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STATE OF FLORIDA



DIVISION OF ECONOMICS
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Public Service Commission

September 13, 2017

STAFF'S FIRST DATA REQUEST
via email

Ansley Watson, Jr.
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Re: Docket No. 20170192-GU – Petition for approval of 2016 true-up, projected 2017 true-up, and 2018 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System.

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 following table contained in Peoples' response to staff's fifth data request, No. 1, in Docket No. 160159-GU.

	CI/BSR Miles Replaced	PPP Miles Replaced	CI/BSR Investment	PPP Investment	CI/BSR Revenue Requirement	PPP Revenue Requirement
2017	48	25	\$10,875,000	\$ 6,000,000	\$ 2,754,634	\$ 1,519,798
2018	48	34	\$12,112,500	\$ 7,929,163	\$ 5,399,682	\$ 3,534,775
2019	48	28	\$13,505,875	\$ 6,535,788	\$ 7,681,509	\$ 3,717,250
2020	48	26	\$13,911,051	\$ 6,130,612	\$ 9,585,874	\$ 4,224,503
2021	48	24	\$14,328,383	\$ 5,713,280	\$ 11,560,102	\$ 4,609,460
2022	5	22	\$14,758,234	\$ 5,283,429	\$ 13,605,542	\$ 4,870,766
2023		55	\$ -	\$ 12,075,000	\$ -	\$20,274,774
2024		57	\$ -	\$ 12,425,000	\$ -	\$21,448,337
2025		61	\$ -	\$ 13,375,000	\$ -	\$22,624,017
2026		65	\$ -	\$ 14,375,000	\$ -	\$23,888,531
2027		67	\$ -	\$ 14,875,000	\$ -	\$25,247,824
2028		76	\$ -	\$ 16,875,000	\$ -	\$26,782,621

2. The following questions concern replacement progress tables.
 - a. Please update the cast iron/bare steel table shown below (Attachment 1, Order No. PSC-16-0524-TRF-GU, issued November 21, 2016 in Docket No. 20160201-GU).
 - b. Please either add the information for problematic plastic pipe (PPP) to the table or provide a separate table in the same format for PPP replacements.

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	13	38	87	316	403	907	14,071
2014	2	18	85	298	383	950	13,121
2015	26	60	59	238	297	3,521	9,600
2016 (projected)	9	40	50	198	248	1,600	8,000
2017	10	39	40	159	199	1,400	6,600
2018	10	38	30	121	151	1,400	5,200
2019	10	38	20	83	103	1,300	3,900
2020	10	38	10	45	55	1,300	2,600
2021	10	38	0	7	7	1,300	1,300
2022	0	7	0	0	0	1,300	0

3. Referring to page 3 of Exhibits A and B, please provide the source of the interest rates used.

4. Has Peoples identified any O&M expense savings since its filing in Docket No. 20160201-GU? Please explain your response and include the amount of O&M expense savings, if applicable.
5. Referring to Exhibit A, page 1, please confirm that the total investments were \$13,331,026 for 2016 (sum of lines 1a – 1d).
6. Referring to Exhibit B, page 1, please confirm that the total actual and reforecast investments are \$19,246,093 for 2017 (sum of lines 1a – 1e).
7. The forecasted 2017 investment amount in Docket No. 20160201-GU was \$10,875,000 (Exhibit C, page 1). Please explain the reason for the increase to \$19,246,093 in this proceeding and include in the explanation a breakdown of cast iron/bare steel replacements and PPP replacements.
8. Please explain the increase in actual and reforecast investments of \$19,246,093 in 2017 (Exhibit B, page 1) to the projected \$35,675,000 in 2018 (Exhibit C, page 1).
9. Referring to Peoples' response to staff's first data request, No. 2, in Docket No. 20160201-GU, please provide a general overview of the cast iron/bare steel and problematic plastic pipe (PPP) replacement projects undertaken in/forecast for 2017, including locations. Please list cast iron/bare steel projects and PPP projects separately.
10. For the following questions, please refer to Peoples' response to staff's first data request, No. 7, in Docket No. 20160201-GU.
 - a. Does Peoples continue to focus its pipeline replacement in urban and high consequent areas?
 - b. Does Peoples continue to use DIMP in determining the replacement projects? Please explain your answer.
11. Please refer to Peoples' response to staff's third data request in Docket No. 160159-GU, No. 14, for the following question. Does the forecast for the remainder of 2017 or for 2018 contain any new materials that Peoples has agreed to discuss with Commission staff and the Office of Public Counsel? If yes, please explain.

Please file all responses electronically no later than Wednesday, September 27, 2017 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.

Ansley Watson, Jr.
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Sincerely,

/s/ Sue Ollila

Economic Analyst
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cc: Office of Commission Clerk