



FILED 10/7/2024
DOCUMENT NO. 09392-2024
FPSC - COMMISSION CLERK

Attorneys and Counselors at Law
123 South Calhoun Street
P.O. Box 391 32302
Tallahassee, FL 32301

P: (850) 224-9115
F: (850) 222-7560

ausley.com

October 7, 2024

VIA: ELECTRONIC FILING

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

Re: Docket 20240133; Petition for approval of 2023 true-up, projected 2024 true-up, and 2025 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System, Inc.

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is Peoples Gas System, Inc.'s response to Staff's First Data Request (Nos. 1-8) served via email on September 24, 2024. Pursuant to an extension of time granted by staff, substantive responses to request numbers 3(a), 4 and 8 will be submitted on or before October 10, 2024.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'V. Ponder'.

Virginia Ponder

VLP/ne
Attachment

cc: Oakley Ward, oward@psc.state.fl.us
Ryan Sandy, rsandy@psc.state.fl.us

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing response, filed on behalf of People Gas System, Inc., has been furnished by electronic mail on this 7th day of October, 2024 to the following:

Ryan Sandy
Office of General Counsel
Florida Public Service Commission
Room 390L – Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
rsandy@psc.state.fl.us
discovery-gcl@psc.state.fl.us



ATTORNEY

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20240133-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
BATES PAGE(S): 1 - 6
FILED: OCTOBER 7, 2024**

- 1.** Please provide the "Calculation of Long-term Debt True-up Cost Recovery via Base Rates" document in excel format, which was provided to staff in Docket No. 20240028-GU. Please also include the PDF version in your response to staff's data requests.

- A.** Please find attached the Excel file, "(BS 6) LTDR True Up Mechanism Exhibits.xlsx," which includes the calculation of the long-term debt cost true-up. Also, please see the attached pages, which are the exhibits filed under Docket No. 20240028-GU on February 2, 2004.

PEOPLES GAS SYSTEM, INC.
LONG-TERM DEBT TRUE-UP MECHANISM
EXHIBIT ONE
PAGE 1 OF 1
FILED: FEBRUARY 2, 2024

ATTACHMENT 1
CALCULATION OF LONG-TERM DEBT COST RATE

PEOPLES GAS SYSTEM, INC.
PTY 12/31/2024

Calculation of Long Term Debt Rate Approved by Commission in Order No. PSC-2023-0888-FOF-GU (as shown on MFR G-3, page 3 of 11)

LINE NO.	ISSUE (1)	ISSUE DATE (2)	MATURITY DATE (3)	13 MO. AVERAGE PRINCIPAL 12/31/2024 (4)	(PREMIUM) DISCOUNT (5)	ISSUING EXPENSE & OCI (6)	NET (5)+(6) (7)	LIFE (YEARS) (8)	AMORTIZATION (7)/(8) (9)	INTEREST (10)	ANNUAL TOTAL COST (9)+(10) (11)
2	5.47% NOTES	9/30/2023	9/30/2033	\$300,000,000	\$0	\$0	0	10	\$0	\$16,410,000	\$16,410,000
3	6.0% NOTES	9/30/2023	9/30/2053	\$200,000,000	\$0	\$0	0	30	\$0	\$12,000,000	\$12,000,000
4	5.37% NOTES	6/30/2024	6/30/2034	\$53,846,154	\$0	\$0	0	10	\$0	\$2,685,000	\$2,685,000
5	TOTAL			\$878,846,154	\$0	\$0	\$0		\$0	\$48,645,000	\$48,645,000

6	UNAMORTIZED ISSUE EXPENSE			\$0							
7	UNAMORTIZED PREMIUM / DISCOUNT			\$0							
8	OCI			\$0							
9	NET			\$878,846,154							
10	EMBEDDED COST OF LONG-TERM DEBT (11)/(4)			5.54%							

