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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. 120004-GU – Natural gas conservation cost recovery

Dear Ms. Cole:

Enclosed for filing in the above docket on behalf of Peoples Gas System, please find the following:

- Peoples' Petition for Approval of Conservation Cost Recovery Factors;
- Direct Testimony of Kandi M. Floyd on behalf of Peoples; and
- Exhibit ___ (KMF-2), consisting of the conservation cost recovery projection forms prescribed by the Commission Staff.

The direct testimony of Mrs. Floyd and the referenced exhibit will be offered by Peoples at the hearing in this docket currently 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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FPSC-COMMISSION CLERK

Ms. Ann Cole
September 11, 2012
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: Parties of Record
Mrs. Kandi M. Floyd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost)
recovery.)
_____)

Docket No. 120004-GU
Submitted for Filing:
9-12-12

**PETITION OF PEOPLES GAS SYSTEM
FOR APPROVAL OF CONSERVATION COST RECOVERY FACTORS**

Peoples Gas System ("Peoples"), through undersigned counsel and pursuant to Rule 25-17.015, *Florida Administrative Code*, petitions the Commission for approval of its conservation cost recovery factors for the period January 1 through December 31, 2013, and in support thereof says:

1. The name and address of the Petitioner are:

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

2. The persons to whom notices, orders, pleadings and correspondence in this docket should be addressed 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. Peoples projects total conservation program expenses of \$7,724,186 for the period January 1 through December 31, 2013. The estimated true-up is an underrecovery of \$1,739,156. After increasing the projected conservation expenses by the amount of this underrecovery, \$9,463,342 remains to be recovered during the

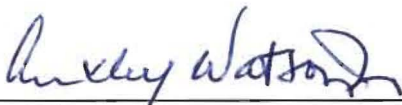
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January - December 2013 period. When this expense is allocated to the affected rate classes pursuant to the methodology approved by the Commission, and expanded for taxes, the recovery factors for the period January - December 2013 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.05973
Residential Standby Generator	\$0.05973
Small General Service	\$0.04006
Commercial Standby Generator	\$0.01887
General Service 1	\$0.01887
General Service 2	\$0.01376
General Service 3	\$0.01137
General Service 4	\$0.00853
General Service 5	\$0.00627
Commercial Street Lighting	\$0.00998
Natural Gas Vehicle Service	\$0.01236

WHEREFORE, Peoples Gas System respectfully requests that the Commission grant this petition and approve the conservation adjustment factors set forth in paragraph 3 of this petition for the period January 1 through December 31, 2013.

Respectfully submitted,



Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
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Phone: (813) 273-4321
Fax: (813) 273-4396
E-mail: aw@macfar.com

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 Exhibit ____ (KMF-2), have been furnished by U. S. Mail, this 11th day of September, 2012, to the following:

Pauline Robinson, 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/Charles Rehwinkel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400

Kandi M. Floyd / 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

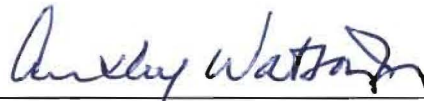
Norman H. Horton, Jr., Esquire
Messer Law Firm
P.O. Box 15579
Tallahassee, FL 32317

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

Mr. Jerry H. Melendy, Jr.
Sebring Gas System, Inc.
3515 U.S. Highway 27 South
Sebring, FL 33870-5452

Brian Sulmonetti/Elizabeth Wade
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Ten Peachtree Place
Location 1470
Atlanta, GA 30309

Florida Public Utilities /
FPUC Indiantown Division
Cheryl M. Martin/Aleida Socarras
1641 Worthington Rd., Suite 220
West Palm Beach, FL 33409-6703



Ansley Watson, Jr.