

PEOPLES GAS

DAVID M. NICHOLSON
CORPORATE COUNSEL

WRITER'S DIRECT
DIAL: (813) 228-1556
FAX: (813) 228-1328

E-MAIL: DMNICHOLSON@TECOENERGY.COM

October 17, 2000

VIA FEDERAL EXPRESS

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0859

Re: Docket No. 000003-GU - Purchased Gas Adjustment (PGA)
Preliminary Statement of Issues and Positions

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Peoples Gas System, Inc. ("Peoples"), please find the original and 15 copies of its Preliminary Statement of Issues and Positions.

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

- APP _____
- CAF _____
- CMP *Mater*
- CGM 3
- CTR _____
- ECR _____
- LEG 1
- OPC _____
- PAI _____
- RGO *ttendvcc*
- SEC 1
- SER _____
- OTH _____

Enclosures

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

RECEIVED & FILED
[Signature]
FPSC BUREAU OF RECORDS

PEOPLES GAS
702 NORTH FRANKLIN STREET
P. O. BOX 2562
TAMPA, FL 33601-2562
AN EQUAL OPPORTUNITY COMPANY

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

(813) 275-3900

HTTP://WWW.PEOPLES GAS.COM

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas : Docket No. 000003-GU
Adjustment (PGA) Clause :
: Submitted for Filing: 10-18-00

**PEOPLES GAS SYSTEM'S
PRELIMINARY STATEMENT OF ISSUES AND POSITIONS**

Peoples Gas System ("PGS") hereby submits its preliminary statement of issues and positions to be taken up at the hearing now scheduled to begin on November 20, 2000 in this docket.

Issue 1: What is the appropriate final purchased gas adjustment true-up amount for the period January 1999 through December 1999?

PGS's Position: \$866,759 underrecovery.

Issue 2: What is the estimated purchased gas adjustment true-up amount for the period January 2000 through December 2000?

PGS's Position: \$2,939,165 underrecovery.

Issue 3: What is the total purchased gas adjustment true-up amount to be refunded in the January 2001 - December 2001 period?

PGS's Position: \$3,805,923 underrecovery.

Issue 4: What is the appropriate levelized purchased gas recovery (cap) factor to be charged during the period January 2001 through December 2001?

PGS's Position: 71.171 cents per therm.

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

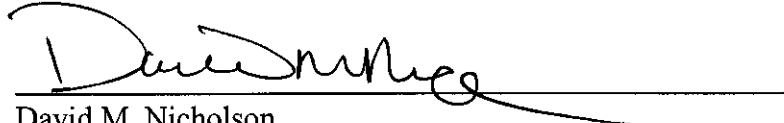
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PGS's Position: The factor should be effective for all meter readings on or after January 1, 2001, beginning with the first or applicable billing cycle for the period January 2001 through December 2001.

Respectfully submitted



David M. Nicholson
P. O. Box 111
Tampa, Florida 33601
(813) 228-1556
Corporate Counsel for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing **PEOPLES GAS SYSTEM'S PRELIMINARY STATEMENT OF ISSUES AND POSITIONS**, has been furnished by regular U.S. Mail this 17th day of October 2000 to all known parties of record in Docket No. 000003-GU.



David M. Nicholson