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October 20, 1999

IN REPLY REFER TO:

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VIA FEDERAL EXPRESS

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

Re: Docket No. 990002-EG -- Energy Conservation Cost Recovery Clause

Dear Ms. Bayo:

Enclosed for filing with the Commission in the above docket on behalf of Peoples Gas System ("Peoples"), please find the original and 15 copies of the following:

- ◆ Peoples' Second Amended Petition for Approval of True-Up Amounts (for the period April 1998 - March 1999) and Conservation Cost Recovery Factors (to be applied during the period January - December 2000); 12903-99
◆ Revised Direct Testimony of Bruce Narzissenfeld on behalf of Peoples, to which are attached:
◆ Revised Exhibit \_\_\_ (BNN-1R), consisting of Schedules CT-1 through CT-6 for Peoples' divisions other than the West Florida Region; and
◆ Revised Exhibit \_\_\_ (BNN-2R), consisting of Schedules CT-1 through CT-6 for Peoples' West Florida Region;
◆ Revised Direct Testimony of J. Brent Caldwell on behalf of Peoples, to which are attached: 12905-99
◆ Revised Exhibit \_\_\_ (JBC-1R), consisting of Schedules C-1 through C-5 for

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FLORIDA PUBLIC SERVICE COMMISSION

Blanca S. Bayo, Director  
October 20, 1999  
Page 2

Peoples' divisions other than the West Florida Region; and

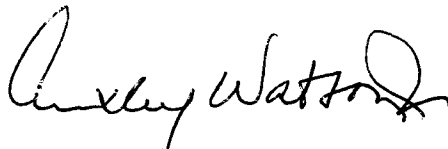
- ◆ Revised Exhibit \_\_\_\_ (JBC-2R), consisting of Schedules C-1 through C-5 for Peoples' West Florida Region.

The enclosed revised testimony and exhibits will be offered by Peoples at the hearing in this docket scheduled to commence on November 22, 1999.

Please acknowledge your receipt and the date of filing of the enclosures on the duplicate copy of this letter and return the same to the undersigned in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,



ANSLEY WATSON, JR.

AWjr/a  
Enclosures

cc: Kandi Floyd  
All Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Energy Conservation :  
Cost Recovery Clause :  
\_\_\_\_\_ :

DOCKET NO. 990002-EG

Submitted for Filing:  
10-21-99

**SECOND AMENDED PETITION OF PEOPLES GAS SYSTEM  
FOR APPROVAL OF TRUE-UP AMOUNTS  
AND CONSERVATION COST RECOVERY FACTORS**

Peoples Gas System ("Peoples"), by its undersigned attorneys and pursuant to Rule 25-17.015, Florida Administrative Code, submits this second amended petition for approval of (A) its end-of-period final energy conservation cost recovery true-up amounts for the period April 1, 1998 through March 31, 1999, and (B) its conservation cost recovery factors for the period January 1 through December 31, 2000, 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, and pleadings in this docket should be addressed are:

Ansley Watson, Jr., Esquire  
Macfarlane Ferguson & McMullen  
400 North Tampa Street, Suite 2300  
P. O. Box 1531  
Tampa, Florida 33601-1531

Angela Llewellyn  
Peoples Gas System  
702 North Franklin Street  
P. O. Box 2562  
Tampa, Florida 33601-2562

For deliveries by hand or courier service, the ZIP Code for both 400 North Tampa Street and 702 North Franklin Street is 33602.

- 3. This second amended petition supersedes and replaces Peoples' amended petition

DOCUMENT NUMBER-DATE

12903 OCT 21 99

F.P.S.C.-FITC/REG/REPORTING

served on September 24, 1999, and filed in this docket on September 27, 1999. This second amended petition (together with the revised testimony and exhibits which accompany it) is being filed as a result of Peoples' agreement to accept certain adjustments proposed by the Commission Staff to expenses included by Peoples for recovery through the Energy Conservation Cost Recovery Clause. Although Peoples does not agree that all such adjustments are appropriate, the Company has elected to amend its true-up and projection filings in this docket in order to avoid the expense which would be incurred in contesting the adjustments proposed by Staff.

