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STATE OF FLORIDA



CAPITAL CIRCLE OFFICE CENTER  
2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL 32399-0850

Public Service Commission

March 16, 2006

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

Re: Docket No: 060004-GU; Company Name: Peoples Gas System  
Audit Request: Audit Purchased Gas Filing for Peoples Gas System and West Florida Gas System. Audit Control No: 06-068-2-4

Dear Ms. Llewellyn:

The Florida Public Service Commission will conduct an audit of Purchased Gas Filings for Peoples Gas System and West Florida Gas System, in accordance with Commission audit procedures. Access will be requested to documents and records of the utility and, if necessary, supporting records for affiliate company transactions that affect regulated operations. Staff auditors may also request to review the utility's external audit working papers for the most recent independent audit. Mr. Joseph Rohrbacher, the Tampa district office supervisor, will coordinate this audit. Mr. Rohrbacher can be reached at (813) 356-1444. Questions regarding the audit or audit staff should be directed to the district supervisor or myself. My phone number is (850) 413-6487.

The Audit Access to Records rule for each industry states:

In those instances where the utility disagrees with the auditor's assessment of a reasonable response time to the audit request, the utility shall first attempt to discuss the disagreement with the auditor and reach an acceptable revised date. If agreement cannot be reached, the utility shall discuss the issue with successive levels of supervisors at the Commission until an agreement is reached.

DOCUMENT NUMBER - DATE

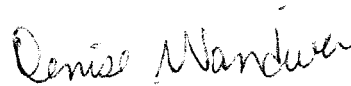
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A formal report is expected to be issued for internal Commission use on June 26, 2006. A copy of the final report will be mailed to the company liaison listed in the Commission Mailing Directory.

Sincerely,



Denise N. Vandiver, Chief  
Bureau of Auditing

DNV/sbj

cc: Division of Regulatory Compliance & Consumer Assistance  
(Tampa District Office, File Folder).  
Division of the Commission Clerk and Administrative Services  
General Counsel  
Office of the Public Counsel

Ms. Kandi Floyd, Manager  
Peoples Gas System  
P.O. Box 111  
Tampa, FL 33601-0111

MacFarlane Ferguson Law Firm  
Ansley Watson, Jr., Esq.  
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