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April 20, 2017

VIA E-PORTAL FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850


Re: NEW FILING - Petition for approval of tariff modifications by Peoples Gas System

Dear Ms. Stauffer:

Attached for electronic filing with the Commission on behalf of Peoples Gas System, please find Peoples' petition referenced above.

We appreciate your usual assistance.

Sincerely,


ANSLEY WATSON, JR. Ky

AWjr/a
Attachment

cc: Ms. Kandi M. Floyd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of tariff modifications) Docket No. _____
by Peoples Gas System.)
_____) Submitted for Filing:
4-20-17

PETITION FOR APPROVAL OF TARIFF MODIFICATIONS

Peoples Gas System ("Peoples" or the "Company"), by and through its undersigned attorneys, hereby petitions the Commission for approval of modifications to its Natural Gas Tariff, Original Volume No. 3, in compliance with recent amendments to the *Florida Statutes* and the Commission's rules, submits herewith revised tariff sheets to become effective the date of the Commission's vote, and in support of its petition states:

1. The name and address of the petitioner are:

Peoples Gas System
702 N. Franklin Street
Tampa, Florida 33602

2. Peoples is an investor-owned public utility subject to the Commission's regulatory jurisdiction under Chapter 366, *Florida Statutes*.

3. The persons to whom notices, orders and pleadings in this docket should be addressed are:

Ansley Watson, Jr., Esquire
Andrew M. Brown, Esquire
David T. Kronenfeld, Esquire
Macfarlane Ferguson & McMullen
Post Office Box 1531
Tampa, Florida 33601-1531

Paula K. Brown
Peoples Gas System
Post Office Box 111
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Kandi M. Floyd
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4. In 2015 the Florida Legislature enacted CS/HB 7109 which included provisions related to the calculation of customer deposits, the collection of additional

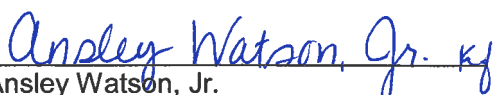
customer deposits, and the return of excess customer deposits. The provisions in question are now set forth in Section 366.05(1)(c), *Florida Statutes*, a copy of which is attached hereto as Exhibit "A". The Commission, following the amendments to Section 366.05(1)(c), *Florida Statutes*, amended its rules relating to customer deposits for natural gas utilities. See Order No. PSC-16-0024-FOF-PU issued January 12, 2016 in Docket No. 150241-PU.

5. Revised tariff sheets in both legislative and clean formats, to conform the Company's tariff to the statutory and rule changes promulgated by the Florida Legislature and the Commission, are submitted with this petition.

6. Peoples is not aware of any disputed issues of material fact relating to the matters contained in this Petition.

WHEREFORE, Peoples Gas System respectfully requests that the Commission enter its order permitting the revised tariff sheets submitted with this petition to become effective on the date of the Commission's vote disposing of this petition.

Respectfully submitted,


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Attorneys for Peoples Gas System

REVISED TARIFF SHEETS
LEGISLATIVE STYLE

III

DEPOSITS

A. ESTABLISHMENT OF CREDIT

Each prospective Customer shall establish credit prior to the commencement of Gas Service by Company by one of the following methods:

1. Making a cash deposit with Company equal to two (2) times the estimated average monthly bill to be rendered by Company. in all cases such cash deposit being calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes. Cash deposit amounts will be recalculated on an annual basis. If the recalculated deposit amount exceeds two times the Customer's average monthly bill based on the previous 12 months billing history, the excess deposit amount will be refunded or applied as a credit to the Customer's account. If the recalculated deposit amount is less than twice the Customer's average monthly bill, Company may request an additional deposit amount to secure the Customer's account.

2. In the case of a residential Customer, furnishing a recent credit reference from another Gas or electric utility reflecting a good credit rating for the prior twelve (12) consecutive months.

A former residential Customer of the Company who (within six months of the time of discontinuing service, and who has, for the twelve (12) months immediately preceding his termination, established a satisfactory payment record as set forth in Section F below) requests service under the same rate schedule shall be deemed to have established credit.

