

Ruth Nettles

From: Ansley Watson, JR. [AW@macfar.com]
Sent: Friday, September 05, 2008 4:47 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.
Subject: Docket No. 080318-GU
Attachments: 080318 - PGS Obj to OPC 1st PODs.pdf

- a. Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601
Phone: (813) 273-4321
Fax: (813) 273-4396
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 37 pages
- e. The attached document is Peoples' Preliminary Response and Objections to Citizens' First Request for Production of Documents (Nos. 1-55).

Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601
Phone: (813) 273-4321
Fax: (813) 273-4396
E-mail: aw@macfar.com

DOCUMENT NUMBER-DATE

08272 SEP-5 8

9/8/2008

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:
9-5-08

**PEOPLES GAS SYSTEM'S PRELIMINARY RESPONSE AND OBJECTIONS TO
CITIZENS' FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-55)**

Peoples Gas System ("Peoples" or the "Company") submits the following Preliminary Response and Objections to Citizens' First Requests for the Production of Documents (Nos. 1-55).

I. Introduction

Citizens First Request for Production (Nos. 1-55) served by the Office of Public Counsel ("OPC") on August 15, 2008 is an extremely broad request for a massive assembly of documents. Peoples has made an immediate and continuing effort to identify documents responsive to this request. Despite the objections stated below the Company plans to produce and make available for inspection in Tampa voluminous documents responsive to the individual categories of the request.

The objections which follow are necessary because of the expansive nature of this request and because the process of assembly and review is incomplete as of the date of this pleading. While the Order on Prehearing Procedure issued August 21, 2008 does not apply to pleadings issued before that date, these objections are provided in the spirit of that order.

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Peoples has engaged in discussions with OPC with the objective of producing documents efficiently for both OPC and the Company, and for the purpose of clarifying certain of the individual categories of documents included in the request.

Because of the sheer volume of documents the production will be made before copying and pagination. It is believed that OPC will want copies of only a fraction of the documents produced.

II. General Objections.

Peoples asserts the following general objections to Citizens' First Request for Production of Documents (Nos. 1-55):

1. Peoples objects to each and every individual discovery request, to the extent it calls for information protected by the attorney-client privilege, the work product doctrine, the accountant-client privilege, the trade secret privilege, or any other applicable privilege or protection afforded by law, whether such privilege or protection appears at the time response is first made or is later determined to be applicable for any reason. Peoples in no way intends to waive any such privilege or protection. The nature of any such document(s) will be described in a privilege log filed/prepared by Peoples.

2. Peoples objects to each individual request to the extent it requires production of information that is proprietary, confidential business information without provisions in place to protect the confidentiality of the information. Peoples in no way intends to waive claims of confidentiality and will only produce such information subject to protective order and the Commission's rule on confidentiality. In order to facilitate OPC's review, Peoples will file its request for a protective order prior to OPC's visit to

Tampa to review documents and will provide non-disclosure agreements for any of OPC's outside consultants. Documents which are confidential will be identified and separated for review.

3. Peoples objects to any definitions or instructions accompanying the discovery request to the extent that they are inconsistent with and expand the scope of discovery specified in the Florida Rules of Civil Procedure that are incorporated into the Model Rules of Procedure or the Commission's rules on discovery. If some question arises as to Peoples' discovery obligations, Peoples will comply with applicable rules and not with any of the definitions or instructions accompanying the discovery requests that are inconsistent with or exceed the requirements of those rules. Furthermore, Peoples objects to any discovery request that calls for Peoples to create data or information that it otherwise does not have because there is no such requirement under the applicable rules and law.

4. Peoples objects to any definition or instruction in any discovery request that seeks production of documents from persons or entities who are not parties to this proceeding or that are not subject to discovery under applicable rules.

