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October 6, 2021

VIA E-PORTAL FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20210148-GU - Petition for approval of 2020 True-Up, the Projected 2021 True-Up and 2022 Revenue Requirements and Surcharges associated with Cast Iron/Bare Steel Pipe Replacement Rider, by Peoples Gas System

Dear Mr. Teitzman:

Attached for electronic filing in the above docket on behalf of Peoples Gas System, please find its Response to Staff's First Data Request (Nos. 1-5).

Your assistance in this matter is greatly appreciated.

Sincerely,


Andrew M. Brown

AB/plb

Attachments

cc: Office of Public Counsel
Ms. Kandi M. Floyd
Thomas R. Farrior, Esq.

**PEOPLES GAS SYSTEM
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- 1.** Please provide the Excel spreadsheets for petition Exhibits A, B, and C with formulas unlocked.

- A.** Please see electronic response document provided in MS Excel format entitled "BS (2) DR1 Excel File Unlocked.xlsx".

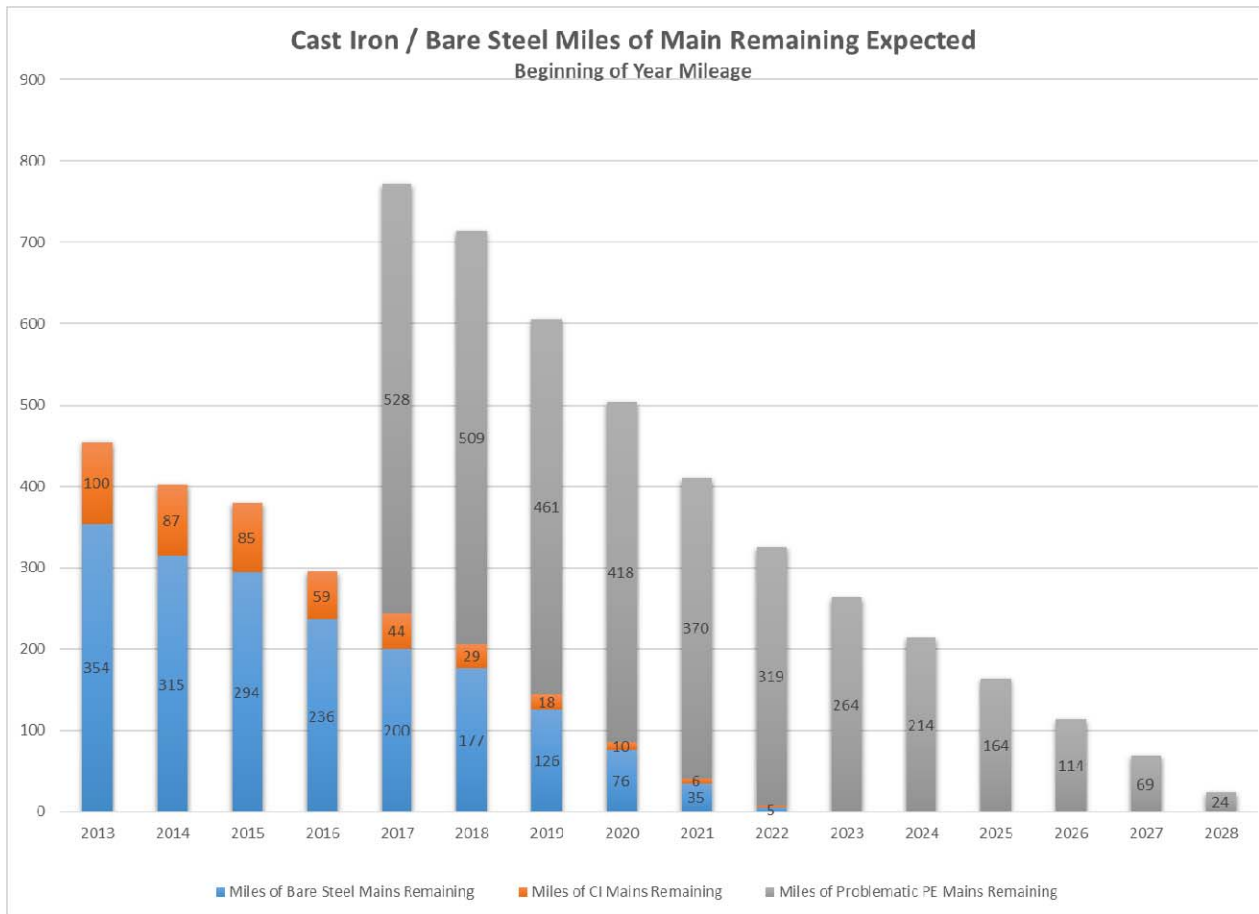
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- 2.** Referring to paragraph 12 of the petition, please explain the factors that led to the \$4,581,212 under-recovery (including interest) in 2020.
 - A.** The primary reason for the \$4,581,212 under-recovery is lower than projected sales of natural gas. In 2020 \$17,991,960 of CI/BS revenue was collected, as shown on line 1 on page 2 of Exhibit A of the petition filed with the Commission on September 1, 2021 in Docket No. 20210148-GU ("2022 Projection Filing"). This was \$668,506 lower than the estimated amount of \$18,660,466 of CI/BSR Revenue for 2020 shown on line 1, page 2 of Exhibit B in the petition filed on September 1, 2020 in Docket No. 20200206-GU ("2021 Projection Filing"). This reduced revenue was the main driver for the variance between the \$4,024,341 estimated under-recovery End of Period True-Up for 2020 shown on line 10 of page 2 of Exhibit B in the 2021 Projection Filing, and the End of Period Total True-up of \$4,581,212 shown on line 10 of page 2 of the 2022 Projection Filing.

