the same to me in the enclosed preaddressed envelope.

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Ms. Ann Cole  
September 12, 2011  
Page 2

Thank you for your usual assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ansley Watson, Jr.", written in a cursive style.

Ansley Watson, Jr.

AWjr/a  
Enclosures

cc: Ms. Kandi M. Floyd  
Parties of Record

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Purchased gas adjustment )  
(PGA) true-up. )  
\_\_\_\_\_ )

DOCKET NO. 110003-GU  
Submitted for filing:  
9-13-11

**PETITION OF PEOPLES GAS SYSTEM FOR APPROVAL  
OF PGA FACTOR FOR APPLICATION TO BILLS TO BE RENDERED  
DURING THE PERIOD JANUARY 2012 THROUGH DECEMBER 2012**

Peoples Gas System ("Peoples"), by its undersigned attorneys, hereby files its petition for approval of its purchased gas adjustment ("PGA") factor to be applied to bills beginning the first billing cycle in January 2012 through the last billing cycle in December 2012, inclusive, and in support thereof says:

1. The name of the petitioner and the mailing address of its principal office are:

Peoples Gas System  
P.O. Box 2562  
Tampa, Florida 33601-2562

2. The names and mailing address of the persons authorized to receive notices

and communications with respect to this petition are:

Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P. O. Box 1531  
Tampa, Florida 33601-1531

Ms. Paula K. Brown  
Regulatory Affairs  
Peoples Gas System  
P. O. Box 111  
Tampa, Florida 33601-0111

Ms. Kandi M. Floyd  
Manager – State Regulatory  
Peoples Gas System  
P. O. Box 2562  
Tampa, Florida 33601-2562

3. By its Orders Nos. 24463 and 24463-A in this docket, the Commission adopted a revised method for the recovery of purchased gas costs by regulated natural gas utilities, to be used for the recovery of such costs commencing October 1, 1991.

DOCUMENT NUMBER-DATE

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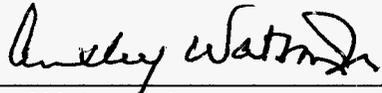
Submitted herewith is Peoples' Composite Exhibit KMF-2, consisting of Schedules E-1, E-1/R, E-2, E-3, E-4 and E-5. The schedules in Composite Exhibit KMF-2 are used to compute a maximum PGA factor for application to bills rendered for gas sold by Peoples during the twelve-month period of January 2012 through December 2012 (the "Projection Period").

4. The maximum PGA factor calculated in Composite Exhibit KMF-2 basically represents (A) the sum of the final net true-up amount for the period January 1, 2010 through December 31, 2010, the estimated or projected true-up (based on actual data for eight months and projected data for four months) for the period January 1, 2011 through December 31, 2011, both true-up amounts including interest, and Peoples' projected cost of purchased gas for the Projection Period, without interest, (B) divided by Peoples' projected therm sales for the Projection Period.

5. By its Order No. PSC-99-0634-FOF-GU in Docket No. 981698-GU the Commission approved a methodology for charging separate Purchased Gas Adjustment Factors for different customer classes. The maximum (cap) PGA factor for which Peoples seeks approval for the Projection Period is the Residential factor shown on Line 45, Page 2 of Schedule E-1 of Composite Exhibit KMF-2, and is \$.98437 per therm.

WHEREFORE, Peoples Gas System respectfully requests that the Commission enter its order approving Peoples' proposed maximum (cap) PGA factor of \$.98437 per therm for application to bills beginning the first billing cycle in January 2012 through the last billing cycle in December 2012.

Respectfully submitted,



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Attorneys for Peoples Gas System

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing petition, together with copies of the Direct Testimony of Kandi M. Floyd and Composite Exhibit \_\_ (KMF-2), have been furnished by U. S. Mail, this 12th day of September, 2011, to the following:

Jennifer Crawford, Esquire  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Mr. Melvin Williams  
Florida City Gas  
933 East 25<sup>th</sup> Street  
Hialeah, FL 33013-3403

Office of Public Counsel  
J.R. Kelly/Charles Rehwinkel  
c/o The Florida Legislature  
111 West Madison St., Room 812  
Tallahassee, FL 32399-1400

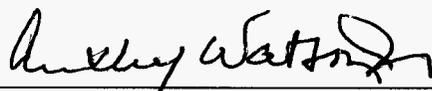
Ms. Paula K. Brown  
Regulatory Affairs  
Peoples Gas System  
P. O. Box 111  
Tampa, FL 33601-0111

Beth Keating, Esquire  
Gunster Law Firm  
215 South Monroe St. Suite 618  
Tallahassee, FL 32301

Mr. Thomas A. Geoffroy  
Florida Public Utilities Company  
P. O. Box 3395  
West Palm Beach, FL 33402-3395

Mr. Stuart L. Shoaf  
St. Joe Natural Gas Company, Inc.  
P. O. Box 549  
Port St. Joe, FL 32457-0549

Elizabeth Wade/David Weaver  
AGL Resources Inc.  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309



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Ansley Watson, Jr.