

**Ruth Nettles**

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**From:** Ansley Watson, JR. [AW@macfar.com]  
**Sent:** Friday, September 26, 2008 5:44 PM  
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**Subject:** Docket No. 080318-GU  
**Attachments:** 080318 - PGS Response to OPC 2nd PODs.pdf

- a. Ansley Watson, Jr.  
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- b. Docket No. 080318-GU – Petition for rate increase by Peoples Gas System
- c. Peoples Gas System
- d. Total of 9 pages
- e. The attached document is Peoples' Response to Citizens' Second Request for Production of Documents (Nos. 56-75).

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase )  
by Peoples Gas System. )  
\_\_\_\_\_ )

DOCKET NO. 080318-GU

Submitted for Filing:  
9-26-08

**PEOPLES GAS SYSTEM'S RESPONSE TO CITIZENS'  
SECOND REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 56-75)**

Peoples Gas System ("Peoples" or the "Company") submits the following Response to Citizens' Second Request for Production of Documents (Nos. 56-75), and says:

**I. Introduction**

Peoples adopts and incorporates herein by reference the objections to Citizens' Second Request for Production of Documents (Nos. 56-75) set forth in its Objections to Citizens' Second Request for Production of Documents (Nos. 56-75) filed herein on September 8, 2008.

**II. Response.**

Without waiving the general objections referenced above, Peoples responds to the correspondingly numbered categories of the request as follows:

56. Allocated Costs. Refer to page 10 of Paul Higgins testimony and provide any studies and/or analysis that the Company has that would substantiate the statement that the Tampa Electric charges to Peoples are at cost.

**Response:** None.

DOCUMENT NUMBER-DATE

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57. O&M Expenses. Refer to page 19 of Paul Higgins testimony and provide the studies and/or analysis that the Company has performed that would substantiate the statement that the Tampa Electric expense levels are reasonable.

**Response:** Any analyses responsive to this category of the request have been produced in response to Category 46 of Citizens' First Request for Production of Documents (J. Paul Higgins' O&M Expense binder).

58. Payroll. Provide a copy of any studies and/or analysis the Company and/or its affiliates have performed that show that compensation levels for various positions within the Company and/or its affiliates are reasonable when compared to the market.

**Response:** Documents responsive to this category of the request (certain of which are deemed to constitute proprietary confidential business information) will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

59. Payroll. Provide a copy of all compensation studies the Company and/or its affiliates acquired and relied on during 2007 and 2008 for evaluating compensation levels of the Company and/or its affiliates' employees.

**Response:** Documents responsive to this category of the request (certain of which are deemed to constitute proprietary confidential business information) will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

60. Payroll. Provide a copy of any studies and/or analysis the Company and/or its affiliates performed that show that compensation increases on Schedule C-33 for the years 2004-2006 were reasonable when compared to the market.

**Response:** Documents responsive to this category of the request (certain of which are deemed to constitute proprietary confidential business information) will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

61. Distribution Load Dispatching. Refer to page 20 of Paul Higgins testimony and provide any studies and/or analysis that the Company performed that would substantiate the need for four additional gas control analyst.

**Response:** Documents responsive to this category of the request (certain of which are deemed to constitute proprietary confidential business information) will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

62. Demonstrating and Selling Expenses. Refer to the testimony of Paul Higgins at page 22. Provide any cost benefit analysis performed by the Company that would justify the more labor intensive marketing discussed.

**Response:** None.

63. Injuries and Damages. Refer to the testimony of Paul Higgins at page 24. Provide a copy of the five year analysis and the eight year analysis referred to.

**Response:** Documents responsive to this category of the request have been produced in response to Category 46 of Citizens' First Request for Production of Documents (J. Paul Higgins' O&M Expense binder).

64. Employee Pensions and Benefits. Refer to the testimony of Paul Higgins at page 25. Provide a copy of any document provided by Mercer Health and Benefits LLC that was relied on by the Company in establishing a percentage increase to be utilized in estimating the rate year expense.

