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December 3, 2019

Via email: RDziehc@psc.state.fl.us
Rachel A. Dziechciarz, Senior Attorney
-Regulatory Analysis Section
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Mirabito Gas v. Peoples Gas System
Docket No.: 20190000-OT

Dear Rachel:

Peoples Gas System has the following responses to your request for information.

1. Is it the position of Peoples Gas System that it could collect commission for gas sales from the four preferred pool managers, even if it chose not to use its affiliate, TECO Partners, Inc., to facilitate these transactions? Please explain.

RESPONSE:

Peoples does not currently collect commissions for gas sales. The only way that Peoples could receive commissions is if Peoples signed a Commission approved contract with a Pool Manager providing for the payment of a commission.

By using TECO Partners, the Pool Managers can reduce the size of their own sales staff because TECO Partners is performing the functions such as customer solicitation and sales support, that would normally be handled by a Pool Manager's internal sales staff. Pool Managers that contract with TECO Partners pay TECO

Partners for performing those functions that they would either have to provide themselves or contract with a third party other than TECO Partners to obtain those services.

2. Does Peoples Gas System believe that TECO Partners, Inc. is in violation of the prohibition on undue or unreasonable preference or advantage, pursuant to Section 366.03, Florida Statutes, when it collects commission for gas sales from the four preferred pool managers? Please explain.

RESPONSE:

Peoples believes that Section 366.03, Florida Statutes is not applicable to TECO Partners because it is not a natural gas utility and TECO Partners is not in violation of the prohibition on undue or unreasonable preference or advantage pursuant to that statute. Peoples understands that TECO Partners is committed to formalizing the process in which it selects Pool Managers with whom it has contractual relationships.

3. Other than at the executive board level, is there any overlap between employees of TECO Partners, Inc., and employees of Peoples Gas System? If yes, please explain.

RESPONSE:

No. The only overlapping employees are at the executive and officer level. There are no operational employees who are jointly employed by both TECO Partners, Inc. and Peoples Gas System.

4. Please state the amount of the commission paid by the four preferred pool managers to TECO Partners, Inc. for each gas sale. If the commission varies by pool managers, please list the commission paid to TECO Partners, Inc., and/or the methodology for calculating the commission, by each preferred pool manager.

RESPONSE:

TECO Partners, Inc., objects to providing such information on the grounds that it is confidential business information which is also proprietary in nature and disclosure would create a competitive advantage for any competitor which obtained this information.

5. Please identify the total amount of commission paid by the four preferred pool managers to TECO Partners, Inc. for 2018, and 2019 to date.

RESPONSE:

TECO Partners, Inc., objects to providing such information on the grounds that it is confidential business information which is also proprietary in nature and disclosure would create a competitive advantage for any competitor which obtained this information.

6. Please discuss when the commission is paid to TECO Partners, Inc. Does the payment of the commission occur when a customer submits the signed Natural Choice Transportation Service Letter of Authorization, indicating with which pool manager the customer has entered into an agreement? Or does the preferred pool manager pay TECO Partners, Inc. a commission if TECO Partners, Inc. meets a certain minimum number or projected volume of gas sales? Or is there any other arrangement? Please explain.

RESPONSE:

The commission is earned when gas service is turned on for each customer who signs up for gas service with one of the Pool Managers represented by TECO Partners and continues each month until contract termination. There are no minimum number or projected volume of gas sales that are necessary for the commission. The payments are made as the customer makes payments for natural gas.

7. Please provide the number of new transportation customers each of the 16 pool managers have entered into an agreement with in the table below. Indicate in the table which of the pool managers is a preferred pool manager.

RESPONSE:

The information requested is not kept in the normal course of business and can be difficult to track as customers have flexibility to switch to a new customer pool or to Peoples system supply after their contract ends. The most readily available information that can be provided is to show the breakdown of the number of customers per pool manager as of a given date in a particular year. However, Peoples believes such information would be deemed confidential by all pool managers who work with Peoples. Therefore, Peoples objects to providing this information to Mirabito. Peoples will seek confidential treatment of the information provided to the Commission. For purposes of this answer, Peoples will show the breakdown of number of customers per pool manager as of November 30th of each of the given years.

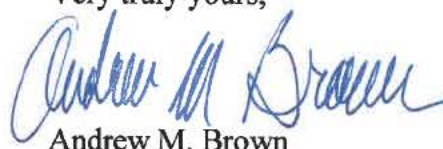
Pool Manager	No. of Customers 2019	No. of Customers 2018	No. of Customers 2017	No. of Customers 2016
*CIMA Energy Solutions, LLC				
End Users Supply System, Inc.				
Florida Natural Gas				
FPL Energy Services				
**Gas South				
Infinite Energy, Inc.				
Integral Energy, LLC				
Interconn Resources				
JEA				
Mansfield Power and Gas				
Mirabitio Gas & Electric				
Peninsula Energy Services Company, Inc				
Spark Energy, LP				
Supreme Energy, Inc.				
Sunshine State Gas, Inc.				
Tiger Natural Gas, Inc.				
Total				

*In 2018 CIMA Energy acquired Supreme's book of business.

**In 2019 Gas South acquired PESCO's book of business.

Let me know if you have any further questions or comments.

Very truly yours,



Andrew M. Brown

AB/plb

cc: Robert Scheffel Wright, Esq. (via email: schef@gbwlegal.com)
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