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October 30, 2020

VIA E-PORTAL FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20200206-GU - Petition of Peoples Gas System for Approval of 2019 True-Up, The Projected 2020 True-Up and 2021 Revenue Requirements and Surcharges Associated with Cast Iron/Bare Steel Pipe Replacement Rider

Dear Mr. Teitzman:

Attached for electronic filing in the above docket on behalf of Peoples Gas System, please find Peoples' Response to Staff's 1st Data Request (Nos. 1-6) in the referenced above.

Your assistance in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb

Attachments

cc: Office of Public Counsel
Ms. Kandi M. Floyd
Thomas R. Farris, Esq.

**PEOPLES GAS SYSTEM
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1. Please update the tables below, contained in Peoples' response to Staff's First Data Request No. 1, in Docket No. 20190171-GU.

	CI/BS Miles Replaced	PPP Miles Replaced	CI/BS Investment	PPP Investment	CI/BS Revenue Requirement	PPP Revenue Requirement
2017	51	*	\$17,588,366	\$2,915,802	\$6,868,302	\$74,021
2018	62	56	\$27,035,678	\$15,890,424	\$8,510,823	\$848,201
2019	66	33	\$30,672,038	\$10,513,608	\$10,855,703	\$2,526,584
2020	51	50	\$19,328,072	\$15,685,267	\$13,511,689	\$3,812,655
2021	27	50	\$	\$16,077,399	\$14,905,884	\$5,464,964
2022	0	54		\$16,479,334	\$15,298,303	\$7,158,192
2023		50		\$16,891,317	\$15,117,501	\$8,874,103
2024		50		\$17,659,872	\$14,920,474	\$10,628,394
2025		45		\$15,971,797	\$14,722,925	\$12,334,602
2026		45		\$16,371,091	\$14,525,360	\$13,931,631
2027		45		\$16,593,231	\$14,327,795	\$15,539,094
2028		25		\$16,260,325	\$14,130,227	\$17,124,548

*2017 investment costs for retiring PPP in early 2018.

**2028 PPP investment includes rollover costs to occur in 2029.

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 of CI/BS Mains	Replaced Number of Bare Steel Services	Total Number of Remaining Bare Steel Services
2012			100	354	454		14978
2013	13	38	87	316	403	907	14071
2014	2	18	85	298	383	7964	6107
2015	26	60	59	238	297	1019	5088
2016	15	35	44	203	247	1050	6963
2017	15	36	29	178	207	1135	4279
2018	10	52	18*	126	144	1970	2309
2019 (projected)	7	59	11	67	78	1200	1109
2020	6	45	5	22	23	1000	109
2021	5	18	0	4	4	109	0
2022	0	4	0	0	0	0	0

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	PPP (miles)	Total Remaining PPP Mains (miles)	Replaced Number of PPP Services	Total Number of Remaining PPP Services*
2016	0	551	0	-
2017	**	509	1396	26,841
2018	56	461	3941	24,741
2019	33	413	Not yet Determined**	-
2020	50	364	Not yet Determined**	-
2021	50	314	Not yet Determined**	-
2022	54	260	Not yet Determined**	-
2023	50	210	Not yet Determined**	-
2024	50	160	Not yet Determined**	-
2025	45	115	Not yet Determined**	-
2026	45	70	Not yet Determined**	-
2027	45	25	Not yet Determined**	-
2028	25	0	Not yet Determined**	-

A.

	CI/BS Miles Replaced	PPP Miles Replaced	CI/BS Investment***	PPP Investment	CI/BS Revenue Requirement	PPP Revenue Requirement
2017	51	*	\$17,588,366	\$2,915,802	\$6,868,302	\$74,021
2018	62	56	\$27,035,678	\$15,890,424	\$8,510,823	\$848,201
2019	52	42	\$35,821,371	\$17,425,589	\$11,075,229	\$2,706,161
2020	51	50	\$33,672,240	\$12,523,353	\$14,872,709	\$4,414,726
2021	30	50	\$16,171,113	\$19,304,134	\$1,206,157	\$220,912
2022	5	50	\$3,306,701	\$18,282,717	\$2,643,484	\$2,506,862
2023		50	\$0	\$18,739,785	\$2,864,957	\$4,636,325
2024		50		\$19,208,280	\$2,830,125	\$6,783,015
2025		50		\$19,688,487	\$2,788,208	\$8,954,706
2026		45		\$18,327,034	\$2,746,064	\$11,070,133
2027		45		\$18,616,695	\$2,703,903	\$13,083,051
2028**		28		\$13,452,047	\$2,661,753	\$14,831,134

*2017 investment costs for retiring PPP in early 2018.