5. Peoples is a large operation with employees located in many different locations throughout Florida. In the course of its business, Peoples creates numerous documents that are not subject to Florida Public Service Commission or other governmental record retention requirements. These documents are kept in numerous locations and are sometimes moved from site to site as employees change jobs or as the operations of the Company are reorganized. Therefore, it is possible that not every relevant document may have been reviewed or considered in developing Peoples'

responses to the discovery requests. Rather, Peoples will provide all the information that Peoples has obtained after a good faith, reasonable and diligent search conducted in connection with these discovery requests. To the extent that the discovery requests propose to require more, Peoples objects to the requests individually and collectively on the grounds that compliance would impose an undue burden or expense on the Company.

6. Peoples objects to each discovery request to the extent that it seeks information that is not relevant to the subject matter of this docket and is not reasonably calculated to lead to the discovery of admissible evidence.

7. Peoples objects to each and every discovery request to the extent it is vague, ambiguous, overly broad, burdensome, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of such discovery requests.

8. Peoples objects on grounds of relevancy to each discovery request seeking information relating to transactions or other business activity of Peoples' non-regulated affiliates where Peoples was not a party to the transaction or a participant in the business activity.

9. Peoples expressly reserves and does not waive any objections it may have to the admissibility, authenticity or relevancy of the information provided in its responses to the subject discovery requests.

10. Peoples objects to any attempt by the party seeking discovery to evade any numerical limitations set on interrogatories or requests for production of documents by asking multiple independent discovery requests within single individual discovery

requests and subparts thereof. By making these general objections at this time, Peoples does not waive or relinquish its right to assert additional general and specific objections to the subject discovery at the time Peoples' response is due.

11. Peoples objects to the time and place designated for production on grounds that producing documents that may be responsive to the requests at the specified time and place would require the Company to transport, or to copy and ship, voluminous documents to Tallahassee, copies of which the OPC may not even elect to request be copied after inspection. As such, Peoples' compliance with the time and place designated for production would be burdensome on Peoples. The Company will produce documents that may be responsive to the requests at its offices in Tampa, Florida at a mutually agreeable time and date after September 15, 2008. The Company will copy and ship specific documents identified by OPC upon payment of reasonable copying and shipping charges, and will discuss with OPC the appropriate amount of charges for copying and shipping.

III. Specific Objections.

In addition to the general objections set forth above, which are incorporated herein by reference, Peoples asserts the following specific objections to the correspondingly numbered categories of the request.

1. Budgets. Provide a copy of all capital, expense, and revenue budget reports and any supporting documentation provided to management of Peoples Gas System for the years 2004, 2005, 2006, 2007, and 2008. This includes monthly, annual and year-to-date budget documents in the most detailed format available.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous and (2) searching for and producing documents that may be responsive to this request will be burdensome. Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for documents that may be responsive to the request.

2. Budgets. Provide a copy of all capital, expense, and revenue budget reports provided to management of Tampa Electric, TECO Energy and affiliates of PGS for the years 2004, 2005, 2006, 2007 and 2008. This includes monthly, annual and year-to-date budget documents in the most detailed format available.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome and (3) it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy and affiliates). Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for Peoples documents that may be responsive to the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric Company ("Tampa

Electric”) in response to Categories 1 and 2 of the Citizens’ First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

3. Budget Variance. Provide a copy of all budget variance and budget explanations reports provided to management of Peoples Gas System for the years 2004, 2005, 2006, 2007 and year-to-date 2008. This includes monthly, quarterly, annual and year-to-date budget documents.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous and (2) searching for and producing documents that may be responsive to this request will be burdensome. Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for documents that may be responsive to the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Category 4 of the Citizens’ First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

4. Budget Variance. Provide a copy of all budget variance and budget explanations reports provided to management of Tampa Electric, TECO Energy and PGS affiliates for the years 2004, 2005, 2006, 2007 and year-to-date 2008. This includes monthly, quarterly, annual and year-to-date budget documents.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome and (3) it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy). Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for Peoples documents that may be responsive to the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Categories 3 and 4 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

5. Trial Balance. Provide trial balances for Peoples Gas System and its parent and affiliated companies that charge or allocate costs to Peoples Gas at December 31, 2004, December 31, 2005, December 31, 2006, December 31, 2007 and the year-to-date 2008. (As modified by verbal agreement between counsel for Peoples and OPC.)