Revised Calculation of Rate for Long-Term Debt Rate ("LTDR") True-Up Mechanism

LINE NO.	ISSUE (1)	ISSUE DATE (2)	MATURITY DATE (3)	13 MO. AVERAGE PRINCIPAL 12/31/2024 (4)	(PREMIUM) DISCOUNT (5)	ISSUING EXPENSE & OCI (6)	NET (5)+(6) (7)	LIFE (YEARS) (8)	AMORTIZATION (7)/(8) (9)	INTEREST (10)	ANNUAL TOTAL COST (9)+(10) (11)
12	6.07% NOTES	12/19/2023	12/15/2030	\$0	\$0	\$0	0	7	\$0	\$0	\$0
13	5.63% NOTES	12/19/2023	12/15/2033	\$350,000,000	\$0	\$1,035,182	1,035,182	10	\$103,518	\$19,705,000	\$19,808,518
14	6.27% NOTES	12/19/2023	12/15/2043	\$0	\$0	\$0	0	20	\$0	\$0	\$0
15	5.94% NOTES	12/19/2023	12/15/2053	\$225,000,000	\$0	\$665,474	665,474	30	\$22,182	\$13,365,000	\$13,387,182
16	5.37% NOTES	6/30/2024	6/30/2034	\$53,846,154	\$0	\$0	0	10	\$0	\$2,685,000	\$2,685,000
17	TOTAL			\$978,846,154	\$0	\$2,735,839	\$2,735,839		\$332,737	\$54,725,000	\$55,057,737

18	UNAMORTIZED ISSUE EXPENSE			(\$2,588,075)							
19	UNAMORTIZED PREMIUM / DISCOUNT			\$0							
20	OCI			\$0							
21	NET			\$976,288,079							
22	EMBEDDED COST OF LONG-TERM DEBT (11)/(4)			5.64%							

PEOPLES GAS SYSTEM, INC.
LONG-TERM DEBT TRUE-UP MECHANISM
EXHIBIT TWO
PAGE 1 OF 1
FILED: FEBRUARY 2, 2024

ATTACHMENT 2
CALCULATION OF THE PROJECTED TEST YEAR - COST OF CAPITAL

PEOPLES GAS SYSTEM, INC.
PTY 12/31/2024

As Approved in Order No. PSC-2023-0388-FOF-GU							Interest Synchronization
LINE NO.	DESCRIPTION	COMMISSION ADJUSTED	RATIO	COST RATE	WEIGHTED COST		Interest Expense
1	COMMON EQUITY	\$1,122,029,733	47.60%	10.15%	4.83%		
2	LONG TERM DEBT	830,722,209	35.24%	5.54%	1.95%	45,981,292	45,981,292
3	SHORT TERM DEBT	99,496,189	4.22%	4.85%	0.20%	4,825,565	4,825,565
4	CUSTOMER DEPOSITS	27,528,000	1.17%	2.53%	0.03%	696,458	696,458
5	DEFERRED TAXES	277,551,630	11.77%	0.00%	0.00%		
6	TAX CREDIT - WEIGHTED	0	0.00%	8.03%	0.00%		
7	TOTAL	\$2,357,327,760	100.00%		7.02%		\$51,503,316 a

LTDR True-Up Mechanism							Interest Expense	
LINE NO.	DESCRIPTION	COMMISSION ADJUSTED	RATIO	COST RATE	WEIGHTED COST		Interest Expense	
1	COMMON EQUITY	\$1,122,029,733	47.60%	10.15%	4.83%			
2	LONG TERM DEBT	830,722,209	35.24%	5.64%	1.99%	46,848,554	46,848,554	
3	SHORT TERM DEBT	99,496,189	4.22%	4.85%	0.20%	4,825,565	4,825,565	
4	CUSTOMER DEPOSITS	27,528,000	1.17%	2.53%	0.03%	696,458	696,458	
5	DEFERRED TAXES	277,551,630	11.77%	0.00%	0.00%			
6	TAX CREDIT - WEIGHTED	0	0.00%	8.03%	0.00%			
7	TOTAL	\$2,357,327,760	100.00%		7.05%		\$52,370,578 b	
							Change in Interest Expense Tax Rate	\$867,262 b - a
							Interest Synchronization Impact on NOI	25.345%
								\$219,808

