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April 16, 2002

IN REPLY REFER TO:

Ansley Watson, Jr.
P.O. Box 1531
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VIA FEDEX

Blanca S. Bayo, Director
Division of Commission Clerk & Administrative Services
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 020325-GU -- Petition for approval of tariff modifications
relating to payment of bills for services, third party payment
arrangements, etc., by Peoples Gas System

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Peoples Gas System, please
find the original and 15 copies of Peoples' amended petition. Enclosed also are (a) five
copies of the revised tariff sheets for which approval is sought, (b) two "coded" or
legislative versions of the new tariff sheets showing changes, and (c) a diskette containing
the petition in WordPerfect 8.0 format. The revised tariff sheets which accompany this
letter supersede and replace the revised tariff sheets which were filed with the initial
petition on April 9, 2002.

- AUS
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CMP
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CTR
ECR
GCL
OPC
MMS
SEC
OTH

Please acknowledge your receipt and the date of filing of the enclosures on the
duplicate copy of this letter and return the same to the undersigned in the enclosed
preaddressed envelope.

Note: TARIFFS FORWARDED TO CMP

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02 APR 17 AM 10:04
DOCUMENT NUMBER-DATE
04261 APR 17 08
FPSC-COMMISSION

Blanca S. Bayo, Director  
April 16, 2002  
Page 2

Thank you for your usual assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ansley Watson, Jr.", written in a cursive style.

ANSLEY WATSON, JR.

AWjr/a  
Enclosures

cc: Ms. Angela Llewellyn  
Mrs. Wraye J. Grimard

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of tariff )  
modifications relating to payment of bills ) Docket No. 020325-GU  
for services, third party payment )  
arrangements, etc., by Peoples Gas System. ) Submitted for filing:  
\_\_\_\_\_ ) 4-17-02

**AMENDED PETITION OF PEOPLES GAS SYSTEM**

Peoples Gas System ("Peoples" or the "Company"), by its undersigned attorneys, files its amended petition for approval of modifications to its Natural Gas Tariff, Original Volume No. 3, relating to payment of bills for services rendered and payment processing arrangements entered into by customers of the Company, and in support of its amended petition, says:

1. The name and mailing address of the petitioner are:

Peoples Gas System  
702 North Franklin Street - 7<sup>th</sup> Floor  
Tampa, Florida 33602

2. The names and mailing addresses of the persons authorized to receive notices and communications with respect to this amended petition are:

Ansley Watson, Jr., Esquire  
Macfarlane Ferguson & McMullen  
P. O. Box 1531  
Tampa, Florida 33601-1531

and

Ms. Angela Llewellyn  
Peoples Gas System  
P. O. Box 2562  
Tampa, Florida 33601-2562

DOCUMENT NUMBER DATE  
04261 APR 17 02  
FPSC-COMMISSIONER

3. This amended petition, together with the accompanying revised tariff sheets submitted herewith, supersede and replace the petition and accompanying revised tariff sheets filed herein by Peoples on April 9, 2002.

#### BACKGROUND

4. Peoples owns and operates a natural gas distribution system which extends throughout most portions of the State of Florida, and is a public utility subject to the jurisdiction of the Commission pursuant to Chapter 366, *Florida Statutes*.

5. Peoples' Natural Gas Tariff, Original Volume No. 3 (the "Tariff"), on file with the Commission contains rates, rules and regulations governing the Company's relationship with its customers, and sets forth the terms and conditions on which Peoples will provide sales or transportation service for such customers.

6. The Tariff presently contains a section on the billing of customers which, as pertinent to this amended petition, provides (a) that the Company will render bills for gas service each month, (b) that bills will be considered received when mailed to the most recent billing address supplied by the customer to the Company, and (c) that a bill will be considered delinquent upon the expiration of 20 days from the date of its mailing or other delivery to the customer by the Company.

7. In addition to the aforementioned provision with respect to when a bill is deemed delinquent, the only other Tariff provisions with respect to payment of bills are found in Peoples' standard forms of agreement between the customer and the Company

relating to gas service.<sup>1</sup> These standard agreements generally state the customer's obligation to make payment to the Company of the Company's bills for service. Each gas bill rendered by the Company to each customer states that it is "PAYABLE ON RECEIPT." See Tariff Sheet 8.105.

8. Peoples' customers make payment of the Company's bills for gas service in various ways. Payments are hand-delivered or mailed to Peoples (in the form of cash or checks made payable to the Company). In addition, Peoples has entered into arrangements with certain entities, pursuant to which such entities are established as "authorized payment agents" of the Company for the purpose of receiving, and remitting to the Company, customers' payments of bills rendered by the Company for gas service. These "authorized payment agents" allow Peoples' customers to make payments at locations that are convenient and readily accessible to Peoples' customers. These locations, known as "payment outlets," are generally set up at various retail outlets such as Mail Boxes, Etc., and Pack 'n Send stores. Peoples' "authorized payment agents" are required to have systems in place to (a) process payments, (b) deposit customer payments into designated Peoples' accounts, (c) transmit customer payment data to Peoples, and (d) report and remit customer payments to Peoples. Under these arrangements, the "authorized payment agent" has specific contractual obligations such as initiating payment (bank) accounts for, or in trust for, Peoples. In other words,

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<sup>1</sup> See: Application for Gas Service (used for residential customers), Tariff Sheet No. 8.101-1; Business Application for Gas Service (used for firm commercial customers), Sheet No. 8.101-3; Contract for Interruptible Natural Gas Service (used for interruptible sales customers), Sheet No. 8.103-2; Gas Transportation Agreement, Tariff Sheet No. 8.114-3; and Natural Choice Transportation Service Letter of Authorization, Tariff Sheet No. 8.118.