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples will produce the requested trial balances for Peoples Gas System. Certain documents responsive to this category of the request may also be produced (or provided to

Peoples) by Tampa Electric in response to Category 5 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

6. Correspondence. For Peoples Gas System, provide each document showing or discussing income or earnings, actual and/or projected for the years 2004, 2005, 2006, 2007 and 2008.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous and (2) searching for and producing documents that may be responsive to this request will be burdensome. Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for documents that may be responsive to the request, which may also be responsive to Categories 3 and 7 of the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Category 6 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

7. Forecasts. For Peoples Gas System, provide the following: Each document discussing or evaluating any of your financial forecasts pertaining to the years 2004, 2005, 2006, 2007 and 2008.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous and (2) searching for and producing documents that may be responsive to this request will be burdensome. Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for documents that may be responsive to the request.

8. Budget. For Peoples Gas System, provide the following: Copies of all budget instructions, budget directives, and budget manuals. This includes, but not limited to, documents pertaining to budget procedures, policies, assumptions and the time frames for budget deadlines for the various operations, systems and departments for the years 2007 and 2008.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous and (2) searching for and producing documents that may be responsive to this request will be burdensome. Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for documents that may be responsive to the request.

9. Budget. For PGS, Tampa Electric, TECO Energy and all affiliates, provide the following: Copies of all budget instructions, budget directives, and budget manuals.

This includes, but is not limited to, documents pertaining to budget procedures, policies, assumptions and the time frames for budget deadlines for the various operations, systems and departments for the years 2007 and 2008.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome, and (3) it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy). Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for Peoples documents that may be responsive to the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Category 9 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

10. Budget to Actual. For PGS, Tampa Electric, TECO Energy and all affiliates, subsidiaries, business units, and operating systems, provide the following: Copies of all budgets and historical financial statements presented to the board of directors or senior management for or during the years 2005, 2006, 2007 and year-to-date 2008.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome and (3) it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., "TECO Energy and all affiliates," etc.). Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for Peoples documents that may be responsive to the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Category 10 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

11. Management Audit. For PGS, Tampa Electric, TECO Energy and all affiliates, subsidiaries, business units, and operating systems, provide the following: Copies of all management and performance audits for the years 2005, 2006, 2007 and year-to-date 2008.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome and (3) it seeks production of documents from or related to persons or entities who are not

parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., "TECO Energy and all affiliates," etc.). Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for documents that may be responsive to the request. There are no such documents for Peoples.

12. Internal Audit. For Peoples Gas System, provide the following: Copies of all internal audit reports for the years 2005, 2006, 2007 and year-to-date 2008.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples will produce documents responsive to this category of the request.

13. Internal Audit. Provide the actual internal audit reports that pertain to allocations of costs to or from Peoples Gas System and provide a LIST of all internal audit reports for Tampa Electric, TECO Energy and all affiliates, subsidiaries, business units, and operating systems, that charge or allocate costs to Peoples Gas for the years 2005, 2006, 2007 and year-to-date 2008. (As modified by verbal agreement between counsel for Peoples and OPC.)

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome and (3) it seeks production of documents from or related to persons or entities who are not

parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy, etc.). Without waiving these objections, the Company will produce documents responsive to this category of the request.

14. Operating Plans. For Peoples Gas System, provide the following: Copies of all narrative and financial operating plans which describe the corporate goals and objectives for the years 2005, 2006, 2007 and 2008.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous and (2) searching for and producing documents that may be responsive to this request will be burdensome. Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for documents that may be responsive to the request.