**ATTACHMENT 3
CALCULATION OF THE PROJECTED TEST YEAR - REVENUE DEFICIENCY**

PEOPLES GAS SYSTEM, INC.
PTY 12/31/2024

LINE NO.	DESCRIPTION	As Approved in Order No. PSC-2023-0388-FOF-GU		LTDR True-Up Mechanism	
		COMMISSION ADJUSTED	INTEREST SYNCHRONIZATION	COMMISSION ADJUSTED	COMPANY PROPOSED ADJUSTED
1	ADJUSTED RATE BASE	\$2,357,327,760		\$2,357,327,760	
2	REQUESTED RATE OF RETURN	7.02%		7.05%	
3	N.O.I. REQUIREMENTS	165,389,334		166,256,596	
4	LESS: ADJUSTED N.O.I.	78,102,907	\$219,808	78,322,715	
5	N.O.I. DEFICIENCY	\$87,286,427		\$87,933,881	
6	EXPANSION FACTOR	1.3500		1.3500	
7	REVENUE DEFICIENCY	\$117,839,527		\$118,713,612	
8	INCREASE/(DECREASE)			\$874,085	

**ATTACHMENT 4
2024 PGS PROPOSED RATES WITH LONG-TERM TRUE-UP**

PEOPLES GAS SYSTEM, INC.
PTY 12/31/2024

LINE NO.	RATE CLASS	CONSUMPTION	Current Rates		Updated Rates	
			CUSTOMER CHARGE	PER THERM CHARGE	CUSTOMER CHARGE	PER THERM CHARGE
1	RS-1	0 - 99	\$19.06	\$0.35096	\$19.10	\$0.35165
2	RS-2	100 - 249	\$24.36	\$0.35096	\$24.41	\$0.35165
3	RS-3	250 - 1,999	\$31.48	\$0.35096	\$31.54	\$0.35165
4	RS-SG	ALL	\$31.47	\$0.28181	\$31.54	\$0.28237
5	RS-GHP	ALL	\$31.47	\$0.12374	\$31.54	\$0.12395
6	CS-GHP	ALL	\$52.54	\$0.26271	\$52.64	\$0.26323
7	SGS	0 - 1,999	\$42.98	\$0.49196	\$43.07	\$0.49286
8	GS-1	2,000 - 9,999	\$65.91	\$0.46334	\$66.05	\$0.46423
9	GS-2	10,000 - 49,999	\$123.22	\$0.39646	\$123.47	\$0.39723
10	GS-3	50,000 - 250,000	\$501.48	\$0.33914	\$502.52	\$0.33980
11	GS-4	250,000 - 499,999	\$950.43	\$0.26271	\$952.39	\$0.26323
12	GS-5	> 500,000	\$2,096.67	\$0.17862	\$2,101.00	\$0.17898
13	CSLS	ALL		\$0.40600	\$0.00	\$0.40680
14	CS-SG	ALL	\$52.54	\$0.28181	\$52.64	\$0.28237
15	WHS	ALL	\$663.86	\$0.21935	\$665.24	\$0.21978
16	SIS	1,000,000 - 3,999,999	\$2,435.76	\$0.10054	\$2,440.80	\$0.10074
17	IS	4,000,000 - 49,999,999	\$2,817.84	\$0.05209	\$2,823.66	\$0.05219
18	ISLV	> 50,000,000	\$3,104.40	\$0.01351	\$3,110.82	\$0.01354

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20240133-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 2
BATES PAGE(S): 7
FILED: OCTOBER 7, 2024**

- 2.** Please describe any potential impacts to the Cast Iron/Bare Steel Rider (CI/BSR) or Peoples' workload if the Commission ordered the utility to file its future annual true-up petitions on August 1 of each year, as opposed to September 1. How would this affect the calculation of the projected true-up?
 - A.** Filing the annual true-up petition for the Rider CI/BSR on August 1 of each year rather than September 1 would require Peoples to use a 6+6 forecast, or 6 months actual and 6 months estimated, rather than a 7+5 forecast in calculating the estimated true-up for the year the petition is filed in. This true-up would then be added to the revenue requirement for the projected year and allocated across the rate classes to determine the necessary surcharges to collect the revenue. The difference in the estimated true-up most likely would be negligible as it would be limited to the difference between estimate and actual for one month. From a workload perspective, this change would put pressure on the company as it would coincide with the required annual clause filings; however, the company would adjust accordingly.

