



September 28, 2007

VIA E-FILING

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Docket No. 070003-GU-- Purchased Gas Adjustment (PGA)
-- Notice of PGA Factors.**

Dear Ms. Cole:

We submit herewith on behalf of Peoples Gas System, a Notice of PGA Factors, effective October 1, 2007, for the month of October 2007, together with a copy of Schedule A-1 showing the calculation of both factors.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew R. Costa".

Matthew R. Costa
Corporate Counsel

Enclosures

cc: Mr. Daniel Lee (via e-mail)
Ms. Paula Brown (via e-mail)
Mr. W. Edward Elliott (via e-mail)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas :
Adjustment (PGA) Clause :
_____ :

Docket No. 070003-GU

Submitted for Filing: 09-28-07

PEOPLES GAS SYSTEM'S
NOTICE OF PGA FACTORS

Peoples Gas System, by its undersigned attorney and pursuant to Commission Orders Nos. 24463 and 24463-A, hereby notifies the Commission that, effective October 1, 2007, for its first billing cycle, it will reduce its Purchased Gas Adjustment (PGA) Factor approved by Order No. PSC-06-0995-FOF-GU to \$1.02033 per therm for residential rate class customers and decrease its Purchased Gas Adjustment (PGA) Factor to \$0.82374 per therm for commercial (non-residential) rate class for the month of October 2007. Separate PGA factors will be used pursuant to the methodology approved by vote of the Commission on March 16, 1999 in Docket No. 981698. Schedule A-1 showing a comparison of the Company's projections for October 2007 has been submitted.

Dated this 28th day of September, 2007.

Respectfully submitted,



Matthew R. Costa, Esq.
Corporate Counsel
TECO Energy, Inc.
P.O. Box 111, Tampa, Florida 33601
(813) 228-4938
Attorney for Peoples Gas System

COMBINED FOR ALL RATE CLASSES		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 07 THROUGH DECEMBER 07				
CURRENT MONTH: OCTOBER 2007				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$66,882	\$140,069	\$73,187
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$32,992	\$32,992	\$0
3	SWING SERVICE	\$2,912,841	\$0	(\$2,912,841)
4	COMMODITY Other (THIRD PARTY)	\$4,716,908	\$3,822,418	(\$894,490)
5	DEMAND	\$4,730,280	\$4,770,495	\$40,215
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$285,000	\$400,000	\$115,000
	LESS END-USE CONTRACT:			
7	COMMODITY Pipeline	\$15,110	\$75,061	\$59,951
8	DEMAND	\$950,351	\$938,829	(\$11,522)
9	OTHER	\$203,848	\$206,140	\$2,292
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$11,575,595	\$7,945,944	(\$3,629,651)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$11,575,595	\$7,945,944	(\$3,629,651)
THERMS PURCHASED				
15	COMMODITY Pipeline	32,036,698	42,442,238	10,405,540
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	6,665,000	6,665,000	0
17	SWING SERVICE	2,842,640	0	(2,842,640)
18	COMMODITY Other (THIRD PARTY)	5,584,578	8,427,218	2,842,640
19	DEMAND	94,260,460	101,833,140	7,572,680
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
	LESS END-USE CONTRACT:			
21	COMMODITY Pipeline	23,609,480	25,358,370	1,748,890
22	DEMAND	24,029,090	25,358,370	1,329,280
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	8,427,218	8,427,218	0
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	8,427,218	8,427,218	0
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00209	0.00330	0.00121
28a	COMM. Pipeline (1a/15a)	0.00000	0.00000	0.00000
28b	COMM. Pipeline (1b/15b)	0.00000	0.00000	0.00000
29	NO NOTICE SERVICE (2/16)	0.00495	0.00495	0.00000
30	SWING SERVICE (3/17)	1.02470	0.00000	(1.02470)
31	COMM. Other (THIRD PARTY) (4/18)	0.84463	0.45358	(0.39105)
32	DEMAND (5/19)	0.05018	0.04685	(0.00334)
32a	DEMAND (5a/19a)	0.00000	0.00000	0.00000
32b	DEMAND (5b/19b)	0.00000	0.00000	0.00000
33	OTHER (6/20)	0.00000	0.00000	0.00000
	LESS END-USE CONTRACT:			
34	COMMODITY Pipeline (7/21)	0.00064	0.00296	0.00232
35	DEMAND (8/22)	0.03955	0.03702	(0.00253)
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.37360	0.94289	(0.43071)
38	NET UNBILLED (12/25)	0.00000	0.00000	0.00000
39	COMPANY USE (13/26)	0.00000	0.00000	0.00000
40	TOTAL THERM SALES (37)	1.37360	0.94289	(0.43071)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.34131	0.91060	(0.43071)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.34806	0.91518	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	134.806	91.518	0.000

