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Attorneys and Counselors at Law
123 South Calhoun Street
P.O. Box 391 32302
Tallahassee, FL 32301

P: (850) 224-9115
F: (850) 222-7560

ausley.com

September 22, 2023

VIA: ELECTRONIC FILING

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

Re: Docket 20230098; Petition for approval of 2022 true-up, projected 2023 true-up, and 2024 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System, Inc.

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is Peoples Gas System, Inc.'s Response to Staff's First Data Request (Nos. 1-4) propounded on September 12, 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
Ryan Sandy, rsandy@psc.state.fl.us

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
BATES PAGE(S): 1 - 2
FILED: SEPTEMBER 22, 2023**

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

- A.** Please see Peoples Gas System Inc's. electronic attachment in MS Excel format containing the provided Excel spreadsheet titled "BS2_DR1_ Docket 20230098-GU First Data Request Answer #1".

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 2
BATES PAGE(S): 3
FILED: SEPTEMBER 22, 2023**

2. Referring to paragraph 12 of the petition, please explain the factors that led to the \$787,888 under-recovery (including interest) in 2022.
- A. The primary factors that led to the \$787,888 under-recovery in 2022 are (i) lower than projected sales offset by lower than projected costs; (ii) additional expense of \$253,079 resulting from tax reform; and (iii) an additional under-recovery amount of \$218,924 over the projected amount of \$344,870 for 2021.

In 2022, \$5,052,616 of Rider CI/BS 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, 2023, in Docket No. 20230098-GU (“2024 Projection Filing”). This was \$343,728 lower than the projected amount of \$5,396,344 shown on line 11, page 1 of Exhibit C in the petition filed on September 1, 2021, in Docket No. 20210148-GU (“2022 Projection Filing”). The lower revenue was slightly offset by lower than projected investment costs of \$5,020,126 as shown on line 4d on page 1 of Exhibit A of the 2024 Project Filing, as opposed to \$5,051,475 on line 9 on page 1 of the 2022 Projection Filing.

See the calculation presented below.

	<u>True-up Amount</u>	
Actual Revenue (20230098-GU)	\$ 5,052,616	Exhibit A, Pg 2, Ln 1
Projected Revenue Requirement (20210148-GU)	<u>5,396,344</u>	Exhibit C, Pg 1, Ln 11
	<u>(343,728)</u>	
Investment Costs (20230098-GU)	5,020,126	Exhibit A, Pg 2, Ln 4d
Revenue Requirement Net of Projected Recovery (20210148-GU)	<u>5,051,475</u>	Exhibit C, Pg 1, Ln 9
	<u>31,349</u>	
Additional Expense from Tax Reform (20230098-GU)	(253,079)	Exhibit A, Pg 2, Ln 9a
2021 True-up Projected	(344,870)	Exhibit B, Pg 3, Ln 10
2021 True-up Actual (20230098-GU)	<u>(563,794)</u>	Exhibit A, Pg 2, Ln 7
	<u>(218,924)</u>	
Interest Provision (20230098-GU)	(3,505)	Exhibit A, Pg 2, Ln 6
Total 2022 True-up	<u>\$ (787,887)</u>	

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 3
BATES PAGE(S): 4 - 8
FILED: SEPTEMBER 22, 2023**

3. Please discuss the progress of Cast Iron/Bare Steel Pipe Replacement Rider (CI/BS) projects and Problematic Plastic Pipe (PPP) replacement projects in 2022, 2023, and those planned for 2024.
- A. Peoples Gas System, Inc. (“Peoples” 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/BS”).

As discussed in more detail below, Peoples experienced delays in CI/BS replacement that prevented 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 expects to have approximately 7.5 miles remaining (more detail below) as we enter 2024. The remaining CIBS miles exceed what was reported last year due to identification of additional CIBS pipe. Peoples continues to work towards replacing all PPP in its system by 2028, in accordance with Rider CI/BS.

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

In 2022, Peoples continued to focus on CI/BS replacement projects in Miami, Tampa, St. Pete, Jacksonville and Orlando. At the end of 2022, Peoples replaced approximately 10.4 miles of CI/BS.