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20240133-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 3
BATES PAGE(S): 8 - 9
FILED: OCTOBER 7, 2024**

- 3.** Please refer to paragraph 7, pages 3-4, for the following questions.
 - a. Please identify all remaining activities under the utility's current CI/BSR. As part of this response, please identify the current status and the estimated completion date for each remaining activity.
 - b. Please identify which components of the SAFIR program are currently included under the CI/BSR.
 - c. Provide the total CI/BSR investment to date (2012-2024).

- A.**
 - a. Pursuant to an extension of time granted by staff, the company will file a response to this request on or before Thursday, October 10, 2024.
 - b. The "CI/BS & PPP Replacement" component of the SAFIR program is currently included under the Rider CI/BSR.
 - c. The CI/BSR investment dollars for 2012 through 2024 are shown in the table on the next page.

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20240133-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 3
BATES PAGE(S): 8 - 9
FILED: OCTOBER 7, 2024

PEOPLES GAS SYSTEM, INC.
Cast Iron/Bare Steel ("CIBS") and Problematic Pipe Replacement ("PPP")
Investment Dollars
2012 - 2024 YTD

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*	TOTAL
CIBS	\$11,948,319	\$12,736,210	\$12,361,477	\$14,331,026	\$18,588,366	\$28,035,678	\$36,821,371	\$33,317,184	\$24,726,642	\$14,079,280	\$6,815,954	\$4,833,280	\$218,594,786
PPP					\$308,227	\$18,113,104	\$15,349,847	\$9,209,668	\$21,051,938	\$6,109,870	\$26,827,191	\$9,472,601	\$106,442,445
TOTAL	\$11,948,319	\$12,736,210	\$12,361,477	\$14,331,026	\$18,896,592	\$46,148,782	\$52,171,217	\$42,526,852	\$45,778,580	\$20,189,150	\$33,643,145	\$14,305,882	\$325,037,232

*2024 investment dollars are through the end of August.

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20240133-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
BATES PAGE(S): 10
FILED: OCTOBER 7, 2024**

- 4.** Please discuss the progress of CI/BSR replacement projects and Problematic Plastic Pipe (PPP) replacement projects in 2023, 2024, and those planned for 2025.

- A.** Pursuant to an extension of time granted by staff, the company will file a response to this request on or before Thursday, October 10, 2024.

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20240133-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 5
BATES PAGE(S): 11 - 12
FILED: OCTOBER 7, 2024**

- 5.** Please provide the Excel spreadsheets for petition exhibits A, B, C, and D with formulas unlocked.

- A.** Please find attached the following Excel spreadsheet, "(BS 12) 2025 CIBS-PPP-SAFIR Calculation.xlsx." This spreadsheet has been updated to align with what was provided in response to Staff's Second Data Request No. 5 under Docket No. 20240107-GU. Specifically, the 2025 investment amount for the SAFIR modification activity, MAOP/Material Verification – Mains (Steel), has been revised, which impacts revenue requirement for 2025 for the version that includes the requested SAFIR modifications.

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20240133-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 6
BATES PAGE(S): 13 - 14
FILED: OCTOBER 7, 2024**

- 6.** Please provide an Excel spreadsheet showing the calculation of the \$476,034 under-recovery related to the LTDR true-up mechanism.
- A.** Please find attached the Excel file, "(BS 14) LTD T_u for CIBS Rider.xlsx."

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20240133-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 7
BATES PAGE(S): 15
FILED: OCTOBER 7, 2024**

- 7.** Referring to paragraph 13 of the petition, please explain the factors that led to the \$102,499 under-recovery (including interest) in 2023.
 - A.** The under-recovery of \$102,499 in 2023 is a combination of an under-recovery (\$37,021) of the revenue requirement for 2023, a remaining under-recovery from 2022 (\$66,720), and interest of \$1,242. The under-recovery of revenue requirement for 2023 and for the true-up of 2022 is driven by slightly lower than expected therm sales in 2023. Lower therm sales resulted in lower revenue collected in 2023.

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20240133-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 8
BATES PAGE(S): 16
FILED: OCTOBER 7, 2024**

- 8.** Please update the tables contained in Peoples' response to Staff's First Data Request No. 4, in Docket No. 20230098-GU.

- A.** Pursuant to an extension of time granted by staff, the company will file a response to this request on or before Thursday, October 10, 2024.