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October 17, 2022

VIA: ELECTRONIC FILING

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

Re: FPSC Docket No. 20220152; Petition of Peoples Gas System for Approval of 2021 True-Up, the Projected 2022 True-Up and 2023 Revenue Requirements and Surcharges Associated with Cast Iron/Bare Steel Replacement Rider

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is Peoples Gas System's Response to Staff's First Data Request (Nos 1-4) propounded on September 22, 2022.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'V. Ponder'.

Virginia Ponder

VLP/ne
Attachment

cc: Oakley Ward, oward@psc.state.fl.us
All parties of record (w/att.)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Response, filed on behalf of People Gas System, has been furnished by electronic mail on this day, the 17th of October 2022 to the following:

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ATTORNEY

**TAMPA ELECTRIC COMPANY
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- 1.** Please provide the Excel spreadsheets for petition Exhibits A, B, and C with formulas unlocked

- A.** Please see the electronic response document provided in MS Excel format entitled "(BS_02) DR 1 – Excel File Unlocked."

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- 2.** Referring to paragraph 12 of the petition, please explain the factors that led to the \$563,794 under-recovery (including interest) in 2021.
 - A.** The primary factor that led to the \$563,794 under-recovery in 2021 is lower than projected sales of natural gas. In 2021, \$5,206,120 of CI/BSR Revenue net of Regulatory Assessment Fee was collected, as shown on line 1 on page 2 of Exhibit A of the petition filed with the Commission on September 1, 2022, in Docket No. 20220152-GU ("2023 Projection Filing"). This was \$295,420 lower than the estimated amount of \$5,501,540 of CI/BSR Revenue for 2021 shown on line 1, page 2 of Exhibit B in the petition filed on September 1, 2021, in Docket No. 20210148-GU ("2022 Projection Filing"). This reduced revenue was the main driver for the variance between the \$344,870 estimated under-recovery for 2021 shown in the 2022 Projection Filing, and the True-up of \$563,794 shown in the 2023 Projection Filing.

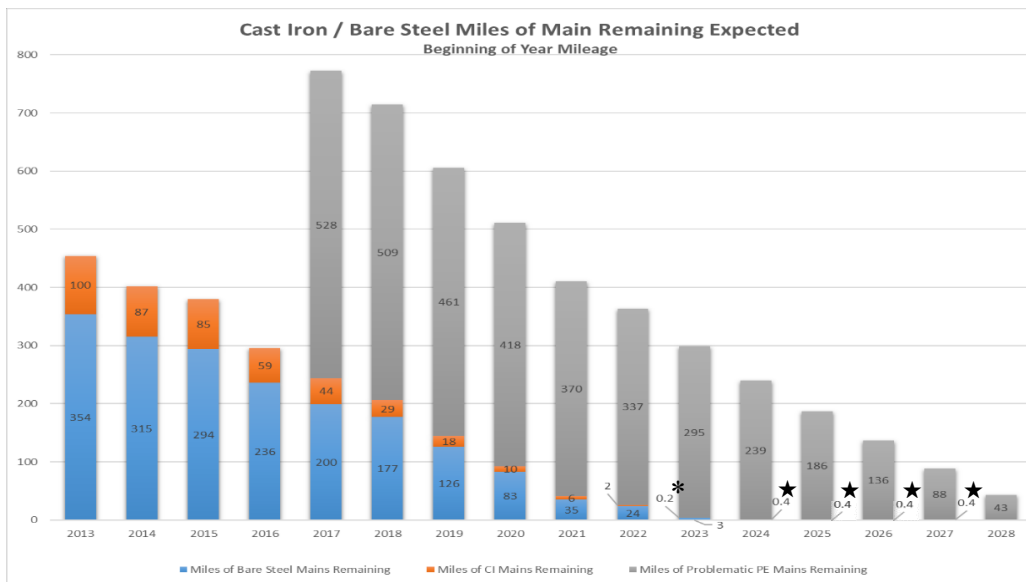
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3. Please discuss the progress of Cast Iron/Bare Steel Pipe Replacement Rider projects and Problematic Plastic Pipe replacement projects in 2021, 2022, and those planned for 2023.

A. Peoples Gas System (“Peoples Gas or the Company”) has made significant progress in its cast iron/bare steel (“CI/BS”) and problematic plastic pipe (PPP) replacement projects under the Commission approved CI/BS Replacement Rider (“Rider CI/BSR”).