15. Operating Plans. For PGS, Tampa Electric, TECO Energy and all affiliates, subsidiaries, business units, and operating systems, provide the following: Copies of all narrative and financial operating plans which describe the corporate goals and objectives for the years 2005, 2006, 2007 and 2008.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome and (3) it

seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy and other affiliates). Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for Peoples documents that may be responsive to the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Categories 14 and 15 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

16. Strategic Plans. For Peoples Gas System, provide the following: Copies of all (short range and long range) strategic plans and reports prepared during the years 2006, 2007, and 2008.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples will produce documents responsive to this category of the request pursuant to Categories 14 and 17 of the request.

17. Operating Plans. For Peoples Gas System, provide the following: Copies of all five-year financial operating statements and plans for the years 2004, 2005, 2006, 2007, and 2008.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples will produce documents responsive to this category of the request.

18. Major Project Progress Reports. For any projected plant addition included in the years 2007, 2008 and 2009, the cost of which exceeds \$500,000, provide any descriptive reports. (As modified by verbal agreement between counsel for Peoples and OPC.)

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples will produce documents responsive to this category of the request.

19. Taxes. For Peoples Gas System, provide each monthly workpaper and document showing or discussing the computation of federal, state, current and deferred income tax for the years 2004, 2005, 2006, 2007 and year-to-date 2008.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, the Company will produce documents responsive to this category of the request.

20. Taxes. For PGS, Tampa Electric, TECO Energy and all affiliates, subsidiaries, business units, and operating systems, provide copies of the Federal and State Income Tax Returns for the years 2005, 2006, and 2007. This includes all related supporting documents, workpapers and consolidating schedules.

Objections and Response: Peoples hereby incorporates its general objections, which are incorporated herein by reference. Without waiving these objections, the Company asserts that income tax returns are proprietary confidential business information under Section 366.093, Florida Administrative Code, and Section 6103(a) of the Internal Revenue Code. Provided appropriate confidentiality arrangements are made, the income tax returns for years 2005, 2006 and 2007 for Peoples Gas System will be made available for viewing at Peoples' Tampa office at a time mutually convenient to OPC and Peoples. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Category 20 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

21. Journal Entries. For Peoples Gas System, provide the year-end adjusting journal entries and closing journal entries for the years ended December 31, 2006 and 2007.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, the Company states that it possesses no documents responsive to this category of the request. No year-end adjusting journal entries or closing journal entries were made for the years ended December 31, 2006 and 2007. The Company adjusts accruals throughout each year as appropriate and year-end closeout entries are handled by the financial accounting system directly. Details of all journal entries made

during the year ended December 31, 2007 are contained in general ledgers provided in response to Category 48 of the request.

22. **Organization Chart.** Provide a copy of the 2005, 2006, 2007, 2008 (and the most current) organizational chart showing PGS, Tampa Electric, TECO Energy and all affiliates, subsidiaries, business units, and operating systems, along with any documents showing or discussing inter-company transactions between the entities in the consolidated organization.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that it is vague, overbroad and burdensome. Moreover, it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy and all affiliates, etc.). Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for Peoples documents that may be responsive to the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Category 22 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

23. **Unconsolidated Financials.** For Tampa Electric Company and TECO Energy, Inc. and all of its affiliates, subsidiaries, business units, and operating systems, provide the consolidating financial statement workpapers for 2005, 2006, and 2007

showing the combination of unconsolidated financial statements for each subsidiary and division and all required elimination entries.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that it is vague, overbroad and burdensome. Moreover, it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., "TECO Energy, Inc. and all of its affiliates, subsidiaries, business units, and operating systems"). Without waiving these objections, the Company will produce the consolidating schedules for Peoples under Category 32 of the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Category 23 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

24. Affiliates. For PGS, Tampa Electric Company, TECO Energy, Inc., and any affiliates, divisions, subsidiaries, business units and service companies, provide a copy of documents that determine the amount of dollar charges and allocations to and from Peoples Gas System and all affiliates, subsidiaries, business units and operating systems to which common costs are distributed. Also provide the workpapers or documents showing each allocation factor used in this process. Include documents only for the years 2007 through 2009. (As modified by verbal agreement between counsel for Peoples and OPC.)