3. In the case of a residential Customer, furnishing a guarantor, satisfactory to Company, to secure payment of bills for the Gas Service requested. A satisfactory guarantor shall, at the minimum, be a Customer of Company with a satisfactory payment record.
4. Furnishing an irrevocable letter of credit from a bank, or a surety bond, issued by a Company with an A.M. Best Rating Service rating of B/VI or higher for bonds up to \$50,000 in amount and a rating of A-VII or higher for bonds over \$50,000 in amount.

The amount of such deposit, letter of credit or surety bond shall be equal to two (2) times the estimated average monthly bill for service hereunder.

5. a. By possessing and maintaining a Standard & Poor's (S & P) Long Term Debt Rating of A- or better; or by possessing and maintaining a Moody's rating of A3 or better. Comparable ratings may be considered from other nationally recognized rating organizations acceptable to the Company.
- b. (i) If the Customer's debt is not rated and the Customer's aggregate annual usage is 500,000 Therms or more, credit may be established by demonstrating adequate financial strength and stability. Upon request of a Customer whose annual usage is 500,000 Therms or more, the Company will evaluate the Customer's credit-worthiness by reviewing the Customer's audited financial statements for at least the two most recently completed fiscal years. These audited financial statements must be furnished by the Customer and must be accompanied by the opinion of independent certified public accountants or chartered accountants of recognized national or regional standing.

III

DEPOSITS (Continued)

- (ii) In evaluating the Customer's credit-worthiness, the Company will consider the following financial factors: the Customer's tangible net worth, the interest coverage ratio, the ratio of long term debt to tangible net worth, and the Customer's net cash flow. In evaluating the Customer's credit-worthiness, the Company may also consider other known factors relating to the Customer's credit-worthiness.
 - (iii) Accounts for which credit is established pursuant to this section (5) (b) are subject to periodic review by the Company to assure that no material changes adversely affecting the Customer's credit-worthiness have occurred. Each Customer for whom credit is established pursuant to this section (5) (b) shall annually furnish audited financial statements, together with the opinion of independent certified public accountants or chartered accountants of recognized national or regional standing, to the Company within ninety (90) days following the conclusion of the Customer's fiscal year.
 - (iv) Credit may be established by either a cash deposit, a letter of credit or a surety bond in the event (A) the debt rating or audited financial statements are unacceptable to the Company, or become unacceptable, or (B) the Customer pays with a check dishonored by a bank, or (C) the Customer fails to comply with the Company's Rules and Regulations.
6. A parent Company may serve as a guarantor for a subsidiary Company to secure the payment of bills for Gas Service. A satisfactory guarantor shall meet the terms of established credit as stated in section (5) (a) or (5) (b) above.

B. RECEIPT FOR CASH DEPOSIT

~~Company will provide a~~**A non-transferable** receipt ~~will be issued to a~~ Customer for any cash deposit ~~received from the and means provided so that such~~ Customer ~~may claim the deposit if the receipt is lost~~. When a new or additional cash deposit is required under Section C of this rule, a Customer's canceled check or validated bill coupon may serve as a deposit receipt.

C. NEW OR ADDITIONAL DEPOSITS

Company may ~~charge~~**require**, upon ~~reasonable~~ written notice ~~to an existing Customer~~ of not less than 30 days, ~~such request or notice being separate and apart from any bill for Gas Service, a new cash deposit, (including a guaranty, letter of credit or surety bond (where previously waived or returned), or an additional cash deposit (or increase in the amount of a guaranty, letter of credit or surety bond),~~ in order to secure payment of ~~current bills~~. ~~Such request for a deposit shall be separate and apart from any bill for service and shall explain the reason for the deposit;~~ provided, however, that the total amount of the required cash deposit or other security shall not exceed an amount ~~calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes equal to the average actual charges for Gas Service for two (2) billing periods for the twelve (12) month period immediately prior to the date of notice.~~

III

DEPOSITS (Continued)

The thirty (30) day notice shall not apply when service is being reestablished after discontinuance of service for non-payment. ~~If Customer has received Gas Service for less than twelve (12) months, then Company will base the amount of the new or additional cash deposit or other security upon the average actual monthly billing available.~~

D. RECORD OF DEPOSIT

With respect to a cash deposit, Company will keep records to show:

1. The name of the Customer making the deposit;
2. The premises ~~for which the deposit applies~~~~occupied by the Customer~~;
3. The date and amount of the deposit; and
4. Each transaction concerning the deposit, such as interest payments, interest credited, or similar transactions.