**Response:** Documents responsive to this category of the request have been produced in response to Category 46 of Citizens' First Request for Production of Documents (J. Paul Higgins' O&M Expense binder).

65. Regulatory Commission Expense. Refer to the testimony of Paul Higgins at page 25. Provide a copy of any document provided to the Company and that was relied on by the Company in estimating the costs shown on Schedule C-13.

**Response:** Documents responsive to this category of the request will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

66. Storm Damage. Refer to the testimony of Paul Higgins at page 26-28. Provide the analysis described by Mr. Higgins.

**Response:** Documents responsive to this category of the request have been produced in response to Category 46 of Citizens' First Request for Production of Documents (J. Paul Higgins' O&M Expense binder).

67. Pipeline Integrity. Refer to the testimony of Paul Higgins at page 37. Provide the analysis referred to and provide supporting documentation for the costs estimates in the analysis.

**Response:** Documents responsive to this category of the request have been produced in response to Category 46 of Citizens' First Request for Production of Documents (J. Paul Higgins' O&M Expense binder).

68. Bad Debt Expense. Refer to the testimony of Paul Higgins at page 29. Provide the analysis performed to determine the amount of uncollectibles attributed to the cost of gas.

**Response:** Documents responsive to this category of the request have been produced in response to Category 46 of Citizens' First Request for Production of Documents (J. Paul Higgins' O&M Expense binder). Other documents responsive to this category of the request will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

69. Pipe Costs. Refer to the testimony of William Cantrell at page 15. Provide any analysis and/or study the Company has that substantiates the assertion regarding the increase in pipe costs.

**Response:** Documents responsive to this category of the request will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

70. Income Taxes. Refer to the testimony of Alan Felsenthal, page 19. Provide a copy of each of the private letter rulings referred to by Mr. Felsenthal.

**Response:** Documents responsive to this category of the request will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

71. Consultants. Provide a copy of the contract with Huron Consulting Group for this rate proceeding and a copy of the billings to date.

**Response:** The contract with Huron Consulting Group will be produced pursuant to Category 65 of the request. Other documents responsive to this category of the request will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

72. Plant. Provide any studies the Company has prepared or has had prepared for them that estimates the projected plant additions and/or plant replacements for mains and services for the period 2008 and beyond.

**Response:** Certain documents responsive to this category of the request have been produced in response to Categories 1, 18 and 46 of Citizens' First Request for Production of Documents. Other documents responsive to this category of

the request will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

73. Payroll. Provide any specific document and/or study that the Company relied on when establishing the pay increases of 3.5% and 4.0% for 2008 and 2009, respectively.

**Response:** Documents responsive to this category of the request (certain of which are deemed to constitute proprietary confidential business information) will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

74. Payroll. Provide any specific document and/or study that the Company relied on when establishing the pay increases shown on Schedule C-33 for 2004-2007, respectively.

**Response:** Documents responsive to this category of the request will be produced in response to Category 60 of the request. Other documents responsive to this category of the request (some of which may be deemed to constitute proprietary confidential business information) will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

75. Industry Dues. Refer to schedule C-11. Provide the billing for the dues along with any reports provided by the respective organizations.



**Response:** Reports provided by the respective organizations were produced in response to Citizens' Interrogatory No, 10. Billings for dues will be produced at the Company's offices in Tampa, or copies thereof provided to the Office of Public Counsel.

DATED this 26th day of September, 2008.

Respectfully submitted,



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Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Response to Citizens' Second Request for Production of Documents (Nos. 56-75), filed on behalf of Peoples Gas System, has been furnished electronically and by regular mail to the following, this 26th day of September, 2008:

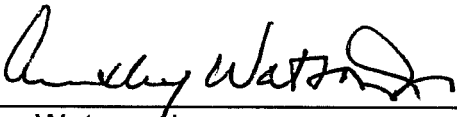
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