Peoples requires its “authorized payment agents” to designate Peoples as the beneficial and legal owner of all customer payments collected by the “authorized payment agent.” Lastly, an “authorized payment agent” is required to furnish a bond with minimum limits of \$200,000 per location or payment outlet to cover any default by a location or payment outlet.

9. Some customers (both sales service and transportation service customers) enter into their own payment processing arrangements with entities that have not been designated by Peoples as an “authorized payment agent” of the Company. Peoples believes that, under these arrangements, the entity engaged as the agent of the customer receives the bills rendered by Peoples (which sends the bills – at the customer’s request – to the customer in care of the customer’s agent’s address), and pays the bills for the customer. Certain of Peoples’ transportation service customers have their bills sent by Peoples to their third party gas suppliers, or to their pool manager under Peoples’ Natural Choice Transportation Service Rider, and have entered into arrangements with such third parties to make payment to Peoples of those bills. Currently, none of the third party gas suppliers or pool managers used by Peoples’ transportation service customers has been designated by Peoples as an “authorized payment agent.”

10. Because it has entered into contractual arrangements with the “authorized payment agents” described in paragraph 8 above, Peoples deems payment by a customer to any such authorized payment agent to be satisfaction of the customer’s contractual obligation to make payment to Peoples. Peoples would deem the

customer's payment obligation to have been so satisfied even in the event the authorized payment agent failed to remit the customer's payment to the Company. This is due to the fact that the "authorized payment agent" is required to have a contractual relationship with Peoples as described in paragraph 8 of this amended petition, which contractual relationship protects Peoples and its ratepayers should the "authorized payment agent" default on its obligation to pay Peoples the customer payments it has collected. Peoples believes that neither Peoples nor its ratepayers should be expected to assume the risk of third parties with which Peoples has no contractual relationship relative to the collection of payments.

11. Because the customer (but not the Company) has entered into arrangements with the third parties described in paragraph 9 above, Peoples deems payment by a customer to such a third party (including a customer's third party gas supplier or pool manager) does not satisfy the customer's obligation to make payment to Peoples unless and until Peoples receives payment for the customer's account. A third party of the type described in paragraph 9 above is no different than a friend or acquaintance of the customer to whom the customer might give cash (or a check) to deliver to Peoples in payment of the customer's bill for gas service. While the friend or acquaintance of the customer may have agreed with the customer to make the customer's payment, Peoples has no agreement with either the third party or the customer to that effect.

12. Peoples recently sent a notice to all of its commercial customers stating that the customer's obligation is to make payment to the Company (or to a person or

other entity which Peoples has designated its “authorized payment agent” for the purpose of receiving customers’ payments. Because certain customers may have entered into an arrangement similar to that described in paragraph 9, the notice was sent to the service addresses of the commercial customers. A copy of the notice is attached to this amended petition as Appendix 1.

#### **RELIEF REQUESTED**

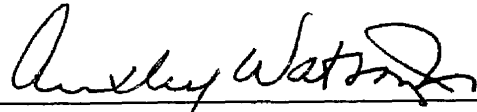
13. By this amended petition, Peoples seeks the Commission’s approval of modifications to its Tariff to put its customers on notice that it is their obligation to make payment of bills for gas service either to the Company or to an entity which the Company has designated as an “authorized payment agent.” The modifications would also clarify that payment to a third party which has not been designated as an “authorized payment agent” of Peoples does not constitute payment to the Company.

14. The revised tariff sheets for which Peoples seeks approval are submitted herewith in both “clean” and legislative formats. The revised tariff sheets submitted with this amended petition supersede and replace the revised tariff sheets filed herein on April 9, 2002.

WHEREFORE, Peoples respectfully requests that the Commission will grant this amended petition, and enter its order approving the revised tariff sheets submitted herewith, effective as of the date of the Commission’s vote.



Dated this 16th day of April, 2002.



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Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
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Telephone: (813) 273-4321  
Facsimile: (813) 273-4396  
E-mail: [aw@macfar.com](mailto:aw@macfar.com)

Attorneys for Peoples Gas System

# PAYING YOUR BILL FROM PEOPLES GAS

## IMPORTANT NOTICE

Some customers ask Peoples Gas to send their monthly gas bill to a third party with which the customer may have entered into payment processing arrangements.

Please accept this as a reminder that the bills for our services are payable to Peoples Gas, regardless of any payment processing arrangement you may have entered into with a third party.

Except as indicated below, if a third party fails to remit payment of your natural gas bill to Peoples Gas, your obligation to make payment to Peoples Gas will not have been satisfied.

As a convenience to our customers, we have various locations throughout our service area that serve as authorized agents for the purpose of receiving payments of the bills we render.

Unlike a payment to an unauthorized third party, payment to our authorized agents is the same as paying Peoples Gas directly.

For a list of Peoples Gas' authorized pay agents, or to make any change in the mailing address for any of your accounts with Peoples Gas, you may call **1-877-TECO-PGS** or 1-877-832-6747.

