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Ansley Watson, Jr.
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October 17, 2005

VIA E-FILING

Blanca S. Bayo, Director
Division of Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 050004-GU – Natural gas conservation cost recovery

Dear Ms. Bayo:

Enclosed for filing with the Commission, please find Peoples Gas System's Prehearing Statement. A diskette containing the document in MS Word format is being sent via Federal Express tonight.

Thank you for your usual assistance.

Sincerely,



Ansley Watson, Jr.

AWjr/a
Enclosures

cc: Mrs. Kandi M. Floyd
Matthew R. Costa, Esquire
Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 050004-GU
Submitted for filing:
10-17-05

**PEOPLES GAS SYSTEM'S
PREHEARING STATEMENT**

Peoples Gas System ("PGS"), by its undersigned attorneys, submits the following Prehearing Statement for the hearing scheduled to be held in the above docket November 7-9, 2005.

A. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
(Direct)		
Kandi M. Floyd (PGS)	True-up for period January 2004 - December 2004; Projected expenses and ECCR factors for period January through December 2006	1-3

B. EXHIBITS

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
_____ (KMF-1)	Floyd	Conservation cost recovery true-up data (January 2004 - December 2004) consisting of schedules CT-1 through CT-6 (except PGS West Florida Region).
_____ (KMF-2)	Floyd	Conservation cost recovery true-up data (January 2004 - December 2004) consisting of schedules CT-1 through CT-6 (PGS West Florida Region).

<u>(KMF-3)</u>	Floyd	Data for development of conservation cost recovery factors (January 1 - December 31, 2006), consisting of schedules C-1 through C-5 (except PGS West Florida Region).
<u>(KMF-4)</u>	Floyd	Data for development of conservation cost recovery factors (January 1 - December 31, 2006), consisting of schedules C-1 through C-5 (PGS West Florida Region).

C. STATEMENT OF BASIC POSITION

PGS's Statement of Basic Position:

The Commission should approve -- for areas other than PGS's West Florida Region -- PGS's end-of-period final true-up amount of \$1,573,605 (overrecovery) for the period January 2004 through December 2004; the estimated true-up amount for the period January - December 2005; and the projected conservation program expenses for the period January 1 through December 31, 2006.

For areas other than PGS's West Florida Region, the Commission should approve the following ECCR factors for the following rate classes for the period January 1 through December 31, 2006:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.03814
Small General Service	\$0.03260
General Service 1	\$0.01310
General Service 2	\$0.01069
General Service 3	\$0.00879
General Service 4	\$0.00808
General Service 5	\$0.00460
Commercial Street Lighting	\$0.00572
Natural Gas Vehicle Service	\$0.00694

For PGS's West Florida Region, the Commission should approve PGS's end-of-period final true-up amount of \$2,114,460 (underrecovery) for the period January 2004 through December 2004; the estimated true-up amount for the period January - December 2005; and the projected conservation program expenses for the period January 1 through December 31, 2006.

For PGS's West Florida Region, the Commission should approve the following ECCR factors for the following rate classes for the period January 1 through December 31,

2006:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.16931
Small General Service	\$0.20030
General Service 1	\$0.05824
General Service 2	\$0.04676
General Service 3	\$0.03906
General Service 4	\$0.03550
General Service 5	\$0.01979
Commercial Street Lighting	\$0.02486
Natural Gas Vehicle Service	\$0.02486

(Floyd)

D. STATEMENT OF ISSUES AND POSITIONS:

Generic Conservation Cost Recovery Issues

ISSUE 1: What is the final end-of-period final true-up amount for the period January 2004 through December 2004?

PGS (except West Florida): \$1,573,605 overrecovery (Floyd)

PGS (West Florida): \$2,114,460 underrecovery (Floyd)

ISSUE 2: What are the appropriate conservation cost recovery factors for the period January 2006 through December 2006?

PGS (except West Florida):

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.03814
Small General Service	\$0.03260
General Service 1	\$0.01310
General Service 2	\$0.01069
General Service 3	\$0.00879
General Service 4	\$0.00808
General Service 5	\$0.00460
Commercial Street Lighting	\$0.00572
Natural Gas Vehicle Service	\$0.00694

(Floyd)

PGS - West Florida:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.16931
Small General Service	\$0.20030
General Service 1	\$0.05824
General Service 2	\$0.04676
General Service 3	\$0.03906
General Service 4	\$0.03550
General Service 5	\$0.01979
Commercial Street Lighting	\$0.02486
Natural Gas Vehicle Service	\$0.02486

(Floyd)

ISSUE 3: What should be the effective date of the cost recovery factors for billing purposes?

PGS: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2006 through December 2006. Billing cycles may start before January 1, 2006, and the last cycle may be read after December 31, 2006, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. (Floyd)

E. STIPULATED ISSUES

None as to PGS.

F. PENDING MOTIONS

None as to PGS.

G. PENDING CONFIDENTIALITY CLAIMS OR REQUESTS

PGS has no pending confidentiality claims or requests at this time.

H. COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

PGS has complied with all requirements of the Order Establishing Procedure in this docket.

Dated this 17th day of October, 2005.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing Prehearing Statement has been furnished by U. S. Mail this 17th day of October, 2005, to the following:

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