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IN REPLY REFER TO:

Ansley Watson, Jr.
P.O. Box 1531
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e-mail: aw@macfar.com

May 5, 2015

VIA FEDEX

Carlotta S. Stauffer, Director
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

REDACTED

Re: Docket No. 150094-GU -- Petition for approval of amendment to special contract with Peninsula Pipeline Company, by Peoples Gas System

Dear Ms. Stauffer:

Enclosed for filing with the Commission on behalf of Peoples Gas System, please find the original and six (6) copies of Peoples' responses to the Commission Staff's Second Data Request in the above docket. You will note that portions of the responses are redacted, and Peoples will be filing separately its request for confidential treatment of the portions redacted in the enclosures.

Please acknowledge your receipt of the enclosures on the enclosed copy of this letter, and return the same to me in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,



Ansley Watson, Jr.

AWjr/a
Enclosures

cc: Martha F. Barrera, Esquire
Ms. Kandi M. Floyd

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PEOPLES GAS SYSTEM
DOCKET NO: 150094-GP
STAFF'S 2ND DATA REQUEST
REQUEST NO. 1
PAGE: 1 OF 1
FILED: MAY 6, 2015

1. Please refer to PGS' confidential responses to Questions 2 and 7 of Staff's First Data Request. Please explain the relationship between the cost estimate provided in response to Question 2 and the amount shown on Line 1 of Page 1 in response to Question 7. Also, please illustrate how the amount shown on Line 1 of Page 1 in response to Question 7 was derived.
 - A. The cost estimate listed in response to question 2 on Line 1 of Page 1 in PGS' response to Question 7 is equal to Peninsula's pro-rata cost of the total Jacksonville expansion cost less those costs that can be directly assigned to other customers participating in the expansion [REDACTED].

Capital costs were allocated to Peninsula based on Peninsula's hourly capacity requirement compared to the overall project's incremental hourly.

The incremental hourly capacity associated with the expansion is approximately [REDACTED] per hour. Peninsula's incremental hourly requirement is [REDACTED] per hour. Peninsula's pro-rata share of the incremental hourly capacity is approximately [REDACTED]; i.e., [REDACTED] divided by [REDACTED]. [REDACTED] of the total cost of the common expansion facilities [REDACTED] equals [REDACTED]. Note: [REDACTED] of the *total* cost of the expansion is directly assigned to another customer participating in the expansion.

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2. Please refer to Page 2 of PGS' confidential response to Question 7. Please clarify why the estimates of other-than-income taxes should not be included in the estimated Total Cost of Service.
 - A. PGS does not anticipate any incremental taxes (other than income) associated with this project. Ad Valorem taxes were included in the original project costs.

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3. Please refer to Page 3 of PGS' confidential response to Question 7. Please clarify how the extended numbers shown in the "Amount" column were derived. An attempt to reproduce these numbers manually yielded differences that are somewhat greater than one might attribute to normal rounding.

- A.
- Line 1 - [REDACTED] x [REDACTED] x [REDACTED]
 - Line 2 - [REDACTED] divided by [REDACTED] x [REDACTED]
 - Line 3 - [REDACTED] x [REDACTED] x [REDACTED]
 - replacement board - [REDACTED] x [REDACTED]
 - replacement modem - [REDACTED] x [REDACTED]
 - batteries - [REDACTED] divided by [REDACTED] x [REDACTED]
 - miscellaneous materials - [REDACTED] x [REDACTED]
 - Line 4 - [REDACTED] x [REDACTED] x [REDACTED]
 - miscellaneous materials - [REDACTED] x [REDACTED]
 - Line 5 - [REDACTED] x [REDACTED] x [REDACTED]
 - Line 6 - miscellaneous expense - [REDACTED] x [REDACTED]
 - Line 7 - sum of lines 1 through 6