

ORIGINAL  
MACFARLANE FERGUSON & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

1501 SOUTH FLORIDA AVENUE  
LAKELAND, FLORIDA 33803  
(863) 680-9908 FAX (863) 683-2849

ONE TAMPA CITY CENTER, SUITE 2000  
201 NORTH FRANKLIN STREET  
P.O. BOX 1531 (ZIP 33601)  
TAMPA, FLORIDA 33602  
(813) 273-4200 FAX (813) 273-4396

www.mfmlegal.com  
EMAIL: info@mfmlegal.com

625 COURT STREET  
P. O. BOX 1669 (ZIP 33757)  
CLEARWATER, FLORIDA 33756  
(727) 441-8966 FAX (727) 442-8470

IN REPLY REFER TO:

September 23, 2004

Ansley Watson, Jr.  
P.O. Box 1531  
Tampa, Florida 33601  
e-mail: [aw@macfar.com](mailto:aw@macfar.com)

VIA FEDEX

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

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COMMISSION  
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**Re: Docket No. 040004-GU – Natural gas conservation cost recovery**

Dear Ms. Bayo:

Enclosed herewith for filing in the above docket on behalf of Peoples Gas System, please find the following:

- 10388-04 • Peoples' Petition for Approval of Conservation Cost Recovery Factors;
- 10389-04 • Direct Testimony of Kandi M. Floyd on behalf of Peoples (including diskette containing such testimony in MS Word format); and
- Exhibits \_\_\_(KMF-3) and \_\_\_(KMF-4), consisting of the conservation cost recovery projection forms prescribed by the Commission Staff.

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OTH \_\_\_\_\_

The direct testimony of Mrs. Floyd and the referenced exhibits will be offered by Peoples at the hearing in this docket, currently scheduled for November 8-10, 2004.

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

Thank you for your usual assistance.

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Blanca S. Bayo  
September 23, 2004  
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "Ansley Watson, Jr.", written in a cursive style.

ANSLEY WATSON, JR.

AWjr/a  
Enclosures

cc: Ms. Angela Llewellyn  
Ms. Kandi M. Floyd  
Parties of Record

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural gas conservation cost recovery. )  
)

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Docket No. 040004-GU  
Submitted for Filing:  
9-24-04

**PETITION OF PEOPLES GAS SYSTEM  
FOR APPROVAL OF CONSERVATION COST RECOVERY FACTORS**

Peoples Gas System ("Peoples"), through undersigned counsel and pursuant to Rule 25-17.015, *Florida Administrative Code*, petitions the Commission for approval of its conservation cost recovery factors for the period January 1 through December 31, 2005, 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, pleadings and correspondence in this docket should be addressed are:

Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P. O. Box 1531  
Tampa, Florida 33601-1531

Ms. Angela L. Llewellyn  
Regulatory Affairs  
Peoples Gas System  
P. O. Box 111  
Tampa, Florida 33601-0111

Matthew R. Costa  
Corporate Counsel  
TECO Energy, Inc.  
P. O. Box 111  
Tampa, Florida 33601-0111

3. For Peoples' divisions other than the West Florida Region, Peoples projects total conservation program expenses of \$7,882,651 for the period January 1 through December 31, 2005. The estimated true-up for these divisions is an overrecovery of \$436,782. After decreasing the projected conservation expenses by

the amount of this overrecovery, \$7,445,869 remains to be recovered during the January - December 2005 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 2005 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.05205
Small General Service	\$0.04404
General Service 1	\$0.01728
General Service 2	\$0.01404
General Service 3	\$0.01180
General Service 4	\$0.01064
General Service 5	\$0.00606
Commercial Street Lighting	\$0.00753
Natural Gas Vehicle Service	\$0.00906

4. For Peoples' West Florida Region, Peoples projects total conservation program expenses of \$2,258,300 for the period January 1 through December 31, 2005. The estimated true-up for the West Florida Region is an underrecovery of \$1,794,458. After increasing the projected conservation expenses by the amount of this underrecovery, \$4,052,758 remains to be recovered during the January - December 2005 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 2005 required to recover such expense are as follows:

<u>Rate Class</u>	<u>ECCR Factor (per therm)</u>
Residential	\$0.19387
Small General Service	\$0.17525
General Service 1	\$0.07171
General Service 2	\$0.05681
General Service 3	\$0.04756
General Service 4	\$0.04315
General Service 5	\$0.02394
Commercial Street Lighting	\$0.03033
Natural Gas Vehicle Service	\$0.03033

WHEREFORE, Peoples Gas System respectfully requests that the Commission grant this petition and approve:

A. the conservation adjustment factors for the period January 1 through December 31, 2005 set forth in paragraph 3 of this petition to be applied in Peoples' divisions other than the West Florida Region; and

B. the conservation adjustment factors for the period January 1 through December 31, 2005 set forth in paragraph 4 of this petition to be applied in Peoples' West Florida Region.

Respectfully submitted,



Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P. O. Box 1531  
Tampa, Florida 33601-1531  
Phone: (813) 273-4321  
Fax: (813) 273-4396  
E-mail: [aw@macfar.com](mailto:aw@macfar.com)

Attorneys for Peoples Gas System

Matthew R. Costa  
Corporate Counsel  
TECO Energy, Inc.  
P. O. Box 111  
Tampa, Florida 33601-0111  
Phone: (813) 228-4938  
Fax: (813) 228-1328  
E-mail: [mcosta@tecoenergy.com](mailto:mcosta@tecoenergy.com)

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing petition, together with copies of the Direct Testimony of Kandi M. Floyd and Exhibits \_\_\_(KMF-3) and \_\_\_(KMF-4), have been furnished by U. S. Mail, this 23rd day of September, 2004, to the following:

Martha Brown, Esquire  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Ms. Gloria L. Lopez  
City Gas Company of Florida  
955 East 25th Street  
Hialeah, FL 33013-3498

Mr. Thomas A. Geoffroy  
Florida Division  
Chesapeake Utilities Corporation  
P. O. Box 960  
Winter Haven, FL 33882-0960

Florida Public Utilities Company  
John T. English/George Bachman  
P. O. Box 3395  
West Palm Beach, FL 33402-3395

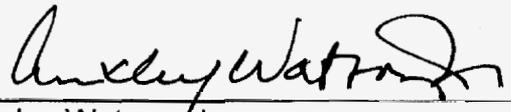
Gary Perko, Esquire  
Hopping Law Firm  
P.O. Box 6526  
Tallahassee, FL 32314

Norman H. Horton, Jr., Esquire  
Messer Law Firm  
P.O. Box 1876  
Tallahassee, FL 32302-1876

Wayne L. Schiefelbein, Esquire  
Rose Law Firm  
2548 Blairstone Pines Dr.  
Tallahassee, FL 32301

Mr. Stuart L. Shoaf  
St. Joe Natural Gas Company, Inc  
P. O. Box 549  
Port St. Joe, FL 32457-0549

Ms. Angela L. Llewellyn  
Regulatory Affairs  
Peoples Gas System  
P. O. Box 111  
Tampa, FL 33601-0111

  
\_\_\_\_\_  
Ansley Watson, Jr.