4. Peoples' calculation of the true-up amounts for which approval is hereby requested is consistent with the Commission's prescribed methodology. These calculations and the supporting documentation are contained in revised Exhibits \_\_\_\_ (BNN-1R), covering Peoples' divisions other than the West Florida Region, and \_\_\_\_ (BNN-2R), covering Peoples' West Florida Region (the territory formerly served by West Florida Natural Gas Company), and in the revised direct testimony of PGS witness Bruce Narzissenfeld, which revised testimony is filed herewith. Each revised exhibit consists of the Energy Conservation Cost Recovery True-Up Reporting Forms, completed as directed by the Commission Staff. These revised exhibits are being filed simultaneously with this second amended petition.

5. For the period April 1998 through March 1999, Peoples has calculated its end-of-period final true-up amount for its divisions other than the West Florida Region to be an overrecovery, including principal and interest, of \$446,455. For the same period, the end-of-period final true-up amount for the West Florida Region, including principal and interest, is an overrecovery of \$204,737.

6. The conservation cost recovery factors for which approval is sought were calculated

in accordance with the methodology which has been previously approved by the Commission in this docket. The factors are designed to recover the projected conservation program expenses of Peoples for the period January 1 through December 31, 2000, adjusted for the estimated true-up for the period April through December 1999, as well as interest calculated in accordance with the methodology established by the Commission. The calculation of the factors and the supporting documentation are contained in revised Exhibits \_\_\_\_ (JBC-1R), covering Peoples' divisions other than the West Florida Region, and \_\_\_\_ (JBC-2R), covering Peoples' West Florida Region, and in the revised direct testimony of PGS witness J. Brent Caldwell, which revised testimony and revised exhibits are being filed simultaneously with this second amended petition.

7. For Peoples' divisions other than the West Florida Region, Peoples projects total conservation program expenses of \$10,426,620 for the period January 1 through December 31, 2000. The estimated true-up for these divisions is an overrecovery of \$301,480. After decreasing the projected conservation expenses by the amount of this overrecovery, \$10,125,140 remains to be recovered during the January - December 2000 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 2000 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (cents per therm)</u>
Residential	8.099
Small Commercial	6.811
Commercial	2.835
Commercial Large Vol. 1	2.299
Commercial Large Vol. 2	1.672
Street Lighting	0.966
NGVSS	0.759

8. For Peoples' West Florida Region, Peoples projects total conservation program expenses of \$1,564,992 for the period January 1 through December 31, 2000. The estimated true-up for the West Florida Region is an underrecovery of \$191,792. After increasing the projected conservation expenses by the amount of this underrecovery, \$1,756,784 remains to be recovered during the January - December 2000 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 2000 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (cents per therm)</u>
Residential	9.005
Commercial	3.118
Commercial Large Vol. 1	2.315
Commercial Large Vol. - Transp.	2.315
Industrial	2.291
Firm Transportation	0.804
Special Contract	0.706

WHEREFORE, based on the foregoing, Peoples Gas System respectfully requests that the Commission grant this second amended petition and approve:

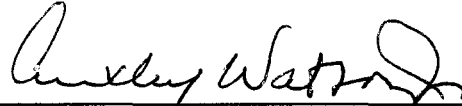
A. the overrecovery of \$446,455 as the final net true-up amount for the April 1998 through March 1999 period in Peoples' divisions other than the West Florida Region;

B. the overrecovery of \$204,737 as the final true-up amount for the April 1998 through March 1999 period in Peoples' West Florida Region;

C. the conservation adjustment factors for the period January 1 through December 31, 2000 set forth in paragraph 7 of this second amended petition to be applied in Peoples' divisions other than the West Florida Region; and

D. the conservation adjustment factors for the period January 1 through December 31, 2000 set forth in paragraph 8 of this second amended petition to be applied in Peoples' West Florida Region.

Respectfully submitted,



Ansley Watson, Jr.,  
Macfarlane Ferguson & McMullen  
P. O. Box 1531, Tampa, Florida 33601  
(813) 273-4200  
Attorneys for Peoples Gas System

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Second Amended Petition of Peoples Gas System, the Revised Direct Testimonies of Bruce N. Narzissenfeld and J. Brent Caldwell, and Peoples' Revised Exhibits \_\_\_\_ (BNN-1R), \_\_\_\_ (BNN-2R), \_\_\_\_ (JBC-1R) and \_\_\_\_ (JBC-2R), have been furnished this 20th day of October, 1999, by regular U.S. Mail, to all known parties of record in this docket.



Ansley Watson, Jr.