As discussed in more detail below, Peoples Gas experienced delays in CI/BS replacement that will prevent the Company from completing the CI/BS projects within the projected 10-year time period (by the end of 2022) under Rider CI/BS. Peoples Gas expects to have approximately 3.4 miles remaining (more detail below) as we enter 2023. Peoples Gas continues to work towards replacing all PPP in its system by 2028, in accordance with Rider CI/BSR.

By including both the CI/BS and PPP infrastructure replacement projects in the proposed recovery factor for 2023, Peoples Gas intends the remaining 3.4 miles of CI/BS replacement be recovered through the Company’s Rider CI/BSR beyond the projected ten-year period for the CI/BSR portion. To the extent that the Commission disagrees with this process, Peoples Gas would submit a request to extend the CI/BS portion of Rider CI/BSR.



*The 0.2 miles in 2023 is the remaining cast-iron mains.

★The 0.4 miles in 2024 – 2027 is the remaining bare steel mains that under a construction moratorium by the City of Miami until 2027.

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Cast Iron/Bare Steel Pipe Replacement Rider Projects and Problematic Plastic Pipe Replacement Projects in 2021

In 2021, Peoples Gas continued to focus on CI/BS replacement projects in Miami, Tampa, St. Pete, and Orlando. At the end of 2021, Peoples Gas replaced approximately 14 miles of CI/BS.

In 2021, Peoples Gas continued replacement of PPP in Jacksonville, Eustis, and Ocala. Peoples Gas also began replacements in Daytona and Avon Park. At the end of 2021, Peoples Gas replaced approximately 38 miles of PPP.

Projects Completed in 2021:

No.	Service Area	Pipe Type	Project Name
1	Miami	CI/BS	The Roads Neighborhood
2	Miami	CI/BS	Biscayne Blvd (NE 55th St to NE 60th St)
3	Miami	CI/BS	NW 77th St to NW 83rd St
4	Miami	CI/BS	NW 28th St to NW 35th St, e/o NW 2nd Ave
5	Miami	CI/BS	n/o NW 7th St, NE 15th Ave to NE 12th Ct
6	Miami	CI/BS	NE 51 St. to NE 55 ST., e/o Biscayne Blvd.
7	Tampa	CI/BS	Bon Air
8	Tampa	CI/BS	Various projects <0.5 miles in length
9	St Petersburg	CI/BS & PPP	Snell Isle
10	Orlando	PPP	River Run
11	Orlando	CI/BS	Winter Park (Osceola and Fairbanks)
12	Orlando	CI/BS	N Parramore Ave from Conley St to W Gore St
13	Eustis	PPP	Old Eustis Mt Dora
14	Eustis	PPP	Various projects <0.5 miles in length
15	Jacksonville	PPP	Riverside
16	Jacksonville	PPP	RR Crossing at Pearl St from Demper to Chestnut
17	Daytona	PPP	Downtown
18	Daytona	PPP	Willis Ave
19	Daytona	PPP	Brentwood Replacement
20	Daytona	PPP	Various projects <0.5 miles in length
21	Avon Park	PPP	Downtown
22	Ocala	PPP	NE Ocala
23	Ocala	PPP	NE 48 th Ave Rd
24	Ocala	PPP	Deer Run Ocala
25	Ocala	PPP	Village Green
26	Ft Kin	PPP	Ft King District

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Cast Iron/Bare Steel Pipe Replacement Rider Projects and Problematic Plastic Pipe Replacement Projects in 2022

In 2022, Peoples Gas continued to focus on CI/BS replacement projects in Miami, Tampa, St. Pete, Orlando, and Jacksonville to meet the program's approved 10-year period. However, Peoples Gas will have approximately 3.4 miles of CI/BS replacement remaining as we enter 2023. The COVID-19 Pandemic environment greatly contributed to replacement efforts going beyond the 10-year period. Factors include construction contractor labor shortages, consulting firm (e.g., engineering) availability, supply chain challenges, and extensive permitting challenges. Additionally, in the City of Miami, construction moratoriums currently in place will delay work in replacing 0.4 miles of pipe in this area until 2027.

In 2022, Peoples Gas continued replacement of PPP in Jacksonville, Orlando, Eustis, Daytona, Ocala, and Avon Park.