In 2022, Peoples continued replacement of PPP in Jacksonville, Eustis, Orlando and Ocala and began replacements in Daytona and Avon Park. At the end of 2022, Peoples replaced approximately 29 miles of PPP.

Projects Completed in 2022:

No.	Service Area	Pipe Type	Project Name
1	Miami	CI/BS	Area 20 NW 77th St. to NW 83rd St (NE 80th Ter., east of NE 2nd Ave.)
2	Miami	CI/BS	Area 8 NW 28th St to NW 35th St., e/o NW 2nd Ave.
3	Miami	CI/BS	Area 31 - NE 5th St & NE 6th St and Alleys in between
4	Miami	CI/BS	Area 32 - NE 1st St & NE 2nd St
5	Miami	CI/BS	Area 34 - Area between Sw 46th Ave & Sw 49th Ave
6	Miami	CI/BS	Area 38 - Sw 19th St & Sw 47th Ave, SW 48th Ave
7	Miami	CI/BS	Area 43 - N 17th Ave and Tyler St
8	Miami	CI/BS	Area 44 - S 10th Ave & S 9th Ave
9	Miami	CI/BS	Area 50 - 434 NE 23rd St
10	Miami	CI/BS	Area 54 - NW 4th Ave between NW 16th St and NW 17th St

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 3
BATES PAGE(S): 4 - 8
FILED: SEPTEMBER 22, 2023**

No.	Service Area	Pipe Type	Project Name
11	Miami	CI/BS	NE 1ST ST & NE 3RD AVE, FT. LAUDERDALE
12	Tampa	CI/BS	Bon Air
13	Tampa	CI/BS/PPP	Bayshore Beautiful - 2021
14	Tampa	CI/BS	Area 6 - N 50th St & E 10th Ave
15	Tampa	CI/BS	W Kennedy Blvd & S Dakota Ave (Area 8)
16	Tampa	CI/BS/PPP	E Henry Ave (Areas 3&4)
17	Tampa	CI/BS	W Columbus Dr (Area 10)
18	St Petersburg	CI/BS	Area 2 - 18th Ave N between 66th St N & Devonshire Dr N
19	Orlando	CI/BS/PPP	S. Paramore Ave - Gore St to Columbia St
20	Orlando	CI/BS	E Evans St - Depauw Ave to Formosa Ave
21	Orlando	CI/BS	N Bumby Ave - Bumby & Hillcrest
22	Orlando	CI/BS	Texas Ave - W. Church St to W. Central Blvd
23	Orlando	PPP	Shadow Hills (South of Ivanhoe Estates)
24	Eustis	PPP	Highland St & 10th Ave
25	Eustis	PPP	Lakeview Replacement
26	Eustis	PPP	Old Mount Dora Road
27	Jacksonville	CI/BS	Riverside (C Phase)
28	Jacksonville	PPP	Springfield - East
29	Lakeland	PPP	Wabash Center Replacement
30	Daytona	PPP	Beachside North
31	Avon Park	PPP	Avon Park
32	Ocala	PPP	NE Ocala Replacement
33	Ocala	PPP	16th & 21st

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

In 2023, Peoples has continued to focus on CI/BS replacement projects in Miami, Orlando, Tampa and Jacksonville.

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

Projects projected in design, permitting and/or to be completed in 2023:

No.	Service Area	Pipe Type	Project Name
1	Miami	CI/BS	Area 20 - N/O NE 79th St and NE Miami Ct
2	Miami	CI/BS	Area 23 - NE 1st Ter, NE 25th ST, NE 2nd Ter (Palm View)
3	Miami	CI/BS	Area 27 - NW 62nd Ave & NW 58th Ter & Seton Dr

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 3
BATES PAGE(S): 4 - 8
FILED: SEPTEMBER 22, 2023**