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3. Please discuss the progress of Cast Iron/Bare Steel Pipe Replacement Rider projects and Problematic Plastic Pipe replacement projects in 2020, 2021, and those planned for 2022.

A. Peoples Gas has made significant progress towards removing all Cast Iron and Bare Steel (“CI/BS”) pipelines from the system statewide. The Company expects to be completed within its initial 10-year estimate for CI/BS and is on schedule for replacing problematic plastic pipe (“PPP”) in its system by 2028.



- Start of CI/BS Rider – January 1, 2013 (454 miles)
- Start of PPP Rider – July 1, 2017 (528 miles)
- In 2020, Peoples Gas focused on remaining CI/BS projects in Miami, Tampa, St. Petersburg, Orlando, and Jacksonville. The Company also focused on PPP projects in Jacksonville, Eustis, Ocala and Orlando. Key replacement projects include:

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- Miami
 - The Roads Neighborhood – CI/BS
 - Biscayne Blvd from NE 39th St to NE 53rd St (N of NE 36th St) – CI/BS
 - Miscellaneous CI/BS
 - Pasadena Lakes - PPP
- Tampa
 - W of I-275 E of Hillsborough River – CI/BS
 - Nebraska to Rowlette – CI/BS
 - Palma Ceia – CI/BS
 - Miscellaneous CI/BS
- St Petersburg
 - Central Ave (Phase 3 and D) – CI/BS
 - Snell Isle – PPP
- Orlando
 - Winter Park (Palmer and Phelps) – CI/BS
 - Pine Ridge, River Run and Willows – PPP
 - Miscellaneous CI/BS
- Eustis
 - Umatilla – PPP
 - Miscellaneous PPP
- Jacksonville
 - St Nicholas – PPP
 - Miscellaneous CI/BS and PPP
- Daytona and Panama City
 - Miscellaneous PPP
- Ocala
 - Citrus Park – PPP
 - La Jolla - PPP
- In 2021, Peoples Gas continues to focus on CI/BS replacement projects in Miami, Tampa, St. Pete, and Orlando. Continued PPP replacement continues in Jacksonville, Eustis, Ocala and we are starting replacements in Daytona and Avon Park.
 - Miami
 - The Roads Neighborhood – CI/BS
 - Biscayne Blvd (NE 55th St to NE 60th St) – CI/BS
 - NW 77th St to NW 83rd St (NE 80th Ter., east of NE 2nd Ave.) – CI/BS
 - NW 28th St to NW 35th St., e/o NW 2nd Ave. – CI/BS
 - Miscellaneous CI/BS
 - Tampa
 - Bayshore Beautiful – CI/BS

