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IN REPLY REFER TO:

Ansley Watson, Jr.
P.O. Box 1531
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e-mail: aw@macfar.com

August 25, 2008

VIA E-FILING

Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 080318-GU -- Petition for rate increase by Peoples Gas System

Dear Ms. Cole:

This letter will confirm our understanding regarding the Commission Staff's request that Peoples Gas System ("Peoples" or the "Company") waive the statutory requirement for Commission action on the Company's petition and tariff filing in the above docket (under the file-and-suspend provisions of Section 366.06(3), *Florida Statutes*) in connection with the Staff's need and desire for the Commission to have an additional period of approximately two months within which to dispose of such petition and tariff filing.

The Company hereby agrees to an extension, to and including May 19, 2009, of the time for the Commission to dispose of the Company's petition and tariff filing in the above docket to meet the requirements of the file-and-suspend provisions of Section 366.06(3), *Florida Statutes*, subject to:

1. the Commission's disposition of the Company's Petition for Interim Rate Relief in the above docket at the Commission's Agenda Conference on September 29, 2008; and
2. the Commission's final disposition of the Company's Petition for authority to increase its rates and charges, and for other relief, no later than the Commission's Agenda Conference on May 19, 2009.

Ann Cole, Commission Clerk
August 25, 2008
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We trust the foregoing conditional extension of time will permit the Commission Staff the time required to appropriately process the Company's filings in the above docket.

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: Stephen C. Burgess, Esquire
Caroline M. Klancke, Esquire
Katherine E. Fleming, Esquire
Jennifer Brubaker, Esquire
John W. McWhirter, Jr., Esquire
Mrs. Kandi M. Floyd