E. INTEREST ON CASH DEPOSIT

Company will pay interest on cash deposits at the rate of two percent (2%) per annum. Company will pay interest on a non-residential cash deposit at the rate of three percent (3%) per annum after the deposit has been held for twenty-three months.

Deposit interest shall be simple interest in all cases and settlement shall be made annually, either in cash or by credit on Customer's current bill. No Customer making a cash deposit shall be entitled to receive interest thereon until and unless the Customer relationship and such deposit have been in existence for a continuous period of six (6) months; then such Customer shall be entitled to receive interest from the date of commencement of the Customer relationship and the placement of the cash deposit.

F. REFUND OF RESIDENTIAL DEPOSIT

After a residential Customer has established a satisfactory payment record and has had continuous service for a period of twenty-three (23) months, Company will refund the Customer's cash deposit provided Customer has not:

1. in the preceding twelve (12) months:
 - a. made more than one (1) late payment of a bill (after the expiration of twenty (20) days from the date of mailing or delivery by Company);
 - b. paid with a check refused by a bank; or
 - c. been disconnected for nonpayment; or

REVISED TARIFF SHEETS
CLEAN VERSION

III

DEPOSITS

A. ESTABLISHMENT OF CREDIT

Each prospective Customer shall establish credit prior to the commencement of Gas Service by Company by one of the following methods:

1. Making a cash deposit with Company equal to two (2) times the estimated average monthly bill to be rendered by Company, in all cases such cash deposit being calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes. Cash deposit amounts will be recalculated on an annual basis. If the recalculated deposit amount exceeds two times the Customer's average monthly bill based on the previous 12 months billing history, the excess deposit amount will be refunded or applied as a credit to the Customer's account. If the recalculated deposit amount is less than twice the Customer's average monthly bill, Company may request an additional deposit amount to secure the Customer's account.

2. In the case of a residential Customer, furnishing a recent credit reference from another Gas or electric utility reflecting a good credit rating for the prior twelve (12) consecutive months.

A former residential Customer of the Company who (within six months of the time of discontinuing service, and who has, for the twelve (12) months immediately preceding his termination, established a satisfactory payment record as set forth in Section F below) requests service under the same rate schedule shall be deemed to have established credit.

3. In the case of a residential Customer, furnishing a guarantor, satisfactory to Company, to secure payment of bills for the Gas Service requested. A satisfactory guarantor shall, at the minimum, be a Customer of Company with a satisfactory payment record.

4. Furnishing an irrevocable letter of credit from a bank, or a surety bond, issued by a Company with an A.M. Best Rating Service rating of B/VI or higher for bonds up to \$50,000 in amount and a rating of A-VII or higher for bonds over \$50,000 in amount.

The amount of such deposit, letter of credit or surety bond shall be equal to two (2) times the estimated average monthly bill for service hereunder.

5. a. By possessing and maintaining a Standard & Poor's (S & P) Long Term Debt Rating of A- or better; or by possessing and maintaining a Moody's rating of A3 or better. Comparable ratings may be considered from other nationally recognized rating organizations acceptable to the Company.

b. (i) If the Customer's debt is not rated and the Customer's aggregate annual usage is 500,000 Therms or more, credit may be established by demonstrating adequate financial strength and stability. Upon request of a Customer whose annual usage is 500,000 Therms or more, the Company will evaluate the Customer's credit-worthiness by reviewing the Customer's audited financial statements for at least the two most recently completed fiscal years. These audited financial statements must be furnished by the Customer and must be accompanied by the opinion of independent certified public accountants or chartered accountants of recognized national or regional standing.