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, the Company will produce documents responsive to this category of the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Category 24 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

25. Legal. For Peoples Gas System, provide the following: Copies of all documentation, including vouchers and attachments, related to any legal settlement or judgment costs that equal or exceed \$25,000 accrued, charged or expensed during 2005, 2006, 2007 and year-to-date 2008. Also include the complaint in each such case, as well as any related settlement agreement. (As modified by verbal agreement between counsel for Peoples and OPC.)

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that it calls for documents containing information that (1) is subject to the attorney-client privilege, an attorney work product privilege or other applicable privilege and therefore are beyond the scope of discovery, (2) is subject to a confidentiality agreement between or among the parties to the litigation and/or (3) has been sealed by court order because the case(s) involved minor children. Without waiving these objections, the Company will produce, subject to the necessary confidentiality provisions, an index showing complaints and settlements, and

upon specific request will produce a copy of the complaint, payment voucher and settlement agreement.

26. Legal. For TECO Energy, (and any of its affiliates, subsidiaries, divisions, business units or service companies), provide the following: Copies of all documentation, including vouchers and attachments, related to any legal settlement or judgment costs accrued, charged or expensed during 2005, 2006, 2007 and year-to-date 2008. Also include the complaint in each such case, as well as any related settlement agreement where any of the costs were allocated to PGS.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome and (3) it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., "TECO Energy," etc.). No costs associated with legal settlements or judgments relating to TECO Energy, its affiliates or subsidiaries were accrued, charged or expensed on the books of Peoples during 2005, 2006, 2007 and year-to-date 2008; therefore, any costs associated with legal settlement or judgments relating to TECO Energy, its affiliates or subsidiaries are beyond the scope of discovery in this case.

27. Regulatory. For Peoples Gas System, provide the following: Copies of all documentation related to the results of any audits, investigations or settlement agreements made or performed by any regulatory agency that had any impact on the net operating income for this proceeding from 2004 to 2007. (As modified by verbal agreement between counsel for Peoples and OPC.)

Objections and Response: Peoples' general objections are incorporated herein by reference. Without waiving these objections, the Company will produce any documents responsive to this category of the request.

28. Airplane. For Peoples Gas System, provide the following: All documents describing each corporate aircraft and the operating and costing accounting policies associated with such aircraft as well as the direct and allocated costs charged or expensed in 2005, 2006, 2007 and year-to-date 2008 to each of the subsidiaries and operating systems.

Objections and Response: Peoples' general objections are incorporated herein by reference. Without waiving these objections, the Company will produce any documents responsive to this category of the request.

29. Airplane. For PGS, Tampa Electric Company, TECO Energy, Inc., and any affiliates, divisions, subsidiaries, business units and service companies, to the extent charges were included in regulated cost of operations, provide the following: All corporate aircraft usage logs (passenger manifest and itinerary) for the years 2005, 2006, 2007 and year-to-date 2008.

Objections and Response: Peoples' general objections are incorporated herein by reference. Without waiving these objections, the Company will produce any documents responsive to this category of the request.

30. Cost Allocation Manual. For PGS, Tampa Electric Company, TECO Energy, Inc., and any affiliates, divisions, subsidiaries, business units and service companies, provide the following: For the years 2005, 2006, 2007 and year-to-date 2008 the cost allocation manual for common, indirect and overhead costs, expenses and charges:

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome and (3) it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy, Inc. etc.). Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for Peoples documents that may be responsive to the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Category 30 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

31. Internal Audits. For Peoples Gas System, provide the following: For the years 2005, 2006, 2007 and year-to-date 2008 each documents discussing or evaluating each internal audit prepared for or by you and each workpaper or document related to the audits or responsive to any matter raised in the audits.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, access to electronic work files will be provided in Tampa.

