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Public Service Commission

September 14, 2016

STAFF'S FIRST DATA REQUEST
via email

Ansley Watson, Jr.
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Peoples Gas System
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Re: Docket No. 160201-GU - Petition for approval of 2015 true-up, projected 2016 true-up and 2017 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement, by Peoples Gas System

Dear Mr. Watson, Mr. Brown, Ms. Floyd, and Ms. Brown:

By this letter, Commission staff requests the following information from Peoples Gas System:

1. Please update the table shown below (Attachment 1, Table 1 from Order No. PSC-15-0572-TRF-GU, issued December 18, 2015 in Docket No. 150203-GU).

Table 1
Peoples' Pipe Replacement Program Progress

| 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 |

Source: Peoples' response to Commission staff's data request

2. Please provide a general overview of the replacement projects undertaken in/forecast for 2016, including locations.
3. Referring to page 3 of Exhibits A and B, please provide the source for the interest rates used.
4. Has Peoples identified any O&M expense savings since its filing in Docket No. 150203-GU? Please explain your response and include the amount of O&M expense savings identified, if applicable.
5. Peoples' filing in Docket No. 150203-GU estimated total 2016 replacements as \$11,500,000 (Exhibit C, page 1, line 1a, End of Period Total). In the current filing, Peoples' actual/estimated 2016 replacements are \$12,385,955 (Exhibit B, page 1, lines 1 a, c, and d, End of Period Total, calculated by staff). Please explain the reason for the increase.
6. Please explain the decrease in projected/actual expenditures from \$12,385,955 in 2016 (Exhibit B, page 1, lines 1a, c, and d, End of Period Total, calculated by staff) to \$10,875,000 in 2017 (Exhibit C, page 1, line 1a, End of Period Total).
7. For the following questions, please refer to Peoples' response to staff's first data request, number 5, in Docket No. 150203-GU.

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- a. Does Peoples continue to focus its pipeline replacement in urban and high consequence areas?
- b. Does Peoples continue to use DIMP in determining the replacement projects, as discussed in People? Please explain your answer.

Please file all responses electronically no later than Wednesday, September 28, 2016 via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6540 if you have any questions.

Sincerely,

/s/Sue Ollila

Economic Analyst
sollila@psc.state.fl.us

cc: Office of Commission Clerk