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March 29, 1996

IN REPLY REFER TO:

ORIGINAL
FILE COPY

Ansley Watson, Jr.
P. O. Box 1531
Tampa, Florida 33601

VIA FEDERAL EXPRESS

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

960404-GU

Re: Application for approval of new depreciation rates by PEOPLES GAS SYSTEM, INC.

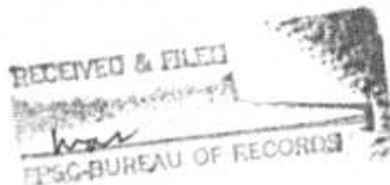
Dear Ms. Bayo:

Enclosed for filing on behalf of Peoples Gas System, Inc., please find the following:

- ① Original and 15 copies of the captioned application;
- ② Fifteen copies of the information required by paragraphs (6)(a) through (6)(f) and (6)(h) of Rule 25-7.045;
- ③ Three copies of the information required by paragraph (6)(g) of Rule 25-7.045 and
4. A computer diskette containing the captioned application in WordPerfect 5.1 format.

Please acknowledge your receipt of the enclosures (together with the docket number assigned to the application) on the duplicate copy of this letter which is also enclosed.

Thank you for your usual assistance.



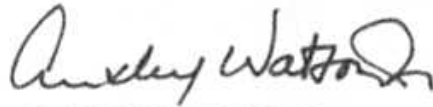
①
DOCUMENT NUMBER-DATE
03735 APR-1 86
FPSC-RECORDS/REPORTING

②
DOCUMENT NUMBER-DATE
03736 APR-1 86
FPSC-RECORDS/REPORTING

DOCUMENT NUMBER-DATE
③
03737 APR-1 86
FPSC-RECORDS/REPORTING

Blanca S. Bayo, Director
March 29, 1996
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Sincerely,

A handwritten signature in cursive script that reads "Ansley Watson, Jr." The signature is written in dark ink and is positioned above the printed name.

ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Mr. Francis J. Sivard

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
FILE COPY

In Re: Application for approval of)
new depreciation rates by Peoples)
Gas System, Inc.)
_____)

Docket No. 960404-60
Submitted for Filing:
4-1-96

APPLICATION OF PEOPLES GAS SYSTEM, INC.

Peoples Gas System, Inc. ("Peoples" or the "Company"), files its application for approval of new depreciation rates, and in support thereof states:

1. The name and address of the Company is:

Peoples Gas System, Inc.
Post Office Box 2562
Tampa, Florida 33601-2562

2. The name and address of the person authorized to receive notices and communications with respect to this application is:

Ansley Watson, Jr., Esquire
Macfarlane Ausley Ferguson & McMullen
Post Office Box 1531
Tampa, Florida 33601-1531

3. Peoples requests the Commission's approval of the proposed depreciation rates shown on Exhibit A attached hereto and made a part hereof. The proposed rates shown on Exhibit A are the result of a depreciation study performed by the Company in accordance with the requirements of Rule 25-7.045, Florida Administrative Code.

4. The data submitted herewith is based on the Company's projected plant in service and depreciation reserves at October 1, 1996.

5. Peoples requests that the proposed depreciation rates reflected on Exhibit A be approved for implementation effective

DOCUMENT NUMBER-DATE

03735 APR-1 96

FPSC-RECORDS/REPORTING

October 1, 1996, subject to adjustment when new depreciation rates are finally approved by the Commission.

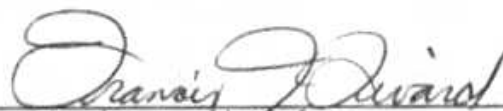
6. The depreciation study on which the proposed new depreciation rates are based (i.e., the information required by Rule 25-7.045(6), Florida Administrative Code), is submitted for filing with this application.

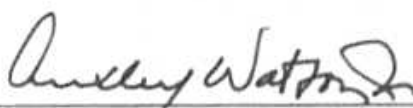
WHEREFORE, Peoples respectfully requests that the Commission enter its order finding the proposed depreciation rates set forth on Exhibit A attached hereto to be just and reasonable, and approving said proposed depreciation rates for implementation effective October 1, 1996.

Respectfully submitted,

PEOPLES GAS SYSTEM, INC.

By: _____


Francis J. Sivar
Vice President - Accounting


Ansley Watson, Jr.
Macfarlane Ausley Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531
Telephone: (813) 273-4200 or -4321
Facsimile: (813) 273-4396 or -4397
Attorneys for Peoples Gas System, Inc.

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

Before me, the undersigned authority, personally appeared Francis J. Sivard who, being by me first duly sworn, says that he is Vice President - Accounting of Peoples Gas System, Inc.; that he is duly qualified and acting in that capacity; that he is authorized to execute the foregoing application and to make this oath thereto; that the matters and things stated in said application are, insofar as they come within his knowledge and belief, true; and that insofar as they are derived from or dependent upon the knowledge of others, he believes them to be true.


FRANCIS J. SIVARD

Sworn to and subscribed before me this 29 day of March, 1996.


NOTARY PUBLIC
STATE OF FLORIDA AT LARGE

My Commission Expires:

2/26/98



"OFFICIAL SEAL"
TAMI JO MUSIC
My Commission Expires 2/26/98
Commission # CC 341968