32. External Audit. For Peoples Gas System, provide the following: Each "prepared-by-client" (PBC) document or workpaper prepared at the request of or for your outside auditors for the years 2006 and 2007. This shall include, but not be limited to, correspondence and memoranda regarding the preparation, responsibility, accuracy, or adequacy of the PBC documents or workpapers. In addition, identify the individual who prepared each PBC.

Objections and Response: Peoples hereby incorporates its general objections by reference. Peoples objects to this request on the grounds it seeks information subject to the accountant-client privilege and, therefore, beyond the scope of discovery. These files are in possession of Peoples' outside auditors.

33. Cost Allocations. For PGS, Tampa Electric Company, TECO Energy, Inc., and any affiliates, divisions, subsidiaries, business units and service companies, provide the following: All documents setting forth descriptive listing of the responsibility centers

effective during 2005, 2006, 2007 and year-to-date 2008. Identify the responsibility centers of the respective affiliates where costs are allocated to Peoples Gas System.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome and (3) it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy, Inc., etc.). Without waiving these objections, the Company will produce documents that may be responsive to this category of the request in response to Categories 1 and 24 of the request.

34. Payroll. For Peoples Gas System, provide the following: Copies of all documentation, which contains salary plans (including stock options) for department heads, management personnel and corporate officers.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, the Company will produce documents that may be responsive to the request.

35. Employee Incentive/Bonus. For Peoples Gas System, provide the following: Copies of all documents related to incentive pay and/or bonuses to employee and corporate officers. This includes the agreements and the actual final payment

results along with the documents showing the calculations of these payment amounts for the years 2005, 2006, 2007 and year-to-date 2008.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous and (2) searching for and producing documents that may be responsive to this request will be burdensome. Without waiving these objections, the Company will produce documents that may be responsive to the request.

36. **Affiliate Loans.** For Peoples Gas System, provide the following: Copies of all documents related to loans, notes or IOU's between Peoples Gas System and any affiliate.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, the Company states that it possesses no documents responsive to this category of the request.

37. **Cost Allocations.** For PGS, Tampa Electric Company, TECO Energy, Inc., and any affiliates, divisions, subsidiaries, business units and service companies, provide the following: Copies of all documentation which contains information showing the allocation of charges to the various affiliated companies, business units, divisions and operating systems. This includes, but is not limited to, any summary documents or workpapers showing the total pot or aggregation of allocated costs or expenses. (This concerns the allocation of charges to Peoples Gas System from affiliated companies,

and only for the years 2005 to current.) (As modified by verbal agreement between counsel for Peoples and OPC.)

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome and (3) it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy, Inc., etc.). Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for Peoples documents that may be responsive to the request.

38. Accounting Procedures/Policies. For PGS, Tampa Electric Company, TECO Energy, Inc., and any affiliates, divisions, subsidiaries, business units and service companies, provide the following: A copy of the accounting system practices, including, but not limited to, charts of accounts, manuals, instructions, bulletins, transmittals, changes, updated, revisions, cancellation letters, and lists and descriptions of reports which can be generated from your accounting system.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous, (2) searching for and producing documents that may be responsive to this request will be burdensome and (3) it

seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy, Inc., etc.). Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for Peoples documents that may be responsive to the request. Certain documents responsive to this category of the request may also be produced (or provided to Peoples) by Tampa Electric in response to Category 38 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

39. Inventory. For Peoples Gas System, provide the following: Copies of all documentation which contains information pertaining to the taking of physical inventories, audits of inventories, and the reconciling of the results to the books and records for the years 2006, 2007 and year-to-date 2008. This includes plant-in-service, construction work-in-progress, and materials and supplies documents.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) it is vague, overbroad and ambiguous and (2) searching for and producing documents that may be responsive to this request will be burdensome. Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for documents that may be responsive to the request.

