

# MACFARLANE AUSLEY FERGUSON & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

111 MADISON STREET, SUITE 2300  
P. O. BOX 1531 (ZIP 33601)  
TAMPA, FLORIDA 33602  
(813) 273-4200 FAX (813) 273-4306

227 SOUTH CALHOUN STREET  
P. O. BOX 381 (ZIP 32302)  
TALLAHASSEE, FLORIDA 32301  
(904) 224-9115 FAX (904) 222-7547

400 CLEVELAND STREET  
P. O. BOX 1689 (ZIP 34617)  
CLEARWATER, FLORIDA 34615  
(813) 441-8966 FAX (813) 442-8470

February 13, 1996

IN REPLY REFER TO:

Ansley Watson, Jr.  
P. O. Box 1531  
Tampa, Florida 33601

## VIA FEDERAL EXPRESS

Blanca S. Bayo, Director  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

960172-GL

**Re: Petition for temporary waiver of or exemption from Rule 25-7.045, F.A.C., relating to depreciation studies, by PEOPLES GAS SYSTEM, INC.**

Dear Ms. Bayo:

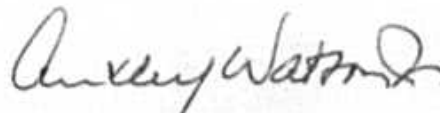
Enclosed for filing on behalf of Peoples Gas System, Inc., please find the original and 15 copies of the captioned petition.

I enclose also a computer diskette, in WordPerfect 5.1 format, containing the enclosed petition.

Please acknowledge your receipt of the enclosures (together with the docket number assigned to the petition) on the duplicate copy of this letter which is also enclosed.

Thank you for your usual assistance.

Sincerely,



ANSLEY WATSON, JR.

AWjr/a  
Enclosures

RECEIVED & FILED

EPSC-BUREAU OF RECORDS

DOCUMENT NUMBER - DATE

01750 FEB 14 1996

FPSC-RECORDS/REPORTING

RECEIVED  
FLORIDA PUBLIC  
SERVICE COMMISSION  
MAIL ROOM  
96 FEB 14 1996

Blanca S. Bayo, Director  
February 13, 1996  
Page 2

cc: Mr. Jack E. Uhl  
Mr. F. J. Sivard  
Mr. Joseph W. McCormick

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for temporary waiver )  
of or exemption from Rule 25-7.045, )  
relating to depreciation studies, by )  
PEOPLES GAS SYSTEM, INC. )  
\_\_\_\_\_)

Docket No.

Submitted for Filing:  
2-14-96

PETITION OF PEOPLES GAS SYSTEM, INC.

Peoples Gas System, Inc. ("Peoples" or the "Company"), by its undersigned attorneys, files its petition for temporary waiver of or exemption from certain provisions of Rule 25-7.045, and in support of its petition states:

1. The name and address of the Company is:

Peoples Gas System, Inc.  
Post Office Box 2562  
Tampa, Florida 33601-2562

2. The name and address of the person authorized to receive notices and communications with respect to this petition is:

Ansley Watson, Jr., Esquire  
Macfarlane Ausley Ferguson & McMullen  
Post Office Box 1531  
Tampa, Florida 33601-1531

3. Rule 25-7.045(8)(a), F.A.C., requires natural gas utilities such as Peoples to file a depreciation study (as described in other portions of Rule 25-7.045) at least once every five years from the submission date of the utility's previous study unless otherwise required by the Commission. Peoples' most recent previous study was submitted to the Commission on March 8, 1991 (see Orders Nos. 24431 and 25229, Docket No. 910319-GU). Peoples submits that the language of the rule permits the Commission to permit a later date for filing a depreciation study than is stated

DOCUMENT NUMBER-DATE

01750 FEB 14 96

FPSC-RECORDS/REPORTING

in the rule. Absent such a finding by the Commission, or a temporary waiver of or exemption from Rule 25-7.045(8)(a), Peoples will be required to file a new depreciation study by March 8, 1996.

