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Public Service Commission

August 27, 2024

Mr. J. Jeffry Wahlen, Esq.
Ausley Law Firm
123 S. Calhoun St.
Tallahassee, FL 32301
jwahlen@ausley.com

**STAFF'S FIRST DATA REQUEST
VIA EMAIL**

Re: Docket No. 20240107-GU – Petition for approval of modifications to cast iron/bare steel pipe replacement rider, by Peoples Gas System, Inc.

Dear Mr. Wahlen:

Please respond to the following questions regarding Peoples Gas System, Inc.'s (Company) petition in the above referenced docket by **Tuesday, September 17, 2024**.

1. Please refer to paragraph 14 and Exhibit 2 of the Petition. For the estimated cost of \$126.3 million for the replacement of CI/BS and PPP under the Rider, provide an annual breakdown of the miles and cost by material type for the five-year period.
2. Please refer to paragraph 18 of the Petition. Identify each of the nine projects and provide a project cost breakdown of each. Also, provide a timeline and the current status describing what activities have been or remain to be completed for each project.
3. Please refer to paragraph 19 of the Petition.
 - a. Specify when regulations by PHMSA are anticipated to be proposed, and the effective date of the requirements of those proposed regulations. If these are not known, explain how the Company estimated these dates.

- b. Provide a timeline describing the Company's current status of evaluating its district regulator stations, including the number of regulator stations evaluated and upgraded annually.
 - c. Explain how the estimated cost of \$22.3 million was determined. As part of this, explain if this estimate only accounts for the district regulator station inspections or includes any necessary upgrades.
 - d. Provide the number of district regulator stations that had been evaluated, had been determined to be in need of upgrades, and had been upgraded as of the Petition filing date.
4. Please refer to paragraph 20 of the Petition.
 - a. Explain how the retirement of inactive gas service lines is currently recovered. If the Commission were to approve of the requested Rider expansion, explain how the recovery process would change.
 - b. Would inclusion of retirements of inactive gas service lines accelerate the Company's retirements? If not, please explain why.
5. Please refer to paragraph 21 and Exhibit 2 of the Petition.
 - a. Explain how the estimated cost of \$143.2 million was determined. As part of this response, provide a breakdown of the estimated annual costs for retirement of inactive service lines, including O&M expense and capital expenses.
 - b. Explain how the Company came up with the annual values for this activity based off of its historic trends. As part of your response, provide the annual number and length of inactive service lines retired, the annual average cost per service retirement, and the annual total cost of retirements over the last 10-year period.

6. Please refer to paragraph 22 and 23 of the Petition.
 - a. Explain whether this project is implementing any changes that would prevent third party damages and/or other leaks from occurring or if it represents responding to and replacing pipe effected by third party damages and other leaks.
 - b. Explain how pipeline replacement costs due to third-party damages and/or other leaks are currently recovered. If the Commission were to approve of the requested Rider expansion, explain how the recovery process would change.
 - c. For damages caused by a third-party, does the Company pursue reimbursement from the at fault third-party? If so, explain whether the estimated \$192 million takes potential reimbursements into account. If not, explain why not.
 - d. Provide the estimated annual number of projects and length of pipe replaced related to pipeline replacements due to third-party excavation damage.
 - e. Provide the estimated number of projects and length of pipe replaced related to pipeline replacements due to leaks unassociated with third-party excavation for the ten year period. As part of this response, please provide a list or examples of the causes of these non-excavation related leaks.
 - f. Provide an estimated per project cost, and a breakdown of how this was developed. If pipeline replacements due to third party excavation and leaks unassociated with excavation have different estimated project costs, please provide the estimated cost and breakdown by type.
 - g. Explain the reason(s) for the increase in capital investment for pipeline replacement costs due to third-party damage and other leaks since 2019. As part of this response, elaborate on how the frequency of projects compares to Florida's population growth rate.

9. Please refer to paragraph 27 of the Petition.

- a. Explain what the mitigation required by the company's undetectable facilities entails. As part of your response, explain if the program is meant to expedite the remediation process.
- b. Explain how the estimated miles of undetectable facilities are determined.

10. Please refer to paragraph 30 of the Petition.

- a. Elaborate on what actions the mentioned system enhancement project will entail and explain how these enhancements will impact future third-party incidents in the Dade-Broward service area.
- b. Provide a project cost breakdown and a timeline for the system enhancement project.

11. Please refer to paragraph 31 of the Petition.

- a. Elaborate on what actions the mentioned system enhancement project will entail and explain how these enhancements will impact future third-party incidents in the Southwest Florida service area.
- b. Provide a project cost breakdown and a timeline for the system enhancement project.

12. Please refer to paragraph 32 of the Petition.

- a. Clarify if the Company only plans to relocate all 161 miles of main pipeline deemed highest risk or all 3,000 miles within its system.
- b. Provide an annual number of service connections and miles of service lines to be relocated for the 10-year program period.

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13. State whether a third-party consultant was used to determine the need and/or estimated cost for the projects identified in the Company's Petition. If so, identify the project(s) and what determination(s) were made by the consultant.

Please file all responses electronically via the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form (reference Docket No. 20240107-GU) and also please email the filed response to discovery-gcl@psc.state.fl.us. If you have any questions, please contact Segundo Sanchez by phone at (850) 413-6226 or email at ssanchez@psc.state.fl.us.

Sincerely,

s/Segundo Sanchez

Segundo Sanchez
Engineering Specialist
Bureau of Reliability and Resource Planning
Division of Engineering

SS:da

cc: Office of Commission Clerk (Docket No. 20240107-GU)

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