



PEOPLES GAS

September 10, 2008

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COMMISSION  
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Ann Cole  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

Re: Docket No. 090004-GU- Natural Gas Conservation Cost Recovery

Dear Ms. Cole:

Enclosed for filing is the response to Peoples Gas System audit disclosure, (audit control number 09-028-2-4), in the above referenced docket.

Thank you for your assistance with this filing.

Sincerely,

Kandi M. Floyd  
Manager, Regulatory

cc: Devlin Higgins  
Katherine Fleming  
Ansley Watson Jr., Esq.

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AN EQUAL OPPORTUNITY COMPANY

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Audit Finding No. 1 of the audit report reads as follows:

**AUDIT FINDING NO. 1**

**SUBJECT ANALYSIS: ANALYSIS OF CUSTOMER BILL TEST**

**AUDIT ANALYSIS:** Florida Administrative Code (F.A.C) Rule 25-17.015 (5) states that Advertising expense recovered through energy conservation cost recovery shall be directly related to an approved conservation program.

PGS has sponsorship agreements with Seminole ISP Sports Network and the Florida Gator Network for energy conservation advertising. Included in these agreements, PGS receives merchandising and marketing services.

The Seminole ISP Sports Network agreement provided for a two hour pre-game event for 25 guests to included tickets, tent, tables and chairs, food and drink, complementary programs, DJ and big-screen television, appearance by FSU cheerleaders, door prizes and an opportunity to display a corporate banner.

Also included were four football season tickets, two tickets to the ISP suite at an FSU home football game and an opportunity to purchase four tickets to the ACC Championship game and to the FSU Bowl game if FSU plays. The total cost of the tickets and hospitality was \$4,000.

The Florida Gator Network agreement included four season tickets to all seven Gator home football games, four skybox tickets to one home game and an invitation to one pre-game party and one tailgate party for twelve, including game tickets, food and beverage. The total cost of the tickets and hospitality was \$1,760.

**EFFECT ON THE GENERAL LEDGER:** None

**EFFECT ON THE FILING:** Decrease ECCR Advertising expense by \$5,760.

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**Peoples Gas System**  
**Docket 090004-GU**  
**Response to Audit Control No. 09-028-2-4**  
**September 9, 2009**

**Peoples' Response:**

Peoples will remove the costs associated with the Seminole and Gator tickets in the amount of \$5,760 from the 2008 true-up filing and will refile the 2008 true-up filing simultaneously with the 2010 energy conservation projection.