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DEPOSITS (Continued)

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 - (iii) Accounts for which credit is established pursuant to this section (5) (b) are subject to periodic review by the Company to assure that no material changes adversely affecting the Customer's credit-worthiness have occurred. Each Customer for whom credit is established pursuant to this section (5) (b) shall annually furnish audited financial statements, together with the opinion of independent certified public accountants or chartered accountants of recognized national or regional standing, to the Company within ninety (90) days following the conclusion of the Customer's fiscal year.
 - (iv) Credit may be established by either a cash deposit, a letter of credit or a surety bond in the event (A) the debt rating or audited financial statements are unacceptable to the Company, or become unacceptable, or (B) the Customer pays with a check dishonored by a bank, or (C) the Customer fails to comply with the Company's Rules and Regulations.
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B. RECEIPT FOR CASH DEPOSIT

Company will provide a receipt to Customer for any deposit received from the Customer. When a new or additional cash deposit is required under Section C of this rule, a Customer's canceled check or validated bill coupon may serve as a deposit receipt.

C. NEW OR ADDITIONAL DEPOSITS

Company may charge, upon written notice to an existing Customer of not less than 30 days, a deposit (including a guaranty, letter of credit or surety bond), in order to secure payment of bills. Such request for a deposit shall be separate and apart from any bill for service and shall explain the reason for the deposit; provided, however, that the total amount of the required cash deposit or other security shall not exceed an amount calculated in conformity with the requirements of Section 366.05(1)(c), Florida Statutes.

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DEPOSITS (Continued)

The thirty (30) day notice shall not apply when service is being reestablished after discontinuance of service for non-payment.

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1. The name of the Customer making the deposit;
2. The premises for which the deposit applies;
3. The date and amount of the deposit; and
4. Each transaction concerning the deposit, such as interest payments, interest credited, or similar transactions.

E. INTEREST ON CASH DEPOSIT

Company will pay interest on cash deposits at the rate of two percent (2%) per annum. Company will pay interest on a non-residential cash deposit at the rate of three percent (3%) per annum after the deposit has been held for twenty-three months.

Deposit interest shall be simple interest in all cases and settlement shall be made annually, either in cash or by credit on Customer's current bill. No Customer making a cash deposit shall be entitled to receive interest thereon until and unless the Customer relationship and such deposit have been in existence for a continuous period of six (6) months; then such Customer shall be entitled to receive interest from the date of commencement of the Customer relationship and the placement of the cash deposit.

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1. in the preceding twelve (12) months:
 - a. made more than one (1) late payment of a bill (after the expiration of twenty (20) days from the date of mailing or delivery by Company);
 - b. paid with a check refused by a bank; or
 - c. been disconnected for nonpayment; or

EXHIBIT A

The Florida Senate

2016 Florida Statutes

<u>Title XXVII</u> RAILROADS AND OTHER REGULATED UTILITIES	<u>Chapter 366</u> PUBLIC UTILITIES <u>Entire Chapter</u>	SECTION 05 Powers.
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366.05 Powers.—

(1)(a) In the exercise of such jurisdiction, the commission shall have power to prescribe fair and reasonable rates and charges, classifications, standards of quality and measurements, including the ability to adopt construction standards that exceed the National Electrical Safety Code, for purposes of ensuring the reliable provision of service, and service rules and regulations to be observed by each public utility; to require repairs, improvements, additions, replacements, and extensions to the plant and equipment of any public utility when reasonably necessary to promote the convenience and welfare of the public and secure adequate service or facilities for those reasonably entitled thereto; to employ and fix the compensation for such examiners and technical, legal, and clerical employees as it deems necessary to carry out the provisions of this chapter; and to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement and enforce the provisions of this chapter.

(b) If the commission authorizes a public utility to charge tiered rates based upon levels of usage and to vary its regular billing period, the utility may not charge a customer a higher rate because of an increase in usage attributable to an extension of the billing period; however, the regular meter reading date may not be advanced or postponed more than 5 days for routine operating reasons without prorating the billing for the period.

(c) Effective January 1, 2016, a utility may not charge or receive a deposit in excess of the following amounts:

1. For an existing account, the total deposit may not exceed 2 months of average actual charges, calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit amount is sought, dividing this total by 12, and multiplying the result by 2. If the account has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2.