40. Deferrals. For Peoples Gas System, provide the following: Copies of all documentation which contains information related to the deferral of costs and expenses during 2005, 2006, 2007 and year-to-date 2008. Include those items that impact the revenue requirement calculation in this case, and exclude PGA and other clauses. (As modified by verbal agreement between counsel for Peoples and OPC.)

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, the Company states that it possesses no documents responsive to this category of the request.

41. Minutes. For Peoples Gas System, provide the following: Copies of the minutes of all manager or executive meetings for the years 2006, 2007 and year-to-date 2008. To the extent affiliate meetings discussed Peoples Gas System, provide the respective minutes.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, the Company states that it possesses no documents responsive to this category of the request.

42. IRS Audits. For PGS, Tampa Electric Company, TECO Energy, Inc., and any affiliates, divisions, subsidiaries, business units and service companies, provide the following: Copies of the most recent Internal Revenue Service (IRS) audit along with the related documents and correspondence. In addition provide the same information for the IRS audit prior to the most recent IRS audit.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy, Inc., etc.). Without waiving these objections, the Company will perform a good faith, reasonable and diligent search for Peoples documents that may be responsive to the request.

43. Payroll Tax Returns. For Peoples Gas System, provide the following: For the years 2005, 2006, 2007 and year-to-date 2008 provide copies of the federal and state payroll tax returns.

Objections and Response: Peoples hereby incorporates its general objections by reference. Peoples will produce documents responsive to this request.

44. Minutes. For Tampa Electric Company, provide the following: For the years 2006, 2007 and year-to-date 2008, provide copies of the minutes of the meetings of the board of directors. To the extent any board meetings of TECO Energy reference the Peoples Gas System, provide copies of those minutes for the same time period.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that it seeks production of documents from or related to persons or entities who are

not parties to this proceeding and over which the Company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy). Without waiving these objections, the Company will produce documents responsive to this category of the request.

45. External Audit. For PGS, Tampa Electric Company, TECO Energy, Inc., and any affiliates, divisions, subsidiaries, business units and service companies, provide the following: For the years 2006 and 2007, provide copies of the outside auditors workpapers for the annual financial reporting periods and the quarterly financial reporting periods. The term workpapers includes all documents supporting any outside auditor's engagement, including but not limited to general risk analysis workpapers, attorney circulars, management representations, documents related to board of directors' minutes, tax side files, taxes accrued work files and documents evaluating or discussing internal control.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that: (1) searching for and producing documents that may be responsive to this request will be burdensome, (2) it seeks production of documents from or related to persons or entities who are not parties to this proceeding and over which the company has no control or that are not subject to discovery under applicable rules (i.e., TECO Energy, Inc. and any affiliates, etc.) and (3) it seeks information subject to the accountant-client privilege and is therefore is beyond the scope of discovery. Without waiving these objections, the Company will perform a good

faith, reasonable and diligent search for Peoples documents that may be responsive to the request and will make them available for review at the offices of the Company's external auditors. Access to certain documents responsive to this category of the request may also be provided by Tampa Electric at the offices of the Company's external auditors in response to Category 45 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

46. Workpapers. Provide copies of all workpapers supporting the testimony and exhibits of each Company-sponsored witness, in Word or Excel format, with all formulas intact. For any workpapers that are not available in Excel or Word, please provide a hard copy or pdf copy.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, the Company will produce documents that may be responsive to the request.

47. Workpapers. Provide an Excel version of the Minimum Filing Requirements with all formulas intact along with copies of all electronic workpapers supporting the MFRs. If any workpapers are not in Excel format, please provide a pdf or hard copy of each document.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, the Company will produce documents that may be responsive to the request.

48. General Ledger. Provide a copy of the PGS detailed general ledger, by month, for January 2007 through 2008 to date. This ledger should be by account number, sub-account number and show the details of all charges and credits. If available in electronic format, please provide electronically.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples will produce documents responsive to this category of the request.