4. By this petition, and for the reasons hereinafter set forth, Peoples seeks an order of the Commission granting to Peoples a temporary waiver of or exemption from the "five-year" filing requirement contained in Rule 25-7.045(8)(a), conditioned on Peoples' filing of the depreciation study contemplated by the rule by June 30, 1997.

5. Peoples believes that, among other things, shorter useful lives as a result of technological advancements in computer equipment and other depreciable property, together with an increase in the costs associated with removal of mains and service lines, will result in a new depreciation study's requiring an increase in the Company's depreciation expense.

6. Peoples presently anticipates that it will file a rate case with the Commission during calendar year 1997. If Peoples does file a petition for rate relief during 1997, and files its new depreciation study by June 30, 1997, it would seek an effective date for the new depreciation rates which coincides with the expected date of additional revenues initiated through the rate case proceeding. Further, the proceeding on the depreciation study could be coordinated and/or consolidated with the proceeding on the petition for rate relief. On the other hand, if Peoples should find it unnecessary to seek rate relief from the Commission during 1997, it would nevertheless be required (if this petition is

granted) to file its new depreciation study by June 30, 1997, and could seek authority to implement the new depreciation rates effective no later than October 1, 1997.

6. Because Peoples presently intends to seek rate relief from the Commission during 1997, and anticipates that a new depreciation study will result in an increase in the Company's depreciation expense, Peoples seeks authority from the Commission to postpone the filing of its new depreciation study until June 1997 in order to prevent the implementation of higher depreciation rates from causing the filing of a petition for rate relief earlier than 1997; that is, although the Company would seek to implement the expected higher depreciation rates at a time that coincides with the implementation of new service rates, it does not want the implementation of the higher depreciation rates to be the reason the Company is required to seek rate relief from the Commission.

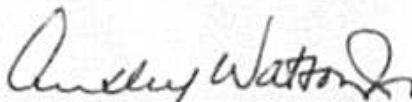
7. Peoples respectfully requests that consideration of this petition be expedited by the Commission in view of the March 8, 1996 filing requirement which will be in effect in the event the relief sought herein should be denied.

WHEREFORE, Peoples respectfully requests that the Commission grant the relief sought by this petition, and enter its order:

A. Authorizing Peoples to submit its new depreciation study pursuant to Rule 25-7.045 by June 30, 1997 (instead of by March 8, 1996); and

B. To the extent deemed necessary by the Commission, granting Peoples a waiver of or exemption from the "five-year" filing requirement set forth in Rule 25-7.045(8)(a).

Respectfully submitted,



---

Ansley Watson, Jr.  
Macfarlane Ausley Ferguson & McMullen  
P. O. Box 1531  
Tampa, Florida 33601-1531  
Telephone: (813) 273-4200 or -4321  
Facsimile: (813) 273-4396 or -4397  
Attorneys for Peoples Gas System, Inc.

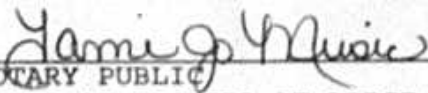
STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

Before me, the undersigned authority, personally appeared Francis J. Sivard no, being by me first duly sworn, says that he is Vice President - Accounting of Peoples Gas System, Inc.; that he is duly qualified and acting in that capacity; that he is authorized to execute the foregoing Petition and to make this oath thereto; that the matters and things stated in said Petition are, insofar as they come within his knowledge and belief, true; and that insofar as they are derived from or dependent upon the knowledge of others, he believes them to be true.

  
FRANCIS J. SIVARD

Sworn to and subscribed before me this 13 day of February, 1996.

  
NOTARY PUBLIC  
STATE OF FLORIDA AT LARGE

My Commission Expires:

2/26/98



"OFFICIAL SEAL"  
TAMI JO MUSIC  
My Commission Expires 2/26/98  
Commission # CC 341968