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IN REPLY REFER TO:

Ansley Watson, Jr.
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December 4, 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:

Enclosed for filing in the above docket on behalf of Peoples Gas System ("Peoples") is Peoples' **Request for Confidential Classification and Motion for Temporary Protective Order** with respect to portions of Staff audit workpapers, the answer to Staff Interrogatory No. 68.

A single copy of the confidential material, with the confidential information highlighted in yellow, will be hand delivered separately from this electronic filing.

Thank you for your usual assistance.

Sincerely,



ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Parties of Record
Mrs. Kandi M. Floyd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 080318-GU

Submitted for Filing:
12-4-08

**PEOPLES GAS SYSTEM'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION
AND MOTION FOR TEMPORARY PROTECTIVE ORDER**

Peoples Gas System (“Peoples” or the “Company”), pursuant to Section 366.093, *Florida Statutes*, and Rule 25-22.006, *Florida Administrative Code*, hereby requests confidential classification of (and the issuance of a temporary protective order with respect to) the document(s) printed on yellow paper and the yellow highlighted information contained in the following described document(s) (the “Document(s)”) stamped “CONFIDENTIAL”, which are submitted herewith, all of said confidential information being hereinafter referred to as “Confidential Information.”

Description of the Document(s)

The Documents consist audit workpapers pursuant to Audit Control No. 08-234-2-2. In support of its request, Peoples states:

1. Subsection 366.093(1), *Florida Statutes*, provides that any records “found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1), *Florida Statutes* [requiring disclosure under the Public Records Act].” Proprietary confidential business information includes, but is not limited to “[i]nternal auditing controls and reports of internal auditors”, and “[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.” Subsections 366.093(3)(b) and

(e), *Florida Statutes*. The Confidential Information that is the subject of this request and motion falls within the statutory categories, and thus constitutes proprietary confidential business information entitled to protection under Section 366.093, *Florida Statutes*, and Rule 25-22.006, *Florida Administrative Code*.

2. Attached hereto as Exhibit "A" is justification for confidential treatment of the Confidential Information contained in the Documents.

3. The Confidential Information contained in the Documents is intended to be and is treated by Peoples as private and has not been publicly disclosed.

4. For the same reasons set forth herein in support of its request for confidential classification, Peoples also moves the Commission for entry of a temporary protective order pursuant to Rule 25-22.006(6)(c), *Florida Administrative Code*, protecting the Confidential Information from public disclosure.

Requested Duration of Confidential Classification

5. Peoples requests that the Confidential Information be treated by the Commission as confidential proprietary business information for at least the 18 month period prescribed in Rule 25-22.006(9)(a), *Florida Administrative Code*. If, and to the extent that the Company is in need of confidential classification of the Confidential Information beyond the 18 month period set forth in the Commission rule, the justification and grounds for such extended period of confidential treatment are set forth in Exhibit "C" to this request and motion.

WHEREFORE, Peoples Gas System respectfully requests that the Confidential Information that is the subject of this request and motion be accorded confidential classification for the reasons set forth herein and for a minimum period of 18 months,

subject to any request for a longer period of confidential classification as may be set forth in Exhibit "C" to this request and motion. The Company further moves for the entry of a temporary protective order pursuant to Rule 25-22.006(6)(c), *Florida Administrative Code*, protecting the Confidential Information from public disclosure.

DATED this 4th day of December, 2008.

Respectfully submitted,



Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531
(813) 273-4321

Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Request for Confidential Classification and Motion for Temporary Protective Order, filed on behalf of Peoples Gas System, has been furnished by U. S. Mail this 4th day of December, 2008, to the following:

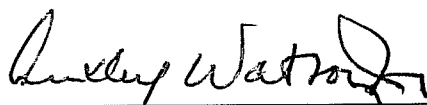
Caroline M. Klancke, Esquire
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Katherine E. Fleming, Esquire
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Tampa, Florida 33601-3350

Ms. Annette Follmer
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Chicago, Illinois 60680-4124



Ansley Watson, Jr.

