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January 14, 2009

## 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 – File and Suspend Rate Case Audit Report (Audit Control No. 08-234-2-2)**

Dear Ms. Cole:

Peoples Gas System (“Peoples” or the “Company”) has reviewed the Audit Report referenced above. While Peoples does not agree with all of the adjustments proposed under Audit Findings Nos. 1 and 2, it will accept the adjustments to the Company’s filing proposed in such audit findings for purposes of the proceeding in the above docket.

Sincerely,



ANSLEY WATSON, JR.

AWjr/a  
Enclosures

cc: Parties of Record  
Mrs. Kandi M. Floyd