

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for ) DOCKET NO. 951228-GU  
authority to issue and sell up ) ORDER NO. PSC-95-1524-FOF-GU  
to \$40 million in long-term debt ) ISSUED: December 11, 1995  
and equity securities and have )  
outstanding a maximum of \$40 )  
million in short-term unsecured )  
promissory notes for year ending )  
12/31/96 by PEOPLES GAS SYSTEM, )  
INC. )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
SUSAN F. CLARK  
JOE GARCIA  
JULIA L. JOHNSON  
DIANE K. KIESLING

ORDER GRANTING AUTHORITY TO PEOPLES  
GAS SYSTEM, INC. TO ISSUE AND SELL SECURITIES DURING 1996

BY THE COMMISSION:

Pursuant to Section 366.04, Florida Statutes, an application was filed on October 16, 1995, 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 unsecured promissory notes during calendar year 1996.

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. 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. Also, Peoples indicates the equity securities may take the form of preferred stock, or common stock, or options or rights with respect to the foregoing.

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

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of sale. The proceeds will be used for working capital requirements, funding of Peoples' construction program, repayment of short-term obligations, and the potential refund of long-term obligations, if economically feasible. Expenditures for Peoples' fiscal 1996 construction budget are estimated to be approximately \$28 million. Upon consideration, 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. Thus Peoples' application is granted.

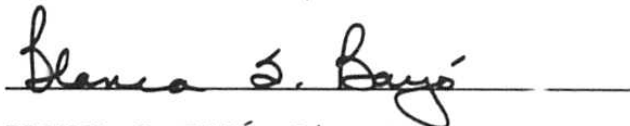
Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the application 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 in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days after the end of any fiscal year in which it issues securities pursuant to the authorization conferred 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, valuation, 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.

By ORDER of the Florida Public Service Commission, this 11th day of December, 1995.



BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

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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 and/or wastewater 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 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 Civil Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.