**2028 PPP investment includes rollover costs to occur in 2029.

***CI/BS Investment includes removal of initial \$1M

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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 of CI/BS Mains	Replaced Number of Bare Steel Services	Total Number of Remaining Bare Steel Services
2012			100	354	454		14978
2013	13	38	87	316	403	907	14071
2014	2	18	85	298	383	7964	6107
2015	26	60	59	238	297	1019	5088
2016	15	35	44	203	247	1050	6963
2017	15	36	29	178	207	1135	4279
2018	10	52	18*	126	144	1970	2309
2019	8	44**	10	76	86	649	1660
2020 (projected)	4	47	6	29	35	1000	660
2021	5	25	1	4	5	660	0
2022	1	4	0	0	0	0	0

*Slight increase in Cast Iron due to reclassification.

**Additional Bare Steel identified and reclassified during replacement.

	PPP (miles)	Total Remaining PPP Mains (miles)	Replaced Number of PPP Services	Total Number of Remaining PPP Services*
2016	0	551	0	-
2017	**	509	1,396	26,841
2018	56	461	3,941	24,741
2019	42	418	2,349	20,420
2020	50	368	Not yet Determined**	-
2021	50	318	Not yet Determined**	-
2022	50	268	Not yet Determined**	-
2023	50	218	Not yet Determined**	-
2024	50	168	Not yet Determined**	-
2025	50	118	Not yet Determined**	-
2026	45	73	Not yet Determined**	-
2027	45	28	Not yet Determined**	-
2028	28	0	Not yet Determined**	-

* The number of PPP Services in 2016 is assumed to be 28,237 based on the number of miles of PPP main and the number of services attached to that main.

** This will be determined during the replacement year.

***Beginning year 2017, PGS had 509 known miles of pre-1984 Aldyl A pipe. An additional 8 miles of pipeline was reclassified as pre-1984 Aldyl A while PGS retired 56 miles of pre-1984 Aldyl A. This addition of 8 miles results in an actual mileage of 461 miles of PPP at the beginning of 2018.

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- 2.** Please provide the Excel spreadsheets for petition Exhibits A, B, and C with formulas unlocked.
- A.** Unlocked Excel spreadsheets will be provided separately (BS 5) DR2 Excel File Unlocked.xlsx.

