

MACFARLANE FERGUSON & McMULLEN

ORIGINAL

ATTORNEYS AND COUNSELORS AT LAW

400 NORTH TAMPA STREET, SUITE 2300
P.O. BOX 1531 ZIP 33601
TAMPA, FLORIDA 33602
(813) 273-4200 FAX (813) 273-4396

625 COURT STREET
P.O. BOX 1609 ZIP 33757
CLEARWATER, FLORIDA 33756
(813) 441-8966 FAX (813) 442-8470

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

PHS
DOCUMENT NUMBER-DATE

02097 FEB 11 98

FPSC-RECORDS/REPORTING

RECEIVED
MAIL ROOM
FEB 11 1998

RECEIVED
DOCUMENT NUMBER-DATE
02098 FEB 11 98
02099 FEB 11 98
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas : Docket No. 980003-GU
 Adjustment (PGA) True-Up :
 _____: Submitted for Filing: 02-11-98

AMENDED PETITION OF PEOPLES GAS SYSTEM FOR APPROVAL
 OF PGA FACTOR FOR APPLICATION TO BILLS TO BE RENDERED
 DURING THE PERIOD APRIL 1998 THROUGH MARCH 1999

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 rendered for meter readings taken between April 1, 1998 and March 31, 1999, inclusive, and in support thereof says:

1. The name of the petitioner and the mailing address of its principal office is:

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:

David M. Nicholson, Esq. and
 Ansley Watson, Jr., Esq.
 Macfarlane Ferguson & McMullen
 P. O. Box 1531
 Tampa, Florida 33601-1531

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

Submitted herewith is Peoples' Revised Composite Exhibit EE-3, consisting of Schedules E-1, E-1/R, E-2, E-3, E-4 and E-5. The schedules in Revised Composite Exhibit EE-3 are used

DOCUMENT NUMBER-DATE

02098 FEB 11 88

FPSC-RECORDS/REPORTING

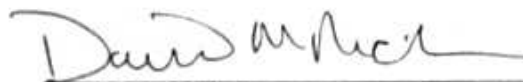
to compute a maximum PGA factor for application to bills rendered for gas sold by Peoples during the twelve-month period of April 1, 1998 through March 31, 1999 (the "Projection Period").

4. The maximum PGA factor calculated in Revised Composite Exhibit EE-3 basically represents (A) the sum of the final net true-up amount for the period April 1, 1996 through March 31, 1997, the estimated or projected true-up (based on actual data for eight months and projected data for four months) for the period April 1, 1997 through March 31, 1998, both true-up amounts including interest, and Peoples' projected cost of purchased gas for the April 1998 - March 1999 period, without interest, (B) divided by Peoples' projected therm sales for the Projection Period.

5. The maximum (cap) PGA factor for which Peoples seeks approval for the Projection Period is shown on Line 45, Page 3 of Schedule E-1 of Revised Composite Exhibit EE-3, and is 49.609 cents per therm.

WHEREFORE, Peoples Gas System, respectfully requests that the Commission enter its order approving Peoples' proposed maximum (cap) PGA factor of 49.609 cents per therm for application to bills rendered for meter readings taken from April 1, 1998 through March 31, 1999.

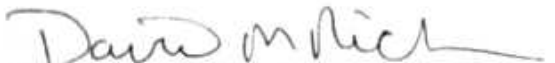
Respectfully submitted,



David M. Nicholson
Ansely Watson, Jr. of
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601
(813) 273-4205
Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition and the Direct Testimony of W. Edward Elliott has been furnished by regular U.S. Mail this 10th day of February, 1998, to all known parties of record in Docket No. 980003-GU.

A handwritten signature in cursive script, reading "David M. Nicholson", written over a horizontal line.

David M. Nicholson