Projects Completed in 2022:

No.	Service Area	Pipe Type	Project Name
1	Miami	CI/BS	NW 77th St to NW 83rd St
2	Miami	CI/BS	Various projects <0.5 miles in length
4	Tampa	CI/BS & PPP	Bayshore Beautiful
5	Tampa	CI/BS	Bon Air
6	Tampa	PPP	Davis Island
7	Tampa	CI/BS	Various projects <0.5 miles in length
8	St Petersburg	CI/BS	18th Ave N between 66th St N & Devonshire Dr N
9	St Petersburg	CI/BS	n/o of 65th Ave N between 26th Way N & 27th St N
10	Orlando	PPP	Bay Lakes
11	Orlando	PPP	Shadow Hills
12	Orlando	CI/BS	Texas Ave - W Church St to W Central Blvd
13	Orlando	CI/BS	Central Ave - US 17-92 & Lake Ave
14	Orlando	CI/BS	Michigan Ave & Unitah Ave - 31st St to 39th St
15	Orlando	CI/BS	W Columbia Ave - Central Blvd to W Robinson St
16	Orlando	CI/BS	Various projects <0.5 miles in length
17	Eustis	PPP	Mud Manor / Country Club Estates
18	Eustis	PPP	Tavares Mobile Home Park Sinclair
19	Eustis	PPP	Old Mount Dora Road
20	Eustis	PPP	Various projects <0.5 miles in length
21	Jacksonville	CI/BS	Springfield East
22	Jacksonville	CI/BS	Laura St b/w 1st St N & 8th St N
23	Jacksonville	CI/BS	Various projects <0.5 miles in length
24	Lakeland	PPP	Wabash Center Replacement
25	Daytona	PPP	Beachside North
26	Avon Park	PPP	Downtown
27	Ocala	PPP	NE Ocala
28	Ocala	PPP	16th & 21st

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Cast Iron/Bare Steel Pipe Replacement Rider Projects and Problematic Plastic Pipe Replacement Projects in 2023

In 2023, Peoples Gas will continue to focus on CI/BS replacement projects in Miami, Orlando, and Jacksonville. Although contingent on work completed in the remainder of 2022, Peoples Gas estimates the remaining replacement mileage for these areas at the beginning of 2023 to be as follows:

- Miami: 0.2 miles CI / 2.3 miles BS (Note: 0.4 miles of bare steel replacement is delayed due to a construction moratorium until 2027)
- Orlando: 0.2 miles BS
- Jacksonville: 0.7 miles BS

In 2023, Peoples Gas will continue replacement of PPP in Jacksonville, Orlando, Eustis, Lakeland, Daytona, Ocala, and Jupiter.

Projects Projected to be Completed in 2023:

No.	Service Area	Pipe Type	Project Name
1	Miami	CI/BS	NE 1st Ter, NE 25th ST, NE 2nd Ter
2	Miami	CI/BS	Various projects <0.5 miles in length
3	Tampa	PPP	Interbay Blvd, MacDill Ave to Interbay Ave
4	Tampa	PPP	Bayshore Blvd, from Bay Ave to Old Bayshore Way
5	Tampa	PPP	Various projects <0.5 miles in length
6	St Petersburg	PPP	Park Blvd
7	St Petersburg	PPP	54th Ave N & US-19
8	St Petersburg	PPP	Various projects <0.5 miles in length
9	Orlando	CI/BS	S Paramore Ave
10	Orlando	PPP	Ivanhoe Estates
11	Orlando	PPP	w/o Semoran Blvd & n/o Kewannee Park
12	Orlando	PPP	Winsor Manor Neighborhood
13	Orlando	PPP	Sierra Ln & Lake Howell Ln
14	Orlando	PPP	Various projects <0.5 miles in length
15	Eustis	PPP	Country Club Estates
16	Eustis	PPP	Tavares
17	Eustis	PPP	Various projects <0.5 miles in length
18	Jacksonville	CI/BS & PPP	Springfield - West
19	Jacksonville	PPP	Avondale
20	Jacksonville	PPP	Downtown Phases
21	Lakeland	PPP	S Florida Ave & Terrace Way Mobile Park
22	Daytona	PPP	Downtown
23	Avon Park	PPP	Frostproof
24	Jupiter	PPP	Elm Ave & Banyan
25	Jupiter	PPP	Various projects <0.5 miles in length
26	Ocala	PPP	Ft King District
27	Ocala	PPP	Fox Meadow

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4. Please update the tables below, contained in Peoples' response to Staff's First Data Request No. 1, in Docket No. 20210148-GU.

