

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Peoples Gas ) DOCKET NO. 900888-GU  
System, Inc. for Authority to Issue )  
and Sell Securities During Year ) ORDER NO. 23917-A  
Ending December 31, 1991. )  
\_\_\_\_\_ ) ISSUED: 1/17/91

AMENDED ORDER GRANTING AUTHORITY TO PEOPLES  
GAS SYSTEM, INC. TO ISSUE SECURITIES IN 1991

Inadvertently in issuing Order 23917 reference to equity securities was deleted. The purpose of this amendatory Order is to correctly reflect the Commission's approval of Peoples Gas System, Inc.'s application as filed.

Therefore Order No. 23917 is amended as follows to reflect the addition of the underlined language:

Pursuant to Section 366.04, Florida Statutes, an application was filed on November 2, 1990, by Peoples Gas System, Inc. (Peoples) seeking authority to issue and sell up to \$40 million in long-term debt and equity securities and have outstanding a maximum of \$40 million in short-term debt securities during calendar year 1991.

According to Peoples, the long-term debt securities will be in the form of first mortgage bonds, debentures, convertible debentures, notes, installment contracts, and/or obligations underlying industrial development revenue bonds, or options or rights with respect to the foregoing. The maturities of these debt securities would be up to thirty years. The sale of the long-term debt securities would be through private or public offerings. Actual interest rates will be determined by market conditions at the time of the sale.

The equity securities may take the form of preferred stock, or common stock, or options or rights with respect to the foregoing, with such par values, terms and conditions, and conversion of relative rights and preferences as may be permitted by the Company's Restated Articles or Incorporation.

The application indicates that short-term securities will be sold to commercial banks and/or through the commercial paper market at cost rates consistent with comparable interest rates at the time of sale.

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The amount of all new equity and long-term debt securities will not exceed \$40 million during the period covered by this application. The maximum amount of short-term unsecured promissory notes outstanding at any one time will be \$40 million.

The net proceeds to be received from the sale of additional securities will be added to Peoples' general funds and will be used for working capital requirements and for other general business purposes, including the financing of Peoples' construction program, repayment of short-term obligations, and the potential refund of long-term obligations if economically feasible. Expenditures for Peoples' fiscal 1991 construction budget are estimated to be approximately \$29.6 million. We find that Peoples' proposed financing of its projected construction program should be approved subject to any disallowance by the Commission of any construction costs incurred for ratemaking purposes. We further find that, absent a clear demonstration of the benefits and appropriateness to utility operations, Peoples should be restricted from issuing instruments of guaranty or collateralization in connection with debt obligations or other securities to be issued by one or more of Peoples' subsidiaries or affiliates.

Having reviewed the application, we find that it should be granted. It is therefore,

ORDERED by the Florida Public Service Commission that the applications of Peoples Gas System, Inc. for authority to issue and sell securities as described herein is granted. It is further

ORDERED that Peoples Gas System, Inc. shall file a consummation report compliance with Rule 25-8.009, Florida Administrative Code, within ninety (90) days after issuance of the securities authorized by this Order. It is further

ORDERED that the foregoing authorization is without prejudice to the authority of this Commission with respect to rates, service, accounts, valuations, estimates or determinations of costs, or any other matter whatsoever now pending or which may come before this Commission, as provided in Section 366.04, Florida Statutes.

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By Order of the Florida Public Service Commission, this  
17th day of JANUARY, 1991.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

MRC:bmi  
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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and

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the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.