No.	Service Area	Pipe Type	Project Name
4	Miami	CI/BS	Area 33 - E Broward Blvd between SE 9th & SE 10th Ave
5	Miami	CI/BS	Area 42 - Cleveland St between N Federal Hwy & N 17th Ave
6	Miami	CI/BS	81 NE 67th St, Miami (HUD)
7	Miami	CI/BS	Area 53 - between NW 12th St & NW 11 St
8	Miami	CI/BS	Area 60 - SW 2nd Ave between SW 12th St and SW 13st St
9	Miami	CI/BS	Area 61 - Alley between S Miami Ave, SE 15th St & Brickell Ave
10	Miami	CI/BS	Area 63 - 80th St & Collins Ave
11	Miami	CI/BS	Area 68 - Post Ave & W 47th St
12	Miami	CI/BS	Area 69 - Barry St & Garden Ave
13	Miami	CI/BS	Area 70 - W 40th St
14	Miami	CI/BS	Area 71 - W 26th St & Flamingo PL
15	Miami	CI/BS	Area 4 - SW 5th Ave SW 6 St to SW 7 St and SW 5th St, e/o SW 4th Ave
16	Miami	CI/BS	Area 26 - NE 2nd Ave from NE 38 St to NE 42 St and NE 38th St/NE 39th St, west of NE 6th Ave
17	Miami	CI/BS	NW 4th Ave & NW 3rd St, Miami
18	Miami	CI/BS	NW 25th St from Miami Ave to NW 2nd Ave, Miami
19	Tampa	CI/BS	W Columbus Dr (Area 10)
20	Tampa	PPP	Davis Island
21	Tampa	PPP	Interbay Blvd, MacDill Ave to Interbay Ave
22	Tampa	PPP	Bayshore Blvd, from Bay Ave to Old Bayshore Way
23	Tampa	PPP	W Euclid Ave between Sterling Ave & S Himes Ave
24	Tampa	PPP	S Orleans Ave & W Watrous Ave
25	St Petersburg	PPP	Park Blvd
26	St Petersburg	PPP	54th Ave N & US-19 N
27	St Petersburg	PPP	317 Park St & 3rd
28	St Petersburg	PPP	Country Club Rd N between 80th St N & Follow Thru Rd N
29	St Petersburg	PPP	Robinson Dr N & Par Ave N
30	St Petersburg	CI/BS	113th St N, from Walker St to 54TH Ave N
31	Orlando	CI/BS	Kaley St - S Division Ave to S Fern Creek Ave
32	Orlando	CI/BS	Central Ave - US 17-92 & Lake Ave
33	Orlando	CI/BS	Michigan Ave & Unitah St - 31st St to 39th St
34	Orlando	CI/BS	Orange Ave - Pineloch Ave to Jennie Jewel Dr
35	Orlando	CI/BS	Orlando Ave - Elvin Ave & Orlando Ave/Park Ave & Circle Dr
36	Orlando	CI/BS	S Mills Ave & Lancaster Park - North of E Kaley St/West of S Fern Creek Ave
37	Orlando	CI/BS	S Paramore Ave - Central Blvd to W Robinson St on Parramore Ave
38	Orlando	CI/BS	W Amelia St - N Paramore Ave & Amelia Ave
39	Orlando	CI/BS	N Hampton Ave - N Hampton Ave & Canton St

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 3
BATES PAGE(S): 4 - 8
FILED: SEPTEMBER 22, 2023**

