



## P R O C E E D I N G S

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2           **CHAIRMAN BRISÉ:** Okay. Seeing none, moving on  
3 to Item Number 11. Thank you very much.

4           **MR. GARL:** Thank you, Mr. Chairman. And good  
5 morning, Commissioners. I'm Steve Garl with Commission  
6 staff.

7           Item 11 is a petition from Peoples Gas System  
8 requesting approval of its Cast Iron/Bare Steel Pipe  
9 Replacement Rider surcharge for 2014. Peoples projects  
10 a 2014 revenue requirement of \$2.2 million in support of  
11 its pipe replacement program. This equates to a rider  
12 surcharge of 22 cents per month for residential  
13 customers using 20 therms per month.

14           Staff believes Peoples' calculation of the  
15 surcharge is reasonable and accurate, and therefore  
16 staff recommends approval.

17           **CHAIRMAN BRISÉ:** All right. Thank you very  
18 much.

19           Questions, Commissioners?

20           Commissioner Balbis.

21           **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.  
22 I have a couple of questions. And I fully supported the  
23 development of this rider previously, so I appreciate  
24 Peoples Gas moving forward with it.

25           The question I have, and I don't know if it's

1 appropriate for staff or for Peoples, is how many -- how  
2 much remaining cast and bare steel pipeline will be in  
3 the system after 2014? Like how much is left of  
4 unprotected pipeline?

5 **MS. FLOYD:** Good morning. Kandi Floyd with  
6 Peoples Gas System.

7 Right now we project to have -- well, as of  
8 the end of this year we will have 330 miles of bare  
9 steel left to replace and approximately 90 miles of cast  
10 iron, and that will be beginning 2014.

11 **COMMISSIONER BALBIS:** Okay. So at this  
12 accelerated rate of replacement when do you believe that  
13 Peoples will have removed all of this unprotected pipe  
14 from the system?

15 **MS. FLOYD:** Currently our projections are  
16 showing nine years. We originally looked at a ten-year  
17 replacement plan. But with the -- we were trying to  
18 step up our replacement activity, so right now we're  
19 projecting a nine-year replacement plan.

20 **COMMISSIONER BALBIS:** Okay. And you mentioned  
21 that you're accelerating this program. But why nine  
22 years? Is that -- is there a limitation on how much you  
23 can replace in a year and that's what you're limiting it  
24 to, or are there other factors as to why you're not  
25 replacing more, for example?

1           **MS. FLOYD:** We are just -- we're trying to  
2 consider the impact on customer rates, and we -- when we  
3 originally requested approval of this program, we  
4 thought ten years would be reasonable just based on the  
5 annual increase it would be to customers.

6           So with the -- what we're trying to do is  
7 every year just spend a little bit more in order to  
8 lessen the impact that would, it would originally --  
9 that we expected it would originally take over ten  
10 years, but we're trying to keep in mind the customers'  
11 rate impact long-term.

12           **COMMISSIONER BALBIS:** Okay. Thank you.  
13 That's all I had.

14           **CHAIRMAN BRISÉ:** Okay. Thank you. Any  
15 further questions on Item Number 11? Okay. Thank you.

16                           \* \* \* \* \*

17           Now we're ready to entertain a motion on Items  
18 2, 3, 4, 5, 6, 7, 11, and 12.

19           Okay. Commissioner Edgar.

20           **COMMISSIONER EDGAR:** I move approval for Items  
21 2 through 7, 11 and 12.

22           **COMMISSIONER GRAHAM:** Second.

23           **CHAIRMAN BRISÉ:** Okay. It's been moved and  
24 seconded. Any further discussion?

25           Seeing none, all in favor, say aye.

1 (Vote taken.)

2 Okay. By your vote you've approved Items 2  
3 through 7, 11, and 12.

4 (Agenda item concluded.)

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1 STATE OF FLORIDA )  
2 COUNTY OF LEON )

CERTIFICATE OF REPORTER

3  
4 I, LINDA BOLES, CRR, RPR, Official Commission  
5 Reporter, do hereby certify that the foregoing  
6 proceeding was heard at the time and place herein  
7 stated.

8 IT IS FURTHER CERTIFIED that I  
9 stenographically reported the said proceedings; that the  
10 same has been transcribed under my direct supervision;  
11 and that this transcript constitutes a true  
12 transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,  
14 employee, attorney or counsel of any of the parties, nor  
15 am I a relative or employee of any of the parties'  
16 attorney or counsel connected with the action, nor am I  
17 financially interested in the action.

18 DATED THIS 29<sup>th</sup> day of October,  
19 2013.

20  
21 Linda Boles

22 LINDA BOLES, CRR, RPR  
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