49. Pensions. Provide a copy of the most recent pension actuarial report prepared for PGS and Tampa Electric Company concerning pensions.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples will produce documents responsive to this request. Certain documents responsive to this category of the request may also be provided by Tampa Electric in response to Category 48 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

50. Post-Retirement-Benefits-Other-Than-Pensions. Provide a copy of the most recent actuarial report prepared for PGS and Tampa Electric Company concerning the cost of post-retirement-benefits-other-than-pension.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples will produce

documents responsive to this category of the request. Certain documents responsive to this category of the request may also be provided by Tampa Electric in response to Category 49 of the Citizens' First Request for Production of Documents to Tampa Electric in Docket No. 080317-EI.

51. Affiliates. Provide copies of all contracts and/or service agreements the Company had in place with affiliated companies during the historic 2007 base year and subsequently to date that either impact the revenue requirements in this proceeding or concern the purchase of natural gas from any affiliate. (As modified by verbal agreement between counsel for Peoples and OPC.)

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples will produce documents responsive to this category of the request.

52. Advertising Expense. For each of the advertising expense amounts remaining the in the base test year please provide an itemization of the amount by advertising campaign/advertisement and provide a copy of the associated advertisement or ad script. These should include costs included in 2007 above-the-line accounts. (As modified by verbal agreement between counsel for Peoples and OPC.)

Objections: Peoples hereby incorporates its general objections by reference. Without waiving these objections, documents responsive to this request will be produced.

53. Financial Audit. Please provide a copy of each adjusting entry proposed by the Company's independent auditors in their two most recent audits of the Company and its parent company. Include supporting documentation.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples states that no such adjusting entries have been proposed and that it therefore possesses no documents responsive to this category of the request.

54A.¹ Income Tax, Consolidated, Revenue Rulings. Provide a complete copy of any and all revenue filings, private letter rulings, tax regulations, court decisions, and IRS correspondence, which the Company intends to rely on as support for whether and under what method a consolidated income tax adjustment should be made or not made in this case.

Objections and Response: In addition to its general objections, which are incorporated herein by reference, Peoples objects to this request on grounds that it cannot respond to the request without disclosing materials prepared in anticipation of litigation and containing the mental impressions and trial strategies of its attorneys, all of which are privileged and beyond the scope of discovery.

54B. Payroll, Incentive Programs. Please provide complete copies of any bonus programs or incentive award programs in effect at the Company for the most

¹ The Citizens' First Request for Production of Documents to Peoples contained two requests numbered 54. Peoples' objections in this document renumber such requests as 54A and 54B.

recent three years. This includes plans charged directly and/or allocated to Peoples Gas System.

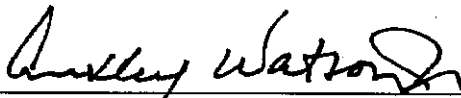
Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples will perform a good faith, reasonable and diligent search for Peoples documents that may be responsive to the request.

55. Staff Document Request. Please provide copies of any document provided to the Staff of FPSC which has not been requested by the OPC. Provide any document provided to Staff without a formal document request.

Objections and Response: Peoples hereby incorporates its general objections by reference. Without waiving these objections, Peoples has provided, and will continue to provide to OPC, copies of documents provided to the Staff of the FPSC.

DATED this 5th day of September, 2008.

Respectfully submitted,



Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601
(813) 273-4321
aw@macfar.com

Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE


I HEREBY CERTIFY that a true and correct copy of the foregoing Preliminary Response and Objections to Citizens' First Request for Production of Documents (Nos. 1-55), filed on behalf of Peoples Gas System, has been furnished electronically and by regular mail to the following, this 5th day of September, 2008:

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
Tallahassee, Florida 32399-1400

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



Ansley Watson, Jr.