

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: 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.

DOCKET NO. 20240133-GU  
ORDER NO. PSC-2024-0453-PCO-GU  
ISSUED: October 17, 2024

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman  
GARY F. CLARK  
ANDREW GILES FAY  
GABRIELLA PASSIDOMO

ORDER SUSPENDING TARIFF

BY THE COMMISSION:

Background

On August 30, 2024, Peoples Gas System, Inc. (Peoples or utility) filed a petition for approval of the 2023 true-up, projected 2024 true-up, and 2025 revenue requirements and surcharges associated with its cast iron/bare steel (CI/BS) pipe replacement rider. The rider was originally approved by Order No. PSC-12-0476-TRF-GU (2012 Order) to recover the cost of accelerating the replacement of cast iron and bare steel pipes through a surcharge on customers' bills.<sup>1</sup> As established by the 2012 Order, Peoples would roll replaced infrastructure into rate base during a rate case, and the CI/BS surcharge would be "reset to zero".<sup>2</sup> The surcharge is set to terminate when all applicable CI/BS pipes have been replaced and included in rate base. During the 2023 Peoples rate case, CI/BS investments as of December 31, 2023, were moved into rate base pursuant to Order No. PSC-2023-0388-FOF-GU.<sup>3</sup>

In the 2023 rate case order, we approved the Long Term Debt Cost Rate True-Up Mechanism (LTDR true-up mechanism), which allowed Peoples to make a one-time adjustment to its forecasted long-term debt cost rate after its inaugural debt issuance. The LTDR true-up mechanism and the associated incremental base rate revenue increase was approved in Order No. PSC-2024-0170-TRF-GU.<sup>4</sup> As part of the Order, the utility was required to include the actual incremental amount for recovery in the subject docket (2024 CI/BS Rider).

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<sup>1</sup> Order No. PSC-12-0476-TRF-GU, issued September 18, 2012, in Docket No. 20110320-GU, *In re: Petition for approval of Cast Iron/Bare Steel Pipe Replacement Rider (Rider CI/BSR), by Peoples Gas System.*

<sup>2</sup> Order No. PSC-12-0476-TRF-GU, page 3.

<sup>3</sup> Order No. PSC-2023-0388-TRF-GU, issued December 27, 2023, in Docket No. 20230023-GU, *In re: Petition for rate increase by Peoples Gas System, Inc.*

<sup>4</sup> Order No. PSC-2024-0170-TRF-GU, issued May 23, 2024, in Docket No. 20240028-GU, *In re: Petition to implement long-term debt cost true-up mechanism, by Peoples Gas System, Inc.*

Currently, Peoples has an active petition pending before us for an expansion of the CI/BS rider in Docket No. 20240107-GU. In that docket, Peoples has proposed to rename the CI/BS rider to the Safety of Facilities and Infrastructure Replacement Rider (SAFIR) and expand the categories of eligible replacements under the rider. If we approve the SAFIR program, projected capital expenditures will increase for 2025.

The utility in the instant petition stated that if we approve Peoples' SAFIR petition before November 30, 2024, the utility will seek approval of the revenue requirement and surcharge for CI/BS replacement, PPP replacement, and SAFIR modifications. If the petition remains pending on November 30, 2024, Peoples will seek approval of the revenue requirement and surcharge for CI/BS and PPP replacement only. Peoples' current surcharges were approved in Order No. PSC-2023-0363-TRF-GU.<sup>5</sup>

We have jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

#### Decision

Pursuant to Section 366.06(3), F.S., we may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such a change a reason or written statement of good cause for doing so within 60 days.

Our staff requires sufficient time to review the utility's petition and gather all pertinent information in order to present us with an informed recommendation on Peoples' proposed revised CI/BS rates and associated tariff for the period January through December 2025. This constitutes good cause consistent with the requirements of Section 366.06(3), F.S.

Therefore, Peoples' proposed revised CI/BS rates and associated tariff for the period January through December 2025 shall be suspended.

Based on the foregoing, it is

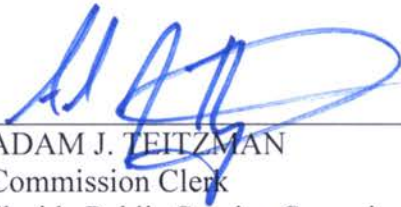
ORDERED by the Florida Public Service Commission that Peoples Gas System, Inc.'s proposed revised CI/BS rates and associated tariff for the period January through December 2025 be suspended to allow our staff sufficient time to review the petition and gather all pertinent information in order to present us with an informed recommendation on the tariff proposals. It is further

ORDERED that this docket shall remain open pending our decision on the proposed tariff.

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<sup>5</sup> Order No. PSC-2023-0363-TRF-GU, issued November 29, 2023, in Docket No. 20230098-GU, *In re: Petition for approval of 2022 true-up, projected 2023 true-up, and 2024 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System, Inc.*

By ORDER of the Florida Public Service Commission this 17th day of October, 2024.



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ADAM J. TEITZMAN  
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Florida Public Service Commission  
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.