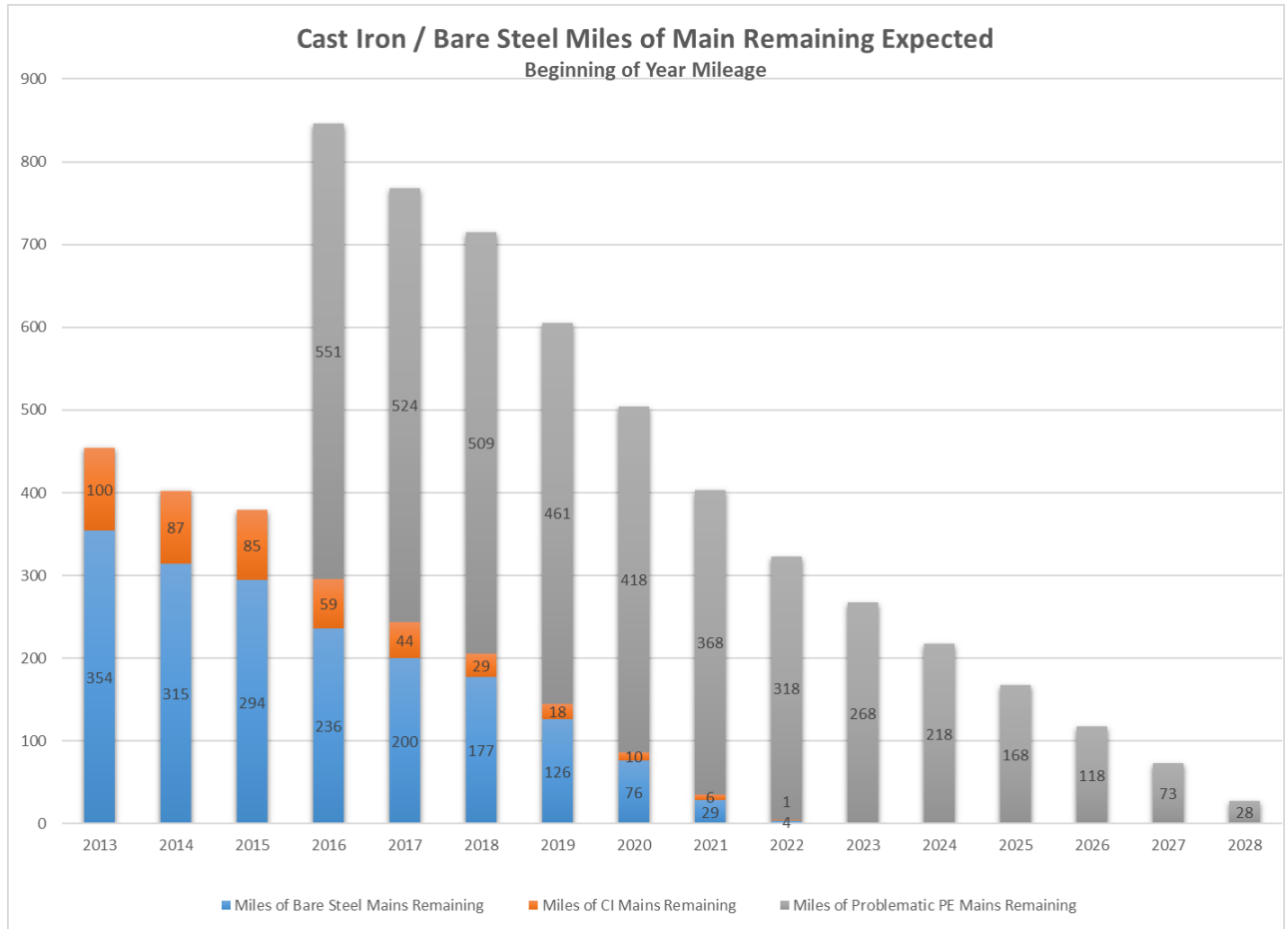
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- 3.** Referring to paragraph 12 of the petition, please explain the factors that led to the \$3,382,549 under-recovery (including interest) in 2019.
 - A.** The primary factor that led to the \$3,382,549 under-recovery is lower than projected sales of natural gas. \$10,398,531 of CI/BSR Revenue was collected during 2019, as shown on line 1 on page 2 of Exhibit A of the filing. This was \$1,086,047 lower than the estimated amount of \$11,484,578 of CI/BSR Revenue for 2019 shown on line 1, page 2 of Exhibit B in the 2020 Projection Filing. This reduced revenue was the main driver for the variance between the \$2,153,196 estimated under-recovery End of Period True-Up for 2019 shown on line 10 of page 2 of Exhibit B in the 2020 Projection Filing, and the End of Period Total True-up of \$3,382,549 shown on line 10 of page 2 of the 2021 Projection Filing.

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4. Please discuss the progress of Cast Iron/Bare Steel Pipe Replacement Rider projects and Problematic Plastic Pipe replacement projects in 2019, 2020, and those planned for 2021.

A.



- Start of CIBS/BS Rider – January 1, 2013 (454 miles)
- Start of PPP Rider – July 1, 2017 (528 miles)
- In 2019, Peoples Gas completed replacement projects in Miami, Tampa, St. Pete, Orlando, Sarasota, Jacksonville, Eustis and Daytona.
 - Miami
 - Victory Homes – CIBS
 - South of SW 8th St – CIBS
 - Cypress Creek – CIBS
 - Federal Highway & NE 39th St – CIBS
 - Pasadena Lakes (Pembroke Pines) partial completion – PPP