EXHIBIT A

JUSTIFICATION FOR CONFIDENTIAL TREATMENT OF HIGHLIGHTED PORTIONS
OF THE DOCUMENTS

<u>Work Paper(s)</u>	<u>Detailed Description</u>	<u>Rationale</u>
Audit Request # 5 Pages 1 through 3 of 3	Information in column titled "Comments" for meeting date 1/16/2002	(1)
	Information in column titled "Comments" for meeting date 7/17/2002	(1)
	Information in column titled "Comments" for meeting date 9/23/2002	(1)
	Information in column titled "Comments" for meeting date 10/17/2002	(1)
	Information in column titled "Comments" for meeting date 10/16/2002	(1)
	Information in column titled "Comments" for meeting date 1/28/2003	(1)
	Information in column titled "Comments" for meeting date 2/27/2003	(1)
	Information in column titled "Comments" for meeting date 7/22/2003	(1)
	Information in column titled "Comments" for meeting date 1/27/2004	(1)
	Information in column titled "Comments" for meeting date 1/26/2005	(1)
	Information in column titled "Comments" for meeting date 6/10/2005	(1)
	Information in column titled "Comments" for meeting date 7/27/2005	(1)
	Information in column titled "Comments" for meeting date 10/25/2005	(1)
	Information in column titled "Comments" for meeting date 1/25/2006	(1)
	Information in column titled "Comments" for meeting date 4/26/2006	(1)

	Information in column titled "Comments" for meeting date 7/25/2006	(1)
	Information in column titled "Comments" for meeting date 10/24/2006	(1)
	Information in column titled "Comments" for meeting date 1/31/2007	(1)
	Information in column titled "Comments" for meeting date 5/2/2007	(1)
	Information in column titled "Comments" for meeting date 8/1/2007	(1)
	Information in column titled "Comments" for meeting date 10/18/2007	(1)
	Information in column titled "Comments" for meeting date 11/1/2007	(1)
Audit Request # 5 WP 8-1 (2 pages)	All highlighted information	(1)
Audit Request # 5 WP 9 (2 pages)	All highlighted information	(2)
2007 Tax Return (WP 54)	Entire document	(3)

- (1) The Confidential Information contained in the Document is intended to be and is treated by Peoples as private and has not been publicly disclosed. The information in question consists of summaries of summaries of Board of Directors meeting minutes and two pages of meeting minutes. This information is entitled to protection from disclosure because it contains forward looking information not made public, the disclosure of which could harm the competitive interest of the provider of the information and possibly trigger Securities and Exchange Commission reporting obligations. As such, the information in question is entitled to confidential treatment pursuant to Section 366.093 (3)(e), *Florida Statutes*.
- (2) The Confidential Information contained in the Document is intended to be and is treated by Peoples as private and has not been publicly disclosed. The information in question consists of summaries of reports of internal audit reports and is entitled to protection from disclosure pursuant to Section 366.093 (3)(b), *Florida Statutes*.
- (3) The Confidential Information contained in the Document is intended to be and is treated by Peoples as private and has not been publicly disclosed. The information in question consists of the Company's 2007 U.S. Corporation Income

Tax Return. If made public this information would disclose information which could harm the competitive interests of the Company and is therefore entitled to protection from disclosure pursuant to Section 366.093(3)(e), *Florida Statutes*. Such information is also entitled to confidential treatment, and subject to nondisclosure requirements pursuant to Section 6103 of the Internal Revenue Code and various sections of the Florida Statutes.

EXHIBIT B

PUBLIC VERSION(S) OF THE DOCUMENT

Attached hereto (unless previously filed as may be noted below) are two public versions of the Document with the Confidential Information redacted.