Year	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	55	43	\$32,317,184	\$11,115,571	\$14,817,804	\$4,358,010
2021 (projected)	34	50	\$22,276,649	\$15,615,604	\$1,424,567	\$(161,100)
2022	7	50	\$6,866,249	\$20,424,766	\$3,141,854	\$1,909,621
2023	-	50	-	\$18,167,124	\$3,596,461	\$3,969,687
2024	-	50	-	\$18,621,303	\$3,561,044	\$5,921,914
2025	-	50	-	\$19,086,835	\$3,512,324	\$7,897,652
2026	-	45	-	\$17,766,986	\$3,463,181	\$9,820,999
2027	-	45	-	\$18,047,796	\$3,414,026	\$11,661,302
2028**	-	24	-	\$14,276,750	\$3,364,870	\$13,330,589

*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.

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	15	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	83**	93	649	1660
2020	4	51	6	35**	41	423	1237
2021	4	30	2	5	7	800	437
2022	2	5	0	0	0	437	0

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Year	PPP (miles)	Total Remaining PPP Mains (miles)	Replaced Number of PPP Services	Total Number of Remaining PPP Services*
2016	-	551	-	-
2017	***	509	1,396	26,841
2018	56	461	3,941	24,741
2019	42	418****	2,349	20,420
2020	43	370****	2,046	18,374
2021	51	319	Not yet Determined**	-
2022	55	264	Not yet Determined**	-
2023	50	214	Not yet Determined**	-
2024	50	164	Not yet Determined**	-
2025	50	114	Not yet Determined**	-
2026	45	69	Not yet Determined**	-
2027	45	24	Not yet Determined**	-
2028	24	0	Not yet Determined**	-

A.

Year	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	55	43	\$32,317,184	\$11,115,571	\$14,817,804	\$4,358,010
2021	14	38	\$23,726,642	\$19,812,603	\$1,347,321	\$(160,452)
2022*	22.6	42	\$12,726,454	\$13,257,487	\$3,198,966	\$1,893,717
2023*	3	56	\$4,733,434	\$20,084,370	\$4,427,140	\$3,606,787
2024*	-	53	-	\$21,113,609	\$4,719,944	\$5,790,505
2025*	-	50	-	\$20,422,085	\$4,665,567	\$7,934,661
2026*	-	48	-	\$20,065,464	\$4,604,292	\$9,995,517
2027*	0.4 [§]	45	⊕	\$19,320,794	\$4,542,798	\$11,974,082
2028*	-	43	-	\$20,464,387 [†]	\$4,481,301	\$13,934,519

* Projected

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

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

§ 5-year construction moratoriums in effect in the City of Miami preventing completion before 2027.

⊕ Costs for remaining CI/BS miles in 2027 expected to be less than \$1M and thus excluded from the investment amount.

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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	-	14,978
2013	13	38	87	316	403	907	14,071
2014	2	15	85	298	383	7,964	6,107
2015	26	60	59	238	297	1,019	5,088
2016	15	35	44	203	247	1,050	6,963
2017	15	36	29	178	207	1,135	4,279
2018	10	52	18	126	144	1,970	2,309
2019	8	44	10	83 [▲]	93	649	1,660
2020	4	51	6	35 [▲]	41	423	1,237
2021	3.5	10.5	2	24	26	191	998
2022*	1.8	20.8	0.2 [‡]	3.2 ^{‡▲}	3.4	500	†

* Projected

‡ For an explanation regarding remaining CI/BS after 2022 see response to question number 3.

† This will be determined during the replacement year.

▲ Additional miles of pipe added after reclassification of pipe type.

Miles	Replaced PPP (miles)	Total Remaining PPP Mains (miles)	Replaced Number of PPP Services	Total Number of Remaining PPP Services
2016	-	551	-	28,237
2017	-	509	1,396	26,841
2018	56	461	3,941	24,741
2019	42	418	2,349	20,420
2020	43	370	1,702	18,718
2021	38	337	882	17,683
2022*	42	295	†	†
2023*	56	239	†	†
2024*	53	186	†	†
2025*	50	136	†	†
2026*	48	88	†	†
2027*	45	43	†	†
2028*	43	-	†	†

* Projected

† This will be determined during the replacement year.