

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of tariff modifications required to comply with FERC Order 720 data-posting requirements, by Peoples Gas System.

DOCKET NO. 100178-GU
ORDER NO. PSC-10-0383-~~PEO~~-GU
ISSUED: June 15, 2010

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The following Commissioners participated in the disposition of this matter:

NANCY ARGENZIANO, Chairman
LISA POLAK EDGAR
NATHAN A. SKOP

ORDER APPROVING TARIFF MODIFICATIONS

BY THE COMMISSION:

On April 12, 2010, Peoples Gas System (PGS) filed a petition for approval of modifications to its tariff to comply with data-posting requirements adopted by the Federal Energy Regulatory Commission (FERC). The new FERC regulations are applicable to PGS and are designed to facilitate price transparency in markets for the sale or transportation of natural gas in interstate commerce. The FERC regulations will require PGS to post daily information regarding scheduled gas volumes at specified points of receipt and delivery.

We have jurisdiction pursuant to Section 366.06, Florida Statutes (F.S.).

PGS' proposed tariff revisions are designed to comply with FERC's new posting requirements. FERC's new posting requirements are set forth in Order 720, issued on November 20, 2008, and Order on Rehearing and Clarification 720-A, issued on January 21, 2010. Orders 720 and 720-A (FERC orders) implement the goals set forth by Congress in Section 23 of the Natural Gas Act, which authorized FERC to obtain information from any market participant for the purpose of promoting price transparency in the natural gas market. The FERC orders apply to major non-interstate pipelines that deliver more than 50 million MMBtu per year. PGS deliveries are larger than the 50 MMBtu threshold, and PGS is therefore subject to the new posting requirements. The information must be posted on a publicly-accessible internet website.

Pursuant to Rule 25-7.0335, Florida Administrative Code, each gas utility must offer transportation service to its non-residential customers. In a transportation service environment, PGS does not purchase gas for its customers. Rather, customers purchase their natural gas from a pool manager or a shipper rather than from PGS. Individual transportation customers, which are typically large commercial accounts, can opt to purchase their own gas directly from the supplier. The interstate pipelines, such as Florida Gas Transmission (FGT), transports the gas to PGS' receipt points. PGS then transports the gas to the customer account using its distribution system.

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PGS' tariff implements the terms and conditions under which individual transportation customers or pool managers purchase and transport gas. Specifically, the Gas Transportation Agreement and Firm Delivery and Operational Balancing Agreement contained in PGS' tariff, require each transportation customer or pool manager to nominate gas for delivery. A nomination specifies the nature of service requested (firm or interruptible), quantity of gas, and the receipt and delivery points. Currently, PGS' tariff does not require an individual transportation customer or pool manager to provide PGS all the information needed to comply with the FERC orders. PGS' proposed tariff revisions will require customer and pool manager nominations to include all information required by PGS to make the daily internet postings in a timely manner as required by the FERC orders. The FERC orders only require PGS to post scheduled volume information and to post information for each receipt and delivery point with a design capacity greater than 15,000 MMBtu per day.

On April 27, 2010, PGS held a meeting with its pool managers and transportation service customers to provide an overview of the FERC orders and PGS' proposed changes to the tariff to comply with the FERC orders. On May 3, 2010, PGS also separately notified, by letter, all pool managers and individual transportation service customers affected by PGS' proposed tariff changes. PGS stated that most of its pool managers and individual transportation customers already provide the information required to comply with the new FERC orders.

We find that the revisions are designed to implement the FERC Orders. PGS' pool managers and transportation customers have been notified through the April 27, 2010 meeting, and through letters of the proposed changes. Therefore, PGS proposed tariff revisions shall be approved.

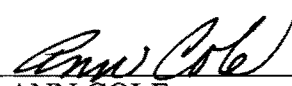
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Peoples Gas System's tariff revisions described herein are hereby approved. It is further

ORDERED that this tariff shall become effective on June 1, 2010, and if a protest is filed by a substantially affected person within 21 days of the issuance of the order, this tariff shall remain in effect pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a consummating order.

By ORDER of the Florida Public Service Commission this 15th day of June, 2010.



ANN COLE
Commission Clerk

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NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 6, 2010.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.