



August 29, 2008

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 September 2, 2008, for the month of September 2008, 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

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Docket No. 080003-GU

Submitted for Filing: 08-29-08

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 September 2, 2008, for its first billing cycle, it will reduce its Purchased Gas Adjustment (PGA) Factor approved by Order No. PSC-07-0934-FOF-GU to \$1.27033 per therm for residential rate class customers and decrease its Purchased Gas Adjustment (PGA) Factor to \$1.115197 per therm for commercial (non-residential) rate class for the month of September, 2008. 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 September 2008 has been submitted.

Dated this 29th day of August, 2008.

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 08 THROUGH DECEMBER 08 CURRENT MONTH: SEPTEMBER 2008				
(A)	(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT	
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$219,170	\$34,226	(\$184,944)
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$31,928	\$31,928	\$0
3	SWING SERVICE	\$5,659,089	\$0	(\$5,659,089)
4	COMMODITY Other (THIRD PARTY)	\$2,424,580	\$7,727,952	\$5,303,372
5	DEMAND	\$3,716,359	\$2,982,845	(\$733,514)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$400,000	\$316,000	(\$84,000)
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$153,802	\$14,929	(\$138,873)
8	DEMAND	\$985,030	\$371,399	(\$613,631)
9	OTHER	\$199,490	\$216,867	\$17,377
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$11,112,804	\$10,489,756	(\$623,048)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$11,112,804	\$10,489,756	(\$623,048)
THERMS PURCHASED				
15	COMMODITY Pipeline	42,428,728	24,453,432	(17,975,296)
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	6,450,000	6,450,000	0
17	SWING SERVICE	5,172,474	0	(5,172,474)
18	COMMODITY Other (THIRD PARTY)	3,315,940	8,502,159	5,186,219
19	DEMAND	76,149,600	58,194,000	(17,955,600)
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	27,464,729	9,159,041	(18,305,688)
22	DEMAND	24,291,735	9,159,041	(15,132,694)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	8,488,414	8,502,159	13,745
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	8,488,414	8,502,159	13,745
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00517	0.00140	(0.00377)
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)	1.09408	0.00000	(1.09408)
31	COMM. Other (THIRD PARTY) (4/18)	0.73119	0.90894	0.17775
32	DEMAND (5/19)	0.04880	0.05126	0.00245
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)	0.00560	0.00163	(0.00397)
35	DEMAND (8/22)	0.04055	0.04055	(0.00000)
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.30917	1.23378	(0.07539)
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)	1.30917	1.23378	(0.07539)
41	TRUE-UP (E-4)	(0.04038)	(0.04038)	0.00000
42	TOTAL COST OF GAS (40+41)	1.26880	1.19340	(0.07539)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.27518	1.19940	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	127.518	119.940	0.000

FOR RESIDENTIAL CUSTOMERS		SCHEDULE A-1		
ESTIMATE FOR THE PERIOD: JANUARY 08 THROUGH DECEMBER 08				
CURRENT MONTH: SEPTEMBER 2008				
(A)	(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT	
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$89,926	\$13,714	(\$76,212)
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$15,957	\$15,958	\$1
3	SWING SERVICE	\$2,321,924	\$0	(\$2,321,924)
4	COMMODITY Other (THIRD PARTY)	\$994,805	\$3,096,590	\$2,101,785
5	DEMAND	\$1,857,436	\$1,490,826	(\$366,610)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$164,120	\$126,621	(\$37,499)
LESS END-USE CONTRACT:				
7	COMMODITY Pipeline	\$63,105	\$5,982	(\$57,123)
8	DEMAND	\$492,318	\$185,625	(\$306,693)
9	OTHER	\$99,705	\$108,390	\$8,685
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$4,789,041	\$4,443,712	(\$345,329)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$4,789,041	\$4,443,712	(\$345,329)
THERMS PURCHASED				
15	COMMODITY Pipeline	17,408,507	9,798,490	(7,610,017)
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	3,223,710	3,223,710	0
17	SWING SERVICE	2,122,266	0	(2,122,266)
18	COMMODITY Other (THIRD PARTY)	1,360,304	3,406,815	2,046,511
19	DEMAND	38,059,570	29,085,361	(8,974,209)
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
LESS END-USE CONTRACT:				
21	COMMODITY Pipeline	11,268,778	3,670,028	(7,598,750)
22	DEMAND	12,141,009	4,577,689	(7,563,320)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	3,482,570	3,406,815	(75,755)
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	3,482,570	3,406,815	(75,755)
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00517	0.00140	(0.00377)
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)	1.09408	0.00000	(1.09408)
31	COMM. Other (THIRD PARTY) (4/18)	0.73131	0.90894	0.17763
32	DEMAND (5/19)	0.04880	0.05126	0.00245
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)	0.00560	0.00163	(0.00397)
35	DEMAND (8/22)	0.04055	0.04055	(0.00000)
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.37515	1.30435	(0.07080)
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)	1.37515	1.30435	(0.07080)
41	TRUE-UP (E-4)	(0.04038)	(0.04038)	0.00000
42	TOTAL COST OF GAS (40+41)	1.33477	1.26397	(0.07080)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.34148	1.27033	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	134.148	127.033	0.000