Public Version(s) of the Document attached

Public Version(s) of the Document previously served on _____

REQUESTED DURATION OF CONFIDENTIAL CLASSIFICATION

Peoples requests that the Confidential Information that is the subject of this request be treated as proprietary confidential business information exempt from the Public Records Law for a minimum of 18 months from the date of the order granting such classification. To the extent the company needs confidential protection of the Confidential Information for a period longer than 18 months, the company's justification therefore is set forth below:

n/a

PEOPLES GAS SYSTEM

Rate Case Audit

ACN # 08-234-2-2 Dkt 080318-GU

minutes - Board & Directors *8/21/08* *Page 11/12*

Historic TYE 12/31/07

Date	Meeting	Comments
1/16/2002	Regular Directors Meeting	Declared Dividends of \$45,689,624
4/17/2002	Consent Director's Meeting	Authorized issue and sell up to \$700,000,000 aggregate principal amount of add'l notes
4/17/2002	Regular Directors Meeting	Election of Directors
4/17/2002	Adjourned Regular BD Mtg	Declared Dividends of \$41,515,708
7/17/2002	Regular Directors Meeting	Authorized Finance Committee with 8 members
9/23/2002	Special Directors Meeting	Officers of Board elected
10/17/2002	Recessed Regular BD Mtg	Declared Dividends of \$45,542,654
10/16/2002	Regular Directors Meeting	Discussed plans to enter into gas hedges
1/28/2003	Regular Directors Meeting	Received report relating to various phases of Tampa Electric's Bayside Facility
2/27/2003	Director's Meeting	Declared Dividends of \$43,486,556
3/28/2003	Consent Director's Meeting	Authorized issue and sell up to \$250,000,000 aggregate principal amount of add'l notes
4/7/2003	Director's Meeting	Declared Dividends of \$46,646,538
4/21/2003	Regular Directors Meeting	Elected members of Finance committee
4/22/2003	Adjourned Regular BD Mtg	Officers of Board elected
7/22/2003	Director's Meeting	Established a Tampa Electric Company Code of Conduct which confirms company's structural separateness from its parent and other affiliates
8/27/2003	Director's Meeting	Declared Dividends of \$5,556,966
10/29/2003	Regular Directors Meeting	Approved appointment of independent engineers and appraisers to act under the Tampa Electric Company Indenture of Mortgage
		Approved a management reorganization
		Approved revision of Finance Committee charter
		Declared Dividends of \$55,561,570

PEOPLES GAS SYSTEM

Rate Case Audit

ACN # 08-234-2-2 Dkt 080318-GU

minutes - Board Directors
Historic TYE 12/31/07

July 11/08 June 11/13

1/27/2004	Regular Directors Meeting
3/16/2004	Consent Director's Meeting
4/27/2004	Regular Directors Meeting
4/28/2004	Adjourned Regular BD Mtg
4/28/2004	Consent Director's Meeting
7/9/2004	Director's Meeting
7/28/2004	Regular Directors Meeting
10/15/2004	Consent Director's Meeting
10/22/2004	Director's Meeting
11/17/2004	Director's Meeting
12/7/2004	Director's Meeting
1/26/2005	Director's Meeting
4/27/2005	Consent Director's Meeting
4/27/2005	Adjourned Regular BD Mtg
4/27/2005	Director's Meeting
6/10/2005	Director's Meeting
7/27/2005	Director's Meeting
10/25/2005	Director's Meeting

Authorized early redemption of \$75 Millions 1st Mortgage Bonds
Authorized Issue and sell of \$100 millions 40 year notes

Declared Dividend of \$32,681,084
Declared Dividend of \$26,090,846
Reduced Finance Committee members from 6 to 5
Officers of Board elected
Elected Directors
Elected new Chairman of Board upon resignation of current Chair
Reduced size of Board from 12 to 10
Declared Dividends of \$39,681,582
Approved Management Changes - Officer changes
Declared Dividends of \$64,795,616

