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IN REPLY REFER TO:

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October 20, 2015

**VIA E-PORTAL/ELECTRONIC FILING**

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


**Re: Docket No. 150203-GU - Petition for approval of 2014 true-up, 2015 projected true-up and 2016 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System**

Dear Ms. Stauffer:

Attached for electronic filing in the above docket on behalf of Peoples Gas System, please find Peoples' responses to Staff's First Data Request (Nos 1-7). The spreadsheet sought by Data Request No. 7 has been sent via e-mail directly to the Commission Staff and the Office of Public Counsel.

We appreciate your usual assistance.

Sincerely,



Ansley Watson, Jr.

AWjr/a  
Attachment

cc: Office of Public Counsel  
Ms. Kandi M. Floyd

**PEOPLES GAS SYSTEM  
DOCKET NO: 150203-GU  
STAFF'S 1ST DATA REQUEST  
REQUEST NO. 1  
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1. Please update the table shown below (Table 4 from Order No. PSC-14-0682-TRF-GU, issued December 9, 2014 in Docket No. 140183-GU).

<b>Pipe Replacement Program Progress</b>							
Year	Main Replacements					Service Replacements	
	Replaced Cast Iron (miles)	Replaced Bare Steel (miles)	Remaining Cast Iron at Year End (miles)	Remaining Bare Steel at Year End (miles)	Total Miles Remaining	Replaced Number of Steel Services	Total Number of Remaining Steel Services
2012			100	354	454		14,978
2013	14	46	86	308	394	907	14,071
*2014	9	59	77	249	326	950	13,121
2015	13	35	64	214	278	1,350	11,771
2016	13	35	51	179	230	1,800	9,971
2017	13	35	38	144	182	1,950	8,021
2018	13	35	25	109	134	2,200	5,821
2019	13	35	12	74	86	2,200	3,621
2020	12	35	0	39	39	2,100	1,521
2021	0	35	0	4	4	1,400	121
2022	0	4	0	0	0	121	0

\*9 months actual, 3 months projected

- A. See updated chart of Cast Iron / Bare Steel replacement activities. Peoples implemented its accelerated Cast Iron / Bare Steel replacement program in January 2013. Since then, Peoples has replaced approximately 27 miles of Cast Iron and 118 miles of bare steel mains. When the chart was filed with the FPSC, year 2014 was a projection and the 2013 bare steel replacement mile number of 46 included both miles of mains and services. The chart below adjusts the 2013 bare steel number to include miles of mains only while service lines are identified as "replaced number of steel services". In addition and not shown on chart, 9 miles of "other" materials have been replaced in the CIBS program as other pipeline system components. This would include sections of pipe other than cast iron / bare steel which were replaced as a consequence of the replacement of cast iron / bare steel during a replacement project. Please note that a reduction of 3,521 bare steel services in 2015 was a result, in large part, of a field survey that was conducted prior to our implementation of our new GL Essentials compliance software.

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<b>Pipe Replacement Program Progress</b>							
Year	Main Replacements				Service Replacements		
	Replaced Cast Iron (miles)	Replaced Bare Steel (miles)	Remaining Cast Iron at Year End (miles)	Remaining Bare Steel at Year End (miles)	Total Miles Remaining	Replaced Number of Steel Services	Total Number of Remaining Steel Services
2012			100	354	454		14,978
2013	14	34	86	320	406	907	14,071
2014	4	42	82	278	360	950	13,121
*2015(projected)	13	48	69	230	299	3,521	9,600
2016	13	35	56	195	251	1,300	8,300
2017	13	35	43	160	203	1,300	7,000
2018	13	35	30	125	155	1,300	5,700
2019	13	35	17	90	107	1,300	4,400
2020	13	35	4	55	59	1,300	3,100
2021	4	35	0	20	20	1,300	1,800
2022	0	20	0	0	0	1,800	0

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- 2.** Referring to footnote no. 1 of the petition, what is the amount of depreciation expense savings included as a reduction in expenses?
  - A.** The depreciation savings for 2015 reference in the footnote of the petition (7 months actual and 5 months projected) is identified on Exhibit B, page 1 of 3 in the amount of \$138,850.

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- 3.** Referring to paragraph 10 of the petition, please explain the reason(s) for the re-projection of expenditures for 2015.
  - A.** Per Order No. PSC -12-0476-TRF-GU (page 8), the Procedure for Setting the Surcharge requires that Peoples shall file an annual petition to revise the surcharge and the annual filings shall include: "The actual / estimated true-up showing seven months of actual and five months of projected costs and revenues."

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4. Referring to page 3 of Exhibits A and B, please provide the source for the interest rates used.
  - A. Peoples uses the 30-day AA Financial Commercial Paper Rates published by the Federal Reserve System. For example, to determine the interest rate for July 2015, the Company used the 30-day AA Financial Commercial Paper Rate as of June 30, 2015.

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5. Does Peoples continue to focus its pipeline replacement in urban and high consequence areas as described in its response to the Office of Public Counsel's First Set of Interrogatories, No. 2, filed in Docket No. 140183-GU? If not, please explain.
  - A. Yes, as previously stated in Peoples' response to OPC's First Set of Interrogatories No. 2, the Company's replacement program and its efforts continue to identify and target the replacement need for specific pipeline replacement in the company's more urban and high consequence areas. All of these areas are dictated by the DIMP program, which utilizes a risk-based prioritization, designed to determine the replacement order in which cast iron and bare steel pipelines will be replaced.

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6. Please explain the amounts included in the line "Clearings to Plant" in Exhibit C, page 1 of 2.
  - A. The "Clearings to Plant" line includes the projected monthly capital spend (excluding the first million dollars of capital spending in the Cast Iron / Bare Steel Rider annually) for CIBSR work orders expected to be in service. The amount is formula driven and includes 25% of projected prior month "CWIP – Non-Interest Bearing" amount plus 75% of the projected current month capital spend of "Eligible Replacements – Mains" or "Services".



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- 7.** Provide all the spreadsheets with the formulas intact and unlocked.
- A.** The spreadsheet with formulas intact and unlocked will be provided.