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Public Service Commission

June 22, 2012

Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P.O. Box 1531
Tampa, FL 33601-1531

STAFF'S FIFTH DATA REQUEST

Re: Docket No. 110320-GU - Petition for approval of Cast Iron/Bare Steel Pipe Replacement Rider (Rider CI/BSR), by Peoples Gas System.

Dear Mr. Watson:

By this letter, the Commission staff requests that Peoples Gas System (PGS or utility) provide responses to the following data requests.

1. Referring to Peoples responses to items 8 and 9 of staff's 4th data request, Peoples has described the process of how it intends to shift the capital investments from the CI/BSR surcharge mechanism into base rates by including them in rate base during a future rate case. However, in response to item 9, the Company appears to definitively state that the surcharge mechanism would terminate "when all applicable cast iron and bare steel mains and services are replaced."
 - A) Does Peoples anticipate filing a rate case upon the completion of the CI/BSR program?
 - B) If Peoples does not anticipate filing a rate case upon the completion of the CI/BSR program, does Peoples intend to seek recovery of any carrying costs related to the capital investments from the CI/BSR program until such time as the Company would be able to shift any unamortized balance of the CI/BSR program into rate base?
 - C) Or, does Peoples intend to continue use of the surcharge mechanism until such time as all of the unamortized CI/BSR capital investments have been shifted into rate base, regardless of the completion date of the CI/BSR program?
2. Please explain how Peoples chose a 10-year replacement program, as opposed to e.g., a 15- or 20-year replacement program.
3. How does Peoples plan to assess the effectiveness of the proposed rider to improve safety if the program is approved and implemented?

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4. Please refer to the response in staff's first data request no. 11 and provide the historical main replacement costs Peoples used to determine the projected \$8 million annual replacement costs.
5. Please refer to the response in staff's fourth data request no. 5 and explain why Peoples is not proposing to use any quantifiable O&M reductions (e.g., \$80 thousand reductions in survey expense) to offset the revenue requirement of the proposed replacement program.
6. Will Peoples physically remove piping replaced under the proposed replacement program or leave the facilities in the ground?
7. How many leaks, by cause, have occurred annually in bare unprotected steel and cast iron pipeline, respectively, during the past 10 years?

Please file the original and five copies of the requested information by Friday, July 6, 2012, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6187 if you have any questions.

Sincerely,



Martha C. Brown
Senior Attorney
Office of the General Counsel

MCB/th

cc: Office of Commission Clerk
Ms. Paula K. Brown
Ms. Kandi M. Floyd