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IN REPLY REFER TO:

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

March 2, 2016

VIA FEDEX

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

REDACTED

RECEIVED-FPSC
2016 MAR -3 AM 10:35
COMMISSION
CLERK

Re: Docket No. 160029-GU -- Petition for approval of a special contract with United Parcel Service, Inc., 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 First 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: Kyesha Mapp, Esquire
John J. Truitt, Esquire
Ms. Kandi M. Floyd

COM _____
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APA _____
ECO 3 _____
ENG _____
GCL 3 _____
IDM _____
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PEOPLES GAS SYSTEM
DOCKET NO: 160029-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 1
PAGE: 1 OF 1
FILED: MARCH 3, 2016

1. What is the projected cost to install the extension of approximately 3.8 miles of 6-inch coated steel natural gas pipeline to provide service to UPS?
 - A. The projected cost to install the line extension is [REDACTED]. Of this cost, UPS was allocated [REDACTED] based on UPS' maximum hourly flow requirement.

PEOPLES GAS SYSTEM
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STAFF'S 1ST DATA REQUEST
REQUEST NO. 2
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2. How long will it take to recover the cost of facilities extension? Please provide the calculations illustrating the length of the recovery period.
- A. It will take approximately [REDACTED] to recover the cost of the facilities to serve UPS.

UPS Facility Cost Recovery Period

\$374,388

<u>Year</u>	<u>Revenue</u>	<u>Cumulative Revenue</u>	<u>Facility NBV</u>	<u>Facility Cost less Depreciation</u>
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]	
3	[REDACTED]	[REDACTED]	[REDACTED]	
4	[REDACTED]	[REDACTED]	[REDACTED]	
5	[REDACTED]	[REDACTED]	[REDACTED]	
6	[REDACTED]	[REDACTED]	[REDACTED]	
7	[REDACTED]	[REDACTED]	[REDACTED]	
8	[REDACTED]	[REDACTED]	[REDACTED]	
9	[REDACTED]	[REDACTED]	[REDACTED]	
10	[REDACTED]	[REDACTED]	[REDACTED]	

**PEOPLES GAS SYSTEM
DOCKET NO: 160029-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 3
PAGE: 1 OF 1
FILED: MARCH 2, 2016**

3. Exhibit B to the petition states that UPS will pay Peoples a distribution charge per the Rate Schedule GS-5 along with an additional amount to allow Peoples to recover its cost of service and the cost of facilities extension. Is the additional amount the difference between the \$0.11321 per Therm shown in Rate Schedule GS-5 and the confidential per Therm charge specified in Addendum A, paragraph (a), to the LOA? If not, please provide the additional amount.
 - A. Yes.

**PEOPLES GAS SYSTEM
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STAFF'S 1ST DATA REQUEST
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4. In addition to the Distribution Charge in Rate Schedule GS-5, will UPS also be subject to the following Special Conditions fees specified in Rate Schedule GS-5? If not, please explain why.

- Swing Service Charge
- Energy Conservation Cost Recovery Adjustment Clause
- Competitive Rate Adjustment Clause
- Tax and Fee Adjustment Clause
- Cast Iron Bare Steel Replacement Rider Surcharge

A. Yes.

**PEOPLES GAS SYSTEM
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- 5.** Does UPS have the ability to bypass Peoples and/or obtain the service it needs from elsewhere?
 - A.** Yes. UPS has the ability to bypass the PGS distribution system by connecting directly to the FGT pipeline system.

PEOPLES GAS SYSTEM
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STAFF'S 1ST DATA REQUEST
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6. Referring to Exhibit C to the petition, please explain and show the derivation of the amount shown in Line 1, Operation and Maintenance.

A. See below.

Cost of Service Study
 UPS
 Peoples Gas System, a Division of Tampa Electric Company
Estimated O&M Expense

Line	Description	Amount
1	Meter (prove) - 8 hours/year @ [REDACTED] hour	NA
2	Repaint station(s) every 2 years @ \$2,500 each	NA
3	Maintenance and calibration of EFM Equipment	NA
4	[REDACTED] 8 hours/year replacement board replacement modem replacement battery (5 years) Misc. materials	NA NA NA NA
5	Annual Regulator Testing and Repair (16 hours)	[REDACTED]
	[REDACTED] Misc. materials	[REDACTED]
6	Line Maintenance - CP, Leak Surveys, Locates	[REDACTED]
7	Miscellaneous Expense	[REDACTED]
8	Total Estimated O&M Expenses	[REDACTED]

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REQUEST NO. 7
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7. Referring to Exhibit C to the petition, please explain and show the derivation of the amount shown in Line 5, Return Requirements.

A. See below.

Cost of Service Study
 UPS

Peoples Gas System, a Division of Tampa Electric Company
Calculation of Rate Base, Return Requirements and Income Taxes

Line	Description	Amount
1	Gross investment in plant	● [REDACTED]
2	Less: credit to capital	_____ -
3	Less: Accumulated depreciation @ 4.20%	● [REDACTED]
4	13 month average rate base	● [REDACTED]
5	Overall cost of Capital (December 31, 2014 ESR)	6.66%
6	Return requirements	● [REDACTED]