FOR RESIDENTIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 07 THROUGH DECEMBER 07				
CURRENT MONTH: OCTOBER 2007				
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$31,107	\$65,146	\$34,039
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$19,119	\$19,043	(\$76)
3	SWING SERVICE	\$1,354,762	\$0	(\$1,354,762)
4	COMMODITY Other (THIRD PARTY)	\$2,193,834	\$1,777,807	(\$416,027)
5	DEMAND	\$2,741,197	\$2,753,530	\$12,333
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$132,554	\$186,040	\$53,486
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$7,028	\$34,911	\$27,883
8	DEMAND	\$550,728	\$541,892	(\$8,836)
9	OTHER	\$118,130	\$118,984	\$854
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$5,796,687	\$4,105,779	(\$1,690,908)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$5,796,687	\$4,105,779	(\$1,690,908)
THERMS PURCHASED				
15	COMMODITY Pipeline	14,900,268	19,739,885	4,839,617
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	3,862,368	3,847,038	(15,330)
17	SWING SERVICE	1,322,112	0	(1,322,112)
18	COMMODITY Other (THIRD PARTY)	2,597,737	3,919,499	1,321,762
19	DEMAND	54,623,937	58,778,088	4,154,151
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	10,980,769	11,794,178	813,409
22	DEMAND	13,924,858	14,636,851	711,993
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	3,919,849	3,919,499	(350)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	3,919,849	3,919,499	(350)
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00209	0.00330	0.00121
28a	COMM. Pipeline (1a/15a)	0.00000	0.00000	0.00000
28b	COMM. Pipeline (1b/15b)	0.00000	0.00000	0.00000
29	NO NOTICE SERVICE (2/16)	0.00495	0.00495	(0.00000)
30	SWING SERVICE (3/17)	1.02470	0.00000	(1.02470)
31	COMM. Other (THIRD PARTY) (4/18)	0.84452	0.45358	(0.39094)
32	DEMAND (5/19)	0.05018	0.04685	(0.00334)
32a	DEMAND (5a/19a)	0.00000	0.00000	0.00000
32b	DEMAND (5b/19b)	0.00000	0.00000	0.00000
33	OTHER (6/20)	0.00000	0.00000	0.00000
LESS END-USE CONTRACT:				
34	COMMODITY Pipeline (7/21)	0.00064	0.00296	0.00232
35	DEMAND (8/22)	0.03955	0.03702	(0.00253)
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.47880	1.04751	(0.43129)
38	NET UNBILLED (12/25)	0.00000	0.00000	0.00000
39	COMPANY USE (13/26)	0.00000	0.00000	0.00000
40	TOTAL THERM SALES (37)	1.47880	1.04751	(0.43129)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.44652	1.01522	(0.43129)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.45379	1.02033	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	145.379	102.033	0.000

FOR COMMERCIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 07 THROUGH DECEMBER 07				
CURRENT MONTH: OCTOBER 2007				
(A)	(B)	(C)	(D)	
	ORIGINAL	FLEX DOWN	DIFFERENCE	
	PROJECTION	ESTIMATE	AMOUNT	
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$35,775	\$74,923	\$39,148
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$13,873	\$13,949	\$76
3	SWING SERVICE	\$1,558,079	\$0	(\$1,558,079)
4	COMMODITY Other (THIRD PARTY)	\$2,523,074	\$2,044,611	(\$478,463)
5	DEMAND	\$1,989,083	\$2,016,965	\$27,882
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$152,447	\$213,960	\$61,513
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$8,082	\$40,150	\$32,068
8	DEMAND	\$399,622	\$396,937	(\$2,685)
9	OTHER	\$85,718	\$87,156	\$1,438
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$5,778,908	\$3,840,165	(\$1,938,743)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$5,778,908	\$3,840,165	(\$1,938,743)
THERMS PURCHASED				
15	COMMODITY Pipeline	17,136,430	22,702,353	5,565,923
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	2,802,633	2,817,962	15,329
17	SWING SERVICE	1,520,528	0	(1,520,528)
18	COMMODITY Other (THIRD PARTY)	2,986,841	4,507,719	1,520,878
19	DEMAND	39,636,523	43,055,052	3,418,529
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	12,628,711	13,564,192	935,481
22	DEMAND	10,104,232	10,721,519	617,287
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	4,507,369	4,507,719	350
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	4,507,369	4,507,719	350
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00209	0.00330	0.00121
28a	COMM. Pipeline (1a/15a)	0.00000	0.00000	0.00000
28b	COMM. Pipeline (1b/15b)	0.00000	0.00000	0.00000
29	NO NOTICE SERVICE (2/16)	0.00495	0.00495	0.00000
30	SWING SERVICE (3/17)	1.02470	0.00000	(1.02470)
31	COMM. Other (THIRD PARTY) (4/18)	0.84473	0.45358	(0.39115)
32	DEMAND (5/19)	0.05018	0.04685	(0.00334)
32a	DEMAND (5a/19a)	0.00000	0.00000	0.00000
32b	DEMAND (5b/19b)	0.00000	0.00000	0.00000
33	OTHER (6/20)	0.00000	0.00000	0.00000
LESS END-USE CONTRACT:				
34	COMMODITY Pipeline (7/21)	0.00064	0.00296	0.00232
35	DEMAND (8/22)	0.03955	0.03702	(0.00253)
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.28210	0.85190	(0.43020)
38	NET UNBILLED (12/25)	0.00000	0.00000	0.00000
39	COMPANY USE (13/26)	0.00000	0.00000	0.00000
40	TOTAL THERM SALES (37)	1.28210	0.85190	(0.43020)
41	TRUE-UP (E-4)	(0.03229)	(0.03229)	0.00000
42	TOTAL COST OF GAS (40+41)	1.24982	0.81961	(0.43020)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.25610	0.82374	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	125.610	82.374	0.000