No.	Service Area	Pipe Type	Project Name
40	Orlando	CI/BS	W Columbia Ave - Central Blvd to W Robinson St
41	Orlando	PPP	Orangewood Village
42	Orlando	PPP	Ivanhoe Estates
43	Orlando	PPP	Bay Lakes
44	Orlando	CI/BS	Texas Ave - W Church St to W Central Blvd
45	Eustis	PPP	Mud Manor / Country Club Estates
46	Eustis	PPP	Tavares Mobile Home Park Sinclair
47	Eustis	PPP	Rockport & Maine
48	Eustis	PPP	Cardinal & McDonald
49	Eustis	PPP	Sheridan Rd & Florence Rd
50	Eustis	PPP	Ardice Plaza
51	Eustis	PPP	N Grove Replacement
52	Eustis	PPP	Southern Palms
53	Jacksonville	PPP	Avondale
54	Jacksonville	CI/BS/PPP	Springfield - West
55	Jacksonville	PPP	Springfield - North
56	Jacksonville	PPP	Downtown - Cathedral Phase
57	Jacksonville	CI/BS	Laura St
58	Jacksonville	CI/BS	Boulevard
59	Lakeland	PPP	S Florida Ave & Terrace Way Mobile Park (55 services)
60	Daytona	PPP	Downtown Daytona North Section
61	Daytona	PPP	Georgetown PPP
62	Daytona	PPP	Palmetto Park HUD
63	Daytona	PPP	Willie Dr & South St
64	Avon Park	PPP	Frost Proof (scattered)
65	Jupiter	PPP	Garden Wood (Elm & Military Trail)
66	Ocala	PPP	Ft King District (East Ocala - West Phase)
67	Ocala	PPP	Fox Meadow NE 39th between NE 14th St & NE 21st St
68	Ocala	PPP	NE 20th & NE 36th
69	Ocala	PPP	NE 30th & NE 21st
70	Ocala	PPP	SW 16th & SW 2nd Ave

Cast Iron/Bare Steel Pipe Replacement Rider Projects and Problematic Plastic Pipe Replacement Projects in 2024

In 2024, Peoples will continue to focus on remaining CI/BS replacement projects in Miami and Orlando and any further identified CI/BS in the system. Although contingent on work completed in the remainder of 2023.

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 3
BATES PAGE(S): 4 - 8
FILED: SEPTEMBER 22, 2023**

In 2024, Peoples Gas will continue replacement of PPP in Jacksonville, Eustis, Lakeland, Daytona, St. Petersburg and Avon Park.

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
BATES PAGE(S): 9 - 14
FILED: SEPTEMBER 22, 2023**

4. Please update the tables below, contained in Peoples' response to Staff's First Data Request No. 4, in Docket No. 20220152-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	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.

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
BATES PAGE(S): 9 - 14
FILED: SEPTEMBER 22, 2023**

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.

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
BATES PAGE(S): 9 - 14
FILED: SEPTEMBER 22, 2023**

Year	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

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**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
BATES PAGE(S): 9 - 14
FILED: SEPTEMBER 22, 2023**

A.

Current Year Response:

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	10.4	29	\$12,726,454	\$13,257,487	\$3,198,966	\$1,893,717
2023*	8	26	\$4,733,434	\$20,084,370	\$4,427,140	\$3,606,787
2024*	7.5	60		\$21,113,609	\$4,719,944	\$5,790,505
2025*	-	60	-	\$20,422,085	\$4,665,567	\$7,934,661
2026*	-	60	-	\$20,065,464	\$4,604,292	\$9,995,517
2027*	0.5!	55	**	\$19,320,794	\$4,542,798	\$11,974,082
2028*	-	34	-	\$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.

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
BATES PAGE(S): 9 - 14
FILED: SEPTEMBER 22, 2023**

Year	Main Replacements					Service Line 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	Number of Bare Steel Service Lines Replaced	Number of Remaining Bare Steel Service Lines
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	1.3	9.1	0.9†	14.6†!	15.5	74	941
2023 *	0.4	7.6	0.5	7!	7.5	25	≠

*Projected

†For an explanation regarding remaining CI/BS after 2022 see response to Staff's First Data Request, Request No. 3.

≠This will be determined during the replacement year.

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

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230098-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
BATES PAGE(S): 9 - 14
FILED: SEPTEMBER 22, 2023**

Year	Replaced PPP (Miles)	Total Remaining PPP Mains (Miles)	Replaced Number of PPP Service Lines	Total Number of Remaining PPP Service Lines
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	29	306	837	17,229!
2023*	56	269	500	†
2024*	60	209	†	†
2025*	60	149	†	†
2026*	60	89	†	†
2027*	55	34	†	†
2028*	34	-	†	†

*Projected

†This will be determined during the replacement year.

!Additional service lines reclassified during the year.