Set number of directors at 11
Elected new director
Authorized creation of an Accounts Receivable Financing Program and credit facility with TEC Receivables Corp (wholly owned subs. Of TRC)

Declared Dividends of \$37,224,505
Elected Directors
Approved proposed gas transportation agreement with Gulfstream Natural Gas System for 48,000 MMBtu for 23 years
Approved construction of 28 mile, 20 inch pipeline lateral in return for \$28 millions from Gulfstream 4 members of Finance Committee elected
Elected officers of Board
Declared Dividend of \$28,001,285
Declared Dividends of \$38,976,223

Approved replacement credit facility up to \$325 million for up to 61 months
Authorized Issue and sell of \$85,950,000 refunding bonds (Hillsborough County Industrial Development Authority), Series 1994
Approved expenditure of up to \$91.4 million (excluding AFUDC) to expand Company electric generation by 300 MW at Polk Power Station and purchase two 150 MW turbines for \$29 million and other selected equipment
Approved redemption of 1994 bonds at a premium of 1% over par
Declared Dividends of \$69,092,677

32									
43	SOURCE	Doc Pg 5						W/P 8	(233)

PEOPLES GAS SYSTEM
 Rate Case Audit
 ACN # 08-234-2-2 Dkt 080318-GU
minutes - Board of Directors
 Historic TYE 12/31/07

Sup 11/08
Jan 11/13

Date	Meeting
01/23/06	Directors Meeting
04/26/06	Directors Meeting
07/25/06	Directors Meeting
10/24/06	Directors Meeting
01/31/07	Directors Meeting
05/02/07	Directors Meeting
08/01/07	Directors meeting
10/18/07	Directors Meeting
11/01/07	Directors Meeting

Comments
Declared dividends of \$44,869,016
Declared dividends of \$26,244,642
Declared dividends of \$36,513,344 Authorized Finance Committee, that in the event of a major storm, to issue short term notes up to \$200,000,000
Declared dividends of \$61,752,853 Authorized to issue and sell up to \$75,000,000 bonds to refinance the Polk County Industrial Development Authority Solid Waste Disposal Facility Revenue Bonds (Tampa Electric Company Project)
Declared dividends of \$37,860,164
Authorized issue and sell up to \$250,000,000 notes with maturities of up to 31 years
Declared dividends of \$27,331,564 Appointed members to BOD and Finance Committee
Declared dividends of \$33,165,680 Authorized Finance Committee, that in the event of a major storm, to issue short term notes up to \$200,000,000
Declared dividends of \$67,755,770 Approved that the project to purchase and install five combustion turbines, and the expenditure of up to \$237 million in connection therewith

SOURCE *Doc Reg 15*

W/P 2
(393)

PEOPLES GAS SYSTEM

Rate Case Audit

ACN # 08-234-2-2 Dkt 080318-GU

Minutes - Board's Directors

Historic TYE 12/31/07

July 11/08 Dec 4/13

- 4 -

RESOLVED, that the following dates and times are hereby fixed for holding regular meetings of the Board of Directors for 2007 and 2008:

	2007	
Wednesday, January 31		8:30 a.m.
Wednesday, May 2		8:30 a.m.
Wednesday, August 1		8:30 a.m.
Wednesday, October 31 [and Thursday, November 1, if necessary]		8:30 a.m.

	2008	
Wednesday, January 30		8:30 a.m.
Wednesday, April 30		8:30 a.m.
Wednesday, July 30		8:30 a.m.
Wednesday, October 29 [and Thursday, October 30, if necessary]		8:30 a.m.

After a brief recess, [redacted]

[redacted] entered the meeting and were introduced by Mr. Gillette. T. L. Hernandez, Vice President-Energy Supply, Tampa Electric, also entered the meeting at this time, and he was introduced by Mr. Ramil.

Mr. Ramil then introduced [redacted]

Mr. Black then presented a report on [redacted]

He also presented information on [redacted]

Mr. Black also presented information on [redacted]

He also showed [redacted]

A discussion ensued in which questions from the Directors concerning [redacted] were addressed.

