

Ruth Nettles

REDACTED

From: Ansley Watson, JR. [AW@macfar.com]
Sent: Thursday, December 04, 2008 4:06 PM
To: Filings@psc.state.fl.us
Cc: Kandi Floyd; burgess.steve@leg.state.fl.us; jmcwhirter@mac-law.com; Caroline Klancke; Katherine Fleming; Binswanger, Lewis M.; AFollmer@usg.com
Subject: Docket No. 080318-GU
Attachments: 080318-Req for Confidential Classif & MPO.pdf

- a. Ansley Watson, Jr.
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 Tampa, Florida 33601
 Phone: (813) 273-4321
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 E-mail: aw@macfar.com
- b. Docket No. 080318-GU – Petition for rate increase by Peoples Gas System
- c. Peoples Gas System
- d. Total of 18 pages
- e. The attached document is a transmittal letter and Peoples' Request for Confidential Classification and Motion for Temporary Protective Order. Confidential documents to be delivered separately.

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COM _____
 ECR _____
 GCL _____
 OPC _____
 RCP _____
 SSC _____
 SGA _____
 ADM _____
 CLK *McLean*

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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IN REPLY REFER TO:

Ansley Watson, Jr.
P.O. Box 1531
Tampa, Florida 33601
e-mail: aw@macfar.com

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

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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

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FPSC-COMMISSION CLERK

(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

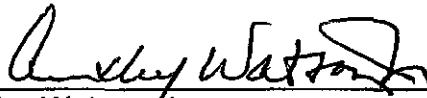
5. Peoples requests that the Confidential Information be treated by the Commission as confidential proprietary business information for at least the 18 month period prescribed in Rule 25-22.006(9)(a), *Florida Administrative Code*. If, and to the extent that the Company is in need of confidential classification 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
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Katherine E. Fleming, Esquire
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Stephen C. Burgess, Esquire
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399-1400

John W. McWhirter, Jr., Esquire
McWhirter Law Firm
P. O. Box 3350
Tampa, Florida 33601-3350

Ms. Annette Follmer
U. S. Gypsum Company
P. O. Box 806278
125 S. Franklin Street
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 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

Minute Board of Directors
Historic TVE 12/31/07

Sub 1108 [Signature]

Date	Meeting
1/16/2002	Regular Directors Meeting
4/17/2002	Consent Director's Meeting
4/17/2002	Regular Directors Meeting
4/17/2002	Adjourned Regular BD Mtg
7/17/2002	Regular Directors Meeting
9/23/2002	Special Directors Meeting
10/17/2002	Recessed Regular BD Mtg
10/16/2002	Regular Directors Meeting
1/28/2003	Regular Directors Meeting
2/27/2003	Director's Meeting
3/28/2003	Consent Director's Meeting
4/7/2003	Director's Meeting
4/21/2003	Regular Directors Meeting
4/22/2003	Adjourned Regular BD Mtg
7/22/2003	Director's Meeting
8/27/2003	Director's Meeting
10/28/2003	Regular Directors Meeting

Comments

Declared Dividends of \$45,688,624

[Redacted]

Authorized issue and sell up to \$700,000,000 aggregate principal amount of add'l notes
Election of Directors
Declared Dividends of \$41,515,708
Authorized Finance Committee with 8 members
Officers of Board elected

Declared Dividends of \$45,542,654

Discussed plans to enter into gas hedges

Received report relating to various phases of Tampa Electric's Bayside Facility
Declared Dividends of \$43,466,556

Authorized issue and sell up to \$250,000,000 aggregate principal amount of add'l notes

Declared Dividends of \$46,846,538

Elected members of Finance committee
Officers of Board elected
Established a Tampa Electric Company Code of Conduct which confirms company's structural
separateness from its parent and other affiliates
Declared Dividends of \$5,556,966

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

WIP 8
(173)

SOURCE Doc Ref # 5

PEOPLES GAS SYSTEM

Rate Case Audit

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

Municipal - Board of Directors

Historic TVE 12/31/07

July 11, 08 JWR/ljs

Date	Meeting	Comments
01/25/06	Directors Meeting	Declared dividends of \$44,869,016 [REDACTED]
04/28/06	Directors Meeting	Declared dividends of \$26,244,842 [REDACTED]
07/25/06	Directors Meeting	[REDACTED] 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
10/24/06	Directors Meeting	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) [REDACTED]
01/31/07	Directors Meeting	Declared dividends of \$37,860,164 [REDACTED] Authorized issue and sell up to \$250,000,000 notes with maturities of up to 31 years [REDACTED]
05/02/07	Directors Meeting	Declared dividends of \$27,331,584 [REDACTED] Appointed members to BOD and Finance Committee
08/01/07	Directors meeting	Declared dividends of \$33,165,680 [REDACTED] Authorized Finance Committee, that in the event of a major storm, to issue short term notes up to \$200,000,000 [REDACTED]
10/18/07	Directors Meeting	[REDACTED]
11/01/07	Directors Meeting	Declared dividends of \$87,753,770 [REDACTED] Approved that the project to purchase and install five combustion turbines, and the expenditure of up to \$237 million in connection therewith

SECURITY BUSINESS FORMS, INC. FORM 1001 (REV. 10-2005) FILE #101 001-0005
Frank Longshore@comcast.net

Page 9 of 9 (3 of 3)

Page 11/08 Page 4/13

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]

[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]

PEOPLES GAS SYSTEM

Rate Case Audit

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

Minutes - Board of Directors

Historic TYE 12/31/07

Jan 11/08 Jue 4/13

- 5 -

They noted

Ms. Brown then presented information


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:


Secretary

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42
43 SOURCE Doc Reg #5

WXP 8-1

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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]

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

REDACTED

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK
(850) 413-6770

Public Service Commission

ACKNOWLEDGEMENT

DATE: December 4, 2008

TO: James Beasley, Esquire/Ausley & McMullen

FROM: Marguerite H. McLean, Office of Commission Clerk

RE: Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 080318-GU (DN 11238-08) or, if filed in an undocketed matter, concerning portions of staff audit workpapers, responsive to staff interrogatory No. 68., and filed on behalf of People Gas System. The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Marguerite McLean, Deputy Clerk, at (850) 413-6770.