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Public Service Commission

February 21, 2012

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

STAFF'S SECOND 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. In Peoples last rate case, Docket No. 080318-GU, the Commission denied Peoples' proposed Gas System Reliability Rider (GSR Rider). Please refer to pages 42-45 of the rate case Order No. PSC-09-0411-FOF-GU and discuss how the proposed CI/BSR Rider differs from the GSR Rider.
2. On page 45 of the rate case Order the Commission found that "We find that the adoption of a GSR Rider is not appropriate in this matter. However, we recognize that PGS may petition this Commission pursuant to 366.076, F.S., for a limited proceeding for the recovery of revenue requirements associated with government-mandated investments for relocation of PGS's facilities and O&M expenditures." Please discuss why Peoples did not choose to petition for a limited proceeding to recover the cost for the accelerated replacement of the cast iron and bare steel mains.
3. How does Peoples envision that the Commission will approve the CI/BSR surcharges each year, i.e., hearing process similar to adjustment clauses, tariff recommendation, etc.?
4. Please provide a copy of the USDOT March 28, 2011, letter referred in paragraph 5 of the petition.
5. Please refer to the footnote on page 4 of the petition and provide an update, if any, on any pipeline safety regulations.
6. Please refer to paragraph 12 of the petition and explain how Peoples recovered its replacement cost for the period 2000 - 2008 (i.e., prior to the 2009 test year in Peoples' last rate case)

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7. The petition states in paragraph 10 that Peoples has about 550 miles of case iron and bare steel mains and in paragraph 12 that Peoples has replaced about 200 miles. So is it correct that about 350 miles are left to replace?
8. Will Peoples' employees or contract labor (or a combination of both) perform the accelerated replacements? Will Peoples have to hire an additional workforce to perform the accelerated replacements, and if so, how will Peoples recover the costs of the additional workforce and how many additional employees does Peoples project to hire over the 10-year period?
9. Please explain why the regulator and the meter will have to be replaced too.

Please file the original and five copies of the requested information by Tuesday, March 13, 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/sh

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