Messrs. Ramil and Black pointed out that [redacted]

They also discussed that [redacted]

.17

43

SCURGE Doc No #5

W/P 8-1

PEOPLES GAS SYSTEM

Rate Case Audit

ACN # 08-234-2-2 Dkt 080318-GU

Minutes - Board of Directors

Historic TYE 12/31/07

July 11/08 June 4/13

- 5 -

[REDACTED]

They noted

Ms. Brown then presented information

[REDACTED]

[REDACTED]

Throughout and following this

presentation, there was discussion in which questions from the Directors were addressed.

There being no further business to come before the meeting, the meeting was adjourned at approximately 5:00 p.m., to reconvene in executive session at the same place the following day.

A true record.

Attest:

[Signature]

Secretary

41
42
43

SOURCE Doc Reg #5

W/P 8-1

PEOPLES GAS SYSTEM
Rate Case Audit
ACN # 08-234-2-2 Dkt 080318-GU

Summary of Internal Audits
Historic FYE: 12/31/07

July 11/08
June 4/09

Summary of Internal Audits
January 2002 – December 2007

October 17, 2002 – Measurements and Telemetry Services Supervisory Control and data Acquisition (SCADA) network

[REDACTED]

November 25, 2002 – Line Location & Mapping Audit

[REDACTED]

December 31, 2002 – St. Petersburg Customer Service Office Review

[REDACTED]

December 31, 2002 – Ocala Customer Service Office Review

[REDACTED]

November 19, 2002 – Accounts Receivable and Collections Cycle

[REDACTED]

April 30, 2003 – Orlando Customer Service Office Review

[REDACTED]

May 23, 2003 – Gas Management System (GMS)

[REDACTED]

June 10, 2003 – Eustis Customer Service Office Review

[REDACTED]

July 21, 2002 – Accounting Department General Ledger System Audit

[REDACTED]

September 25, 2003 – Purchasing Department Strategic Alliance Vendor Contracts Audit

[REDACTED]

January 27, 2004 – Sarbanes-Oxley Section 404 Review of Procurement Process

[REDACTED]

SOURCE Doc Reg #45

WIP 9

PEOPLES GAS SYSTEM
Rate Case Audit
ACN # 08-234-2-2 Dkt 080318-GU,
Summary of Internal Audits
Historic FYE: 12/31/07

Page 11 of 08
Page 4 of 9

January 12, 2007 – Purchasing Card Audit



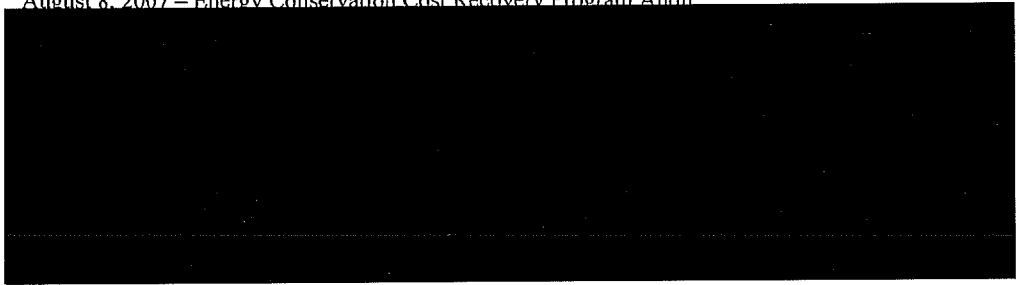
April 24, 2007 – Corporate Aircraft Limited Scope Audit



June 25, 2007 – Pipeline Integrity Compliance Limited Scope Audit



August 8, 2007 – Energy Conservation Cost Recovery Program Audit



December 12, 2007 – Panama City Customer Service Office



WP 54
Peoples Gas System - 2007 Federal Income Tax Return (30 pages)

REDACTED