FOR COMMERCIAL CUSTOMERS		SCHEDULE A-1		
		ESTIMATE FOR THE PERIOD: JANUARY 08 THROUGH DECEMBER 08 CURRENT MONTH: SEPTEMBER 2008		
(A)		(B) ORIGINAL PROJECTION	(C) FLEX DOWN ESTIMATE	(D) DIFFERENCE AMOUNT
COST OF GAS PURCHASED				
1	COMMODITY Pipeline	\$129,245	\$20,512	(\$108,733)
1a	COMMODITY Pipeline	\$0	\$0	\$0
1b	COMMODITY Pipeline	\$0	\$0	\$0
2	NO NOTICE SERVICE	\$15,970	\$15,970	\$0
3	SWING SERVICE	\$3,337,165	\$0	(\$3,337,165)
4	COMMODITY Other (THIRD PARTY)	\$1,429,775	\$4,631,362	\$3,201,587
5	DEMAND	\$1,858,923	\$1,492,019	(\$366,904)
5a	DEMAND	\$0	\$0	\$0
5b	DEMAND	\$0	\$0	\$0
6	OTHER	\$235,880	\$189,379	(\$46,501)
	LESS END-USE CONTRACT:			
7	COMMODITY Pipeline	\$90,697	\$8,947	(\$81,750)
8	DEMAND	\$492,712	\$185,774	(\$306,938)
9	OTHER	\$99,785	\$108,477	\$8,692
10		\$0	\$0	\$0
11	TOTAL C (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$6,323,763	\$6,046,044	(\$277,719)
12	NET UNBILLED	\$0	\$0	\$0
13	COMPANY USE	\$0	\$0	\$0
14	TOTAL THERM SALES (11)	\$6,323,763	\$6,046,044	(\$277,719)
THERMS PURCHASED				
15	COMMODITY Pipeline	25,020,221	14,654,942	(10,365,279)
15a	COMMODITY Pipeline	0	0	0
15b	COMMODITY Pipeline	0	0	0
16	NO NOTICE SERVICE	3,226,290	3,226,290	0
17	SWING SERVICE	3,050,208	0	(3,050,208)
18	COMMODITY Other (THIRD PARTY)	1,955,636	5,095,344	3,139,708
19	DEMAND	38,090,030	29,108,639	(8,981,391)
19a	DEMAND	0	0	0
19b	DEMAND	0	0	0
20	OTHER	0	0	0
	LESS END-USE CONTRACT:			
21	COMMODITY Pipeline	16,195,951	5,489,013	(10,706,938)
22	DEMAND	12,150,726	4,581,352	(7,569,374)
23	OTHER	0	0	0
24	TOTAL PURCHASES (17+18-23)	5,005,844	5,095,344	89,500
25	NET UNBILLED	0	0	0
26	COMPANY USE	0	0	0
27	TOTAL THERM SALES (24)	5,005,844	5,095,344	89,500
CENTS PER THERM				
28	COMM. Pipeline (1/15)	0.00517	0.00140	(0.00377)
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)	1.09408	0.00000	(1.09408)
31	COMM. Other (THIRD PARTY) (4/18)	0.73110	0.90894	0.17784
32	DEMAND (5/19)	0.04880	0.05126	0.00245
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)	0.00560	0.00163	(0.00397)
35	DEMAND (8/22)	0.04055	0.04055	0.00000
36	OTHER (9/23)	0.00000	0.00000	0.00000
37	TOTAL COST (11/24)	1.26328	1.18658	(0.07670)
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)	1.26328	1.18658	(0.07670)
41	TRUE-UP (E-4)	(0.04038)	(0.04038)	0.00000
42	TOTAL COST OF GAS (40+41)	1.22290	1.14620	(0.07670)
43	REVENUE TAX FACTOR	1.00503	1.00503	0.00000
44	PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.22905	1.15197	0.00000
45	PGA FACTOR ROUNDED TO NEAREST .001	122.905	115.197	0.000