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- Tampa
 - E of I-275 N of Hillsborough Ave - CIBS
 - Hubert - CIBS
 - Granada Empedrado – CIBS
 - Leona Corona – CIBS
 - W of I-275 N of Hillsborough Ave North Phase partial completion – CIBS
 - Miscellaneous CIBS
- St Pete
 - Central Ave (Phase C and 4) – CIBS
- Orlando
 - Deer Run – PPP
 - Sky Lake
 - Sausalito
 - Tuskawilla Point
 - Howell Harbor
 - Howell Cove & Sutter Mills
 - Pepper Mill – PPP
 - Winter Park (Webster Ave) – CIBS
 - Miscellaneous CIBS
- Jacksonville
 - San Marco – PPP
 - King St – CIBS
 - Miscellaneous CIBS
- Daytona
 - Shangri-La – PPP
- Sarasota
 - Downtown - CIBS
- In 2020, Peoples Gas has continued focus on replacement projects Miami, Tampa, St. Pete, Orlando, and Jacksonville and begin replacement in Eustis, Daytona and Ocala. Key replacement projects include:
 - Miami – CIBS
 - E of Biscayne Blvd from NE 55TH St to NE 60TH St
 - Biscayne Blvd from NE 39th St. to NE 53rd St. (N of NE 36th St)
 - The Roads Neighborhood
 - Pasadena Lakes in Pembroke Pines - PPP
 - NW 28th St to NW 35th St., e/o NW 2nd Ave.
 - NW 77th St. to NW 83rd St (NE 80th Ter., east of NE 2nd Ave.)
 - N/O NW 7th St, NE 15th Ave to NE 12th Ct.
 - NE 80th Ter., east of NE 2nd Ave.

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- NE 51 St. to NE 55 st e/o Biscayne Blvd.
- Tampa – CIBS/PPP
 - W of I-275 E of Hillsborough River 2020 completion - CIBS
 - Nebraska to Rowlette & E. Okaloosa to Hillsborough River - CIBS
 - W of I-275 E of Hillsborough River - South Phase - CIBS
 - Palma Ceia - CIBS
 - Palmetto Beach - CIBS
 - Ballast Point - CIBS
 - Lincoln and Laselle - CIBS
 - Beach Park - CIBS
 - Miscellaneous CIBS
- St Pete – CIBS/PPP
 - Central Avenue Phase 3/D - CIBS
 - Snell Island - PPP
- Orlando – CIBS/PPP
 - Palmer Area, Winter Park - CIBS
 - Phelps Area, Winter Park - CIBS
 - Osceola Area, Winter Park - CIBS
 - Pine Ridge Estates - PPP
 - River Run - PPP
 - The Willows - PPP
 - Clubhouse Estates - PPP
 - Miscellaneous CIBS
- Eustis – PPP
 - Umatilla
 - Downtown Eustis - McDonald & Eustis St
 - Wall St
 - Mt Homer
- Jacksonville – CIBS/PPP
 - Beaver St - CIBS
 - Orion St to Stockton - CIBS
 - St. Nicholas - PPP
 - E 4th St & Milnor St - CIBS
- Daytona – PPP
 - Highland Ave
 - Beachside North (2021 carryover)
 - Grandview Replacement
- Ocala – PPP
 - Citrus Park
 - La Jolla Subdivision/ SW 29th

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- In 2021, Peoples Gas will continue focus on replacement projects Miami, Tampa, St Pete, Orlando, Jacksonville, Avon Park, Daytona and Ocala.
 - Miami - CIBS
 - Tampa – CIBS/PPP
 - St Pete – CIBS
 - Orlando – CIBS/PPP
 - Jacksonville – CIBS/PPP
 - Daytona - PPP
 - Avon Park – PPP
 - Ocala - PPP

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- 5.** Please explain in detail why the utility wants to apply the Cast Iron/Bare Steel Replacement Rider charges to Interruptible Service customers.
 - A.** At the time Peoples filed its original petition for the Cast Iron/Bare Steel Replacement Rider many of the customers in Rate Class SIS, Rate Class IS, and Rate Class ISLV were direct connect customers that did not use a large portion of Peoples distribution system and therefore were excluded from the Rider. Peoples believes that all customers benefit from the replacement of aging infrastructure to maintain a safe, reliable system and it is therefore fair and reasonable for customers in these rate classes to contribute a proportional cost of the program.

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- 6.** Please explain in detail why the utility did not include Interruptible Service customers in the original Cast Iron/Bare Steel Replacement Rider petition (Docket No. 20110320-GU).

- A.** See response to Staff's First Data Request Number 5.