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IN REPLY REFER TO:

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

September 11, 2012

VIA FEDEX

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

RECEIVED-FPSC
12 SEP 12 AM 9:47
COMMISSION
CLERK

Re: Docket No. 120003-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 2013 Through December 2013;
- 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 5, 2012.

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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DOCUMENT NUMBER-DATE

06130 SEP 12 02

FPSC-COMMISSION CLERK

Ms. Ann Cole
September 11, 2012
Page 2

Thank you for your usual assistance.

Sincerely,

A handwritten signature in blue ink that reads "Ansley Watson, Jr." with a stylized flourish at the end.

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. 120003-GU
Submitted for filing:
9-12-12

**PETITION OF PEOPLES GAS SYSTEM FOR APPROVAL
OF PGA FACTOR FOR APPLICATION TO BILLS TO BE RENDERED
DURING THE PERIOD JANUARY 2013 THROUGH DECEMBER 2013**

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 2013 through the last billing cycle in December 2013, 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

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utilities, to be used for the recovery of such costs commencing October 1, 1991.

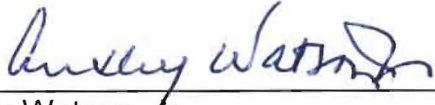
Submitted herewith is Peoples' Composite Exhibit KMF-2, consisting of Schedules E-1, E-1/R, E-2, E-3, E-4 and E-5. The schedules in Composite Exhibit KMF-2 are used to compute a maximum PGA factor for application to bills rendered for gas sold by Peoples during the twelve-month period of January 2013 through December 2013 (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, 2011 through December 31, 2011, the estimated or projected true-up (based on actual data for seven months and projected data for five months) for the period January 1, 2012 through December 31, 2012, 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 \$.92549 per therm.

WHEREFORE, Peoples Gas System respectfully requests that the Commission enter its order approving Peoples' proposed maximum (cap) PGA factor of \$.92549 per therm for application to bills beginning the first billing cycle in January 2013 through the last billing cycle in December 2013.

Respectfully submitted,

A handwritten signature in blue ink that reads "Ansley Watson, Jr." The signature is written in a cursive style and is positioned above a horizontal line.

Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
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Tampa, Florida 33601-1531
Phone: (813) 273-4321
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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 11th day of September, 2012, to the following:

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

Ms. Carolyn Bermudez
Florida City Gas
933 East 25th Street
Hialeah, FL 33013-3340

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

Paula K. Brown/Kandi M. Floyd
Regulatory Affairs
Peoples Gas System
P. O. Box 111
Tampa, FL 33601-0111

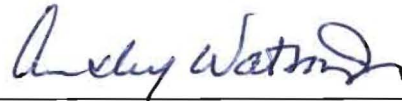
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West Palm Beach, FL 33409-6703

Mr. Andy Shoaf
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Port St. Joe, FL 32457-0549

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P.O. Box 15579
Tallahassee, FL 32317



Ansley Watson, Jr.