

State of Florida



# Public Service Commission

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COMMISSION  
CLERK

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**DATE:** June 22, 2011  
**TO:** Ann Cole, Office of Commission Clerk  
**FROM:** John Slemkewicz, Division of Economic Regulation JS  
**RE:** Docket No. 100462-GU - Joint Petition of Peoples Gas System and Office of Public Counsel for Approval of Stipulation and Settlement Agreement for Possible Overearnings for Calendar Year Ending December 31, 2010 - Document

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Please place the attached document in the docket file for Docket No. 100462-GU - Joint Petition of Peoples Gas System and Office of Public Counsel for Approval of Stipulation and Settlement Agreement for Possible Overearnings for Calendar Year Ending December 31, 2010.

The document is a letter from Jeffrey S. Chronister to Marshall Willis, dated June 17, 2011, concerning the \$3 million refund required by Order No. PSC-11-0111-PAA-GU.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK



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ECONOMIC REGULATION  
PUBLIC SERVICE

June 17, 2011

Mr. Marshall Willis, Director  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**Re: Docket No. 100462-GU -- Peoples Gas System**

Dear Mr. Willis:

Commission Order No. PSC-11-0111-PAA-GU in the above docket approved a settlement agreement between Peoples Gas System ("Peoples") and the Office of Public Counsel with respect to the disposition of overearnings for calendar year 2010. A portion of the approved settlement agreement required a refund by Peoples of \$3 million to its customers.

The last ordering paragraph of the referenced order required a report by Peoples showing that the "entire \$3 million refund has been completed."

Peoples made the required refund through credits to customer bills in April commencing with billing cycle one, effective April 1, 2011, and extending through the final billing cycle for April ending May 2, 2011, with some adjustments occurring in May. The customer refunds effected during that period resulted in a total of \$3,024,209 being refunded to the Company's customers. The excess amount refunded was trued up through the Peoples' purchased gas adjustment ("PGA") clause during the month of May 2011.

Additionally, \$6.15 million, representing the portion of 2010 overearnings in excess of \$3 million (while capping earnings at the top of Peoples allowed range) has been set aside as a regulatory liability in Account 254-10, and will be applied as provided by the approved settlement agreement to correct depreciation reserve deficiencies as part of Peoples' depreciation study to be filed on or about July 1, 2011.

Please let me know if you have any questions.

Respectfully,

Jeffrey S. Chronister  
Controller

cc: A. Watson