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- Bon Air – CI/BS
 - Miscellaneous CI/BS
 - St Petersburg
 - Snell Isle – PPP
 - Orlando
 - Winter Park (Osceola and Fairbanks) – CI/BS
 - River Run – PPP
 - Eustis
 - Old Eustis Mt Dora – PPP
 - Miscellaneous PPP
 - Jacksonville
 - Riverside – PPP
 - Daytona
 - Beachside North – PPP
 - Miscellaneous PPP
 - Avon Park
 - Downtown – PPP
 - Ocala
 - NE Ocala – PPP
 - NE 48th Ave Rd – PPP
 - Miscellaneous PPP
- In 2022, Peoples Gas will continue focusing on remaining CI/BS segment replacement projects in Miami, St Pete, Orlando, and Jacksonville. PPP replacement projects will be continued in Jacksonville, Eustis, Ocala and starting replacements in Tampa, Daytona and Avon Park.
 - Miami – CI/BS
 - Miscellaneous CI/BS
 - Tampa – PPP
 - St Petersburg – CI/BS
 - Orlando – CI/BS/PPP
 - Miscellaneous CI/BS
 - Ivanhoe Estates – PPP
 - Orangewood Village – PPP
 - Shadow Hills
 - Eustis
 - Miscellaneous PPP
 - Jacksonville – CI/BS/PPP
 - Miscellaneous CI/BS
 - Springfield - PPP
 - Daytona

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- Downtown - PPP
- Avon Park
 - Downtown – PPP
- Ocala – PPP
 - Ft King District – PPP
 - The Villages NE 39th - PPP

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- 4.** Please explain why the proposed 2021 factors are lower than the current 2020 factors given that the utility has incurred additional capital costs since its last filing.

- A.** This response was prepared on the assumption that the question was with respect to the proposed 2022 CI/BSR rates and the current 2021 CI/BSR rates. The proposed 2022 factors are lower than the current 2021 factors, despite increased capital charges, due to a lower total Revenue Requirement Net of Est. Projected Recovery in 2022 on line 11 of Exhibit C, page 1. The current period revenue requirement on line 9 of Exhibit C, page 1 is projected to be \$3.6M higher in 2022 than in 2021 due to additional capital charges projected for 2022. However, the portion of the total net revenue requirement that is related to the true-up of the prior period estimated under-recovery on line 10 is projected to be \$3.7M lower in 2022 compared to 2021, resulting in a lower total Revenue Requirement Net of Est. Projected Recovery for 2022.

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5. Please update the tables below, contained in Peoples' response to Staff's First Data Request No. 1, in Docket No. 20200206-GU.

	CI/BS Miles Replaced	PPP Miles Replaced	CI/BS Investment***	PPP Investment	CI/BS Revenue Requirement	PPP Revenue Requirement
2017	51	*	\$17,588,366	\$2,915,802	\$6,868,302	\$74,021
2018	62	56	\$27,035,678	\$15,890,424	\$8,510,823	\$848,201
2019	52	42	\$35,821,371	\$17,425,589	\$11,075,229	\$2,706,161
2020	51	50	\$33,672,240	\$12,523,353	\$14,872,709	\$4,414,726
2021	30	50	\$16,171,113	\$19,304,134	\$1,206,157	\$220,912
2022	5	50	\$3,306,701	\$18,282,717	\$2,643,484	\$2,506,862
2023		50	\$0	\$18,739,785	\$2,864,957	\$4,636,325
2024		50		\$19,208,280	\$2,830,125	\$6,783,015
2025		50		\$19,688,487	\$2,788,208	\$8,954,706
2026		45		\$18,327,034	\$2,746,064	\$11,070,133
2027		45		\$18,616,695	\$2,703,903	\$13,083,051
2028		28		\$13,452,047	\$2,661,753	\$14,831,134

*2017 investment costs for retiring PPP in early 2018.

**2028 PPP investment includes rollover costs to occur in 2029.

***CI/BS Investment includes removal of initial \$1M

Year	Main Replacements					Service Replacements	
	Replaced Cast Iron (miles)	Replaced Bare Steel (miles)	Remaining Cast Iron at Year End (miles)	Remaining Bare Steel at Year End (miles)	Total Miles Remaining of CI/BS Mains	Replaced Number of Bare Steel Services	Total Number of Remaining Bare Steel Services
2012			100	354	454		14978
2013	13	38	87	316	403	907	14071
2014	2	18	85	298	383	7964	6107
2015	26	60	59	238	297	1019	5088
2016	15	35	44	203	247	1050	6963
2017	15	36	29	178	207	1135	4279
2018	10	52	18	126	144	1970	2309
2019	8	44	10	76	86	649	1660
2020 (projected)	4	47	6	29	35	1000	660
2021	5	25	1	4	5	660	0
2022	1	4	0	0	0	0	0