2. For a new service request, the total deposit may not exceed 2 months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12, and multiplying the result by 2. Once a new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying any additional amount that may be billed by the utility or the utility returning any overcharge.

(d) If a utility has more than one rate for any customer class, it must notify each customer in that class of the available rates and explain how the rate is charged to the customer. If a customer contacts the utility seeking assistance in selecting the most advantageous rate, the utility must provide good faith assistance to the customer. The customer is responsible for charges for service provided under the selected rate.

(e) New tariffs and changes to an existing tariff, other than an administrative change that does not substantially change the meaning or operation of the tariff, must be approved by majority vote of the commission, except as otherwise specifically provided by law.

(2) Every public utility, as defined in s. 366.02, which in addition to the production, transmission, delivery or furnishing of heat, light, or power also sells appliances or other merchandise shall keep separate and individual accounts for the sale and profit deriving from such sales. No profit or loss shall be taken into consideration by the commission from the sale of such items in arriving at any rate to be charged for service by any public utility.

(3) The commission shall provide for the examination and testing of all meters used for measuring any product or service of a public utility.

(4) Any consumer or user may have any such meter tested upon payment of the fees fixed by the commission.

(5) The commission shall establish reasonable fees to be paid for testing such meters on the request of the consumers or users, the fee to be paid by the consumer or user at the time of his or her request, but to be paid by the public utility and repaid to the consumer or user if the meter is found defective or incorrect to the disadvantage of the consumer or user, in excess of the degree or amount of tolerance customarily allowed for such meters, or as may be provided for in rules and regulations of the commission.

(6) The commission may purchase materials, apparatus, and standard measuring instruments for such examination and tests.

(7) The commission shall have the power to require reports from all electric utilities to assure the development of adequate and reliable energy grids.

(8) If the commission determines that there is probable cause to believe that inadequacies exist with respect to the energy grids developed by the electric utility industry, including inadequacies in fuel diversity or fuel supply reliability, it shall have the power, after proceedings as provided by law, and after a finding that mutual benefits will accrue to the electric utilities involved, to require installation or repair of necessary facilities, including generating plants and transmission facilities, with the costs to be distributed in proportion to the benefits received, and to take all necessary steps to ensure compliance. The electric utilities involved in any action taken or orders issued pursuant to this subsection shall have full power and authority, notwithstanding any general or special laws to the contrary, to jointly plan, finance, build, operate, or lease generating and transmission facilities and shall be further authorized to exercise the powers granted to corporations in chapter 361. This subsection shall not supersede or control any provision of the Florida Electrical Power Plant Siting Act, ss. 403.501-403.518.

(9) The commission may require the filing of reports and other data by a public utility or its affiliated companies, including its parent company, regarding transactions, or allocations of common costs, among the utility and such affiliated companies. The commission may also require such reports or other data necessary to ensure that a utility's ratepayers do not subsidize nonutility activities.

(10) The Legislature finds that violations of commission orders or rules, in connection with the impairment of a public utility's operations or service, constitute irreparable harm for which there is no adequate remedy at law. The commission is authorized to seek relief in circuit court including temporary and permanent injunctions, restraining orders, or any other appropriate order. Such remedies shall be in addition to and supplementary to any other remedies available for enforcement of agency action under s. 120.69 or the provisions of this chapter. The commission shall establish procedures implementing this section by rule.

(11) The commission has the authority to assess a public utility for reasonable travel costs associated with reviewing the records of the public utility and its affiliates when such records are kept out of state. The public utility may bring the records back into the state for review.

History.—s. 5, ch. 26545, 1951; s. 2, ch. 74-196; s. 3, ch. 76-168; s. 1, ch. 77-457; s. 53, ch. 78-95; ss. 5, 16, ch. 80-35; s. 1, ch. 81-131; s. 2, ch. 81-318; ss. 4, 20, 22, ch. 89-292; s. 51, ch. 90-331; s. 4, ch. 91-429; s. 3, ch. 93-35; s. 552, ch. 95-148; s. 72, ch. 98-200; s. 17, ch. 2006-230; s. 5, ch. 2015-129.

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