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February 10, 1998

David M. Nicholson, Esq.
P.O. Box 1531
Tampa, Florida 33601

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

via FEDERAL EXPRESS

Re: **Docket No. 980003-GU -- Purchased Gas Adjustment
(PGA) True-up; Amended Prehearing Statement and Revised True-Up
Projections for April 1998 - March 1999.**

Dear Ms. Bayo:

Enclosed for filing in the above docket please find the original and 15 copies of Peoples Gas System's Amended Prehearing Statement and Amended Petition for Approval of PGA Factor for Application to Bills to be Rendered During the Period April 1998 Through March 1999. We also enclose a computer diskette (IBM-DOS 4.0, WP5.1) containing the same.

Enclosed also for filing on behalf of Peoples, please find 15 copies of Revised Composite Exhibit EE-3 to Mr. Elliott's testimony.

Please acknowledge your receipt and filing of the enclosures by stamping the duplicate copy of this letter which is enclosed and returning the same to the undersigned.

Thank you for your assistance.

Sincerely,

David M. Nicholson
DAVID M. NICHOLSON

Enclosures

cc: Ms. Angie Llewellyn
Mr. W. Edward Elliott
All Parties of Record

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

02097 FEB 11 98

FPSC-RECORDS/REPORTING

RECEIVED
MAIL ROOM
FEB 11 1998

Checked Petition Exhibit EE
DOCUMENT NUMBER-DATE 02098 FEB 11 98
DOCUMENT NUMBER-DATE 02099 FEB 11 98

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas :
 Adjustme: (PGA) True-Up :
 _____ :

DOCKET NO. 980003-GU
 Filed: 02-11-98

AMENDED PREHEARING STATEMENT OF PEOPLES GAS SYSTEMA. APPEARANCES:

DAVID M. NICHOLSON, Esquire,
 Macfarlane Ferguson & McMullen
 P. O. Box 1531, Tampa, Florida 33601
On behalf of Peoples Gas System

B. WITNESSES:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
1. W. Edward Elliott (Peoples)	Projected gas costs, therm sales and weighted average cost of gas ("WACOG"); final PGA true-up amount for April 1996 - March 1997; estimated PGA true-up amounts for April 1997 - March 1998; total PGA true-up amounts for April 1998 - March 1999; and levelized PGA cost recovery (cap) factor for April 1998 - March 1999.	1 - 5

C. EXHIBITS:

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
(EE-1) (EE-2)	Elliott	Calculation of final true-up for April 1996 - March 1997 (Schedules A-1 through A-6)
(Revised EE-3)	Elliott	Calculation of estimated true-up for April 1997 - March 1998; total true-up for April 1998 - March 1999; Calculation of PGA factor for April 1998 - March 1999 (Schedules E-1 through E-5)

DOCUMENT NUMBER-DATE

02097 FEB 11 8

FPSC-RECORDS/REPORTING

D. STATEMENT OF BASIC POSITION:

Peoples' Statement of Basic Position:

The Commission should approve Peoples' final PGA true-up amount for the period April, 1996 through March, 1997 of \$3,911,759 (underrecovery), its estimated PGA true-up amount of \$3,918,939 (overrecovery) for the period April, 1997 through March, 1998, and its levelized PGA (cap) factor of 49.609 cents per therm for application to customers' bills, including the customers of the former West Florida Natural Gas Co., during the period April 1, 1998 through March 31, 1999.

E. STATEMENT OF ISSUES AND POSITIONS:

Generic Purchased Gas Adjustment Issues

ISSUE 1: What is the appropriate final purchased gas adjustment true-up amount for the period April, 1996 through March, 1997?

POSITION:

Peoples: \$3,911,759 underrecovery. (Elliott)

ISSUE 2: What is the appropriate estimated purchased gas adjustment true-up amount for the period April, 1997 through March, 1998?

POSITION:

Peoples: \$3,918,939 overrecovery. (Elliott)

ISSUE 3: What is the total purchased gas adjustment true-up amount to be collected or refunded during the period April, 1998 through March, 1999?

POSITION:

Peoples: \$7,180 overrecovery. (Elliott)

ISSUE 4: What is the appropriate levelized purchased gas cost recovery (cap) factor for the period April, 1998 through March, 1999?

POSITION:

Peoples: 49.609 cents per therm. (Elliott)

ISSUE 5: What should be the effective date of the new purchased gas adjustment charge for billing purposes?

POSITION:

Peoples: Agree with Staff. (Elliott)

F. STIPULATED ISSUES:

None as to Peoples at this time.

G. MOTIONS:

Peoples has no pending motions at this time.

H. OTHER MATTERS:

None as to Peoples at this time.

Dated this 11th day of February, 1998.

Respectfully submitted,



David M. Nicholson,
Ansley Watson, Jr.
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Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Prehearing Statement of Peoples Gas System has been furnished this 10th day of February, 1998, by regular U.S. Mail, to all known parties of record in Docket No. 980003-GU.



David M. Nicholson