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	PPP (miles)	Total Remaining PPP Mains (miles)	Replaced Number of PPP Services	Total Number of Remaining PPP Services*
2016	0	551	0	-
2017	**	509	1,396	26,841
2018	56	461	3,941	24,741
2019	42	418	2,349	20,420
2020	50	368	Not yet Determined**	-
2021	50	318	Not yet Determined**	-
2022	50	268	Not yet Determined**	-
2023	50	218	Not yet Determined**	-
2024	50	168	Not yet Determined**	-
2025	50	118	Not yet Determined**	-
2026	45	73	Not yet Determined**	-
2027	45	28	Not yet Determined**	-
2028	28	0	Not yet Determined**	-

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A.

	CI/BS Miles Replaced	PPP Miles Replaced	CI/BS Investment***	PPP Investment	CI/BS Revenue Requirement	PPP Revenue Requirement
2017	51	*	\$17,588,366	\$2,915,802	\$6,868,302	\$74,021
2018	62	56	\$27,035,678	\$15,890,424	\$8,510,823	\$848,201
2019	52	42	\$35,821,371	\$17,425,589	\$11,075,229	\$2,706,161
2020	55	43	\$32,317,184	\$11,115,571	\$14,817,804	\$4,358,010
2021 (projected)	34	50	\$22,276,649	\$15,615,604	\$1,424,567	\$(161,100)
2022	7	50	\$6,866,249	\$20,424,766	\$3,141,854	\$1,909,621
2023		50		\$18,167,124	\$3,596,461	\$3,969,687
2024		50		\$18,621,303	\$3,561,044	\$5,921,914
2025		50		\$19,086,835	\$3,512,324	\$7,897,652
2026		45		\$17,766,986	\$3,463,181	\$9,820,999
2027		45		\$18,047,796	\$3,414,026	\$11,661,302
2028**		24		\$14,276,750	\$3,364,870	\$13,330,589

*2017 investment costs for retiring PPP in early 2018.

**2028 PPP investment includes rollover costs to occur in 2029.

***CI/BS Investment includes removal of initial \$1M.

Year	Main Replacements					Service Replacements	
	Replaced Cast Iron (miles)	Replaced Bare Steel (miles)	Remaining Cast Iron at Year End (miles)	Remaining Bare Steel at Year End (miles)	Total Miles Remaining of CI/BS Mains	Replaced Number of Bare Steel Services	Total Number of Remaining Bare Steel Services
2012			100	354	454		14978
2013	13	38	87	316	403	907	14071
2014	2	18	85	298	383	7964	6107
2015	26	60	59	238	297	1019	5088
2016	15	35	44	203	247	1050	6963
2017	15	36	29	178	207	1135	4279
2018	10	52	18*	126	144	1970	2309
2019	8	44	10	83**	93	649	1660
2020	4	51	6	35**	41	423	1237
2021 (projected)	4	30	2	5	7	800	437
2022	2	5	0	0	0	437	0

*Slight increase in Cast Iron due to reclassification.

**Additional Bare Steel identified and reclassified.

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	PPP (miles)	Total Remaining PPP Mains (miles)	Replaced Number of PPP Services	Total Number of Remaining PPP Services*
2016	0	551	0	-
2017	***	509	1,396	26,841
2018	56	461	3,941	24,741
2019	42	418****	2,349	20,420
2020	43	370****	2,046	18,374
2021	51	319	Not yet Determined**	-
2022	55	264	Not yet Determined**	-
2023	50	214	Not yet Determined**	-
2024	50	164	Not yet Determined**	-
2025	50	114	Not yet Determined**	-
2026	45	69	Not yet Determined**	-
2027	45	24	Not yet Determined**	-
2028	24	0	Not yet Determined**	-

*The number of PPP Services in 2016 is assumed to be 28,237 based on the number of miles of PPP main and the number of services attached to that main.

**This will be determined during the replacement year.

***Beginning year 2017, PGS had 509 known miles of pre-1984 Aldyl A pipe. An additional 8 miles of pipeline was reclassified as pre-1984 Aldyl A while PGS retired 56 miles of pre-1984 Aldyl A. This addition of 8 miles results in an actual mileage of 461 miles of PPP at the beginning of 2018.

****Slight increase in PPP due to reclassification.