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December 6, 2024

VIA ELECTRONIC FILING

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

Re: Docket No. 20240107; Petition for Approval of Modifications to Cast Iron/Bare Steel Pipe Replacement Rider, by Peoples Gas System, Inc.

Dear Mr. Teitzman:

Attached for filing on behalf of Peoples Gas System, Inc. are the company's answers to Staff's Fourth Data Request (Nos. 1-3) served via email on November 18, 2024.

Thank you for your assistance in connection with this matter.

Sincerely,

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

Virginia Ponder

VLP/dh
Attachment

cc: Segundo Sanchez
Ryan Sandy

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing answers, filed on behalf of People Gas System, Inc., has been furnished by electronic mail on this 6th day of December, 2024 to the following:

Ryan Sandy
Office of General Counsel
Florida Public Service Commission
Room 390L – Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
rsandy@psc.state.fl.us
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ATTORNEY

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20240107-GU
STAFF'S FOURTH DATA REQUEST
REQUEST NO. 1
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1. Please refer to Peoples' responses to Staff's First Data Request, No. 2, and Staff's Third Data Request, No. 2.
 - a. State if the eight projects identified within staff's first data request are the only projects that will be included in the timeline specified.
 - b. Explain the revision between the estimated cost of the MAOP and Material Verification projects found in Peoples' response to staff's first data request No. 2 and Exhibit 2 provided in Peoples' response to staff's third data request No. 2.
 - c. Provide an estimated project cost of the 2025 Dade City/Pasco Cogen Line MAOP project that separates the MAOP verification project with the scheduled relocation project.

- A.
 - a. The eight projects listed in Peoples response to Staff's First Data Request, No. 2 are the projects currently identified by the company to be completed in a three-year timeframe to meet PHMSA's fifty percent completion requirement by July 2, 2028, per 49 CFR Part 192.624(b)(1). The company continues to review transmission facility documentation to ensure compliance with the rule's requirements. This may lead to the identification of additional projects to be completed after 2028 in order to meet the 100% completion requirement by July 2, 2035, per 49 CFR 192.624(b)(2).
 - b. Peoples mistakenly provided an inaccurate version of Exhibit 2 in response to Staff's Third Data Request No. 2. The corrected revised Exhibit 2 attached includes the amount for MAOP and Material Verification projects which match the amounts provided in response to Staff's First Data Request No. 2.
 - c. The cost estimate for the 2025 Dade City/Pasco Cogen Line MAOP project ("MAOP Reconfirmation Project") is \$6,739,000 as reflected in Peoples' response to Staff's First Data Request, No. 2. The MOAP Reconfirmation Project is for the *reconfirmation* of 18 of 30 miles of pipeline between Dade City and the Pasco Cogen Limited's generation facilities. In this same response, the company mentioned timing the MAOP Reconfirmation Project with "a scheduled project to relocate a large portion" (the "Relocation Project") as an example of cost savings. By performing the relocation and reconfirmation together, the company minimizes contractor mobilization costs and

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traffic safety related costs. Thus, the estimate of cost provided in response to Staff's First Data Request No. 2 of \$6,739,000 includes only costs associated with the MAOP Reconfirmation Project.

Exhibit 2

PEOPLES GAS SYSTEM, INC.
Safety of Facilities and Infrastructure Replacement
Capital Investment By Activity and Year

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10-Yr Total	
CISS & PPP Replacement (Existing Rider)	\$ 34,913,611	\$ 35,384,664	\$ 33,791,804	\$ 21,200,750	\$ 1,019,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,309,561
Pipeline Safety and Compliance Pipeline Work												
MAOP and Material Verifications of Transmission Pipelines	\$ 7,054,000	\$ 1,000,000	\$ 2,650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,904,000
Pipeline Pressurization Monitoring & Management	\$ 2,549,102	\$ 2,012,031	\$ 3,070,833	\$ 2,114,594	\$ 2,730,755	\$ 1,872,862	\$ 1,915,938	\$ 1,960,005	\$ 2,005,085	\$ 2,051,202	\$ 22,282,406	
Retirement of Inactive Service Lines	\$ 18,274,048	\$ 18,353,094	\$ 18,698,478	\$ 19,272,500	\$ 19,575,069	\$ 19,575,069	\$ 19,575,069	\$ 19,575,069	\$ 19,575,069	\$ 19,575,069	\$ 192,048,533	
Pipeline Damages and Leaks	\$ 27,877,150	\$ 21,365,125	\$ 24,619,310	\$ 21,387,095	\$ 22,305,824	\$ 21,447,831	\$ 21,481,007	\$ 21,535,074	\$ 21,680,154	\$ 21,626,271	\$ 225,234,940	
Replacement of Problematic Pipeline												
Spans	\$ 400,322	\$ 414,764	\$ 428,062	\$ 441,234	\$ 455,963	\$ 471,184	\$ 486,913	\$ 503,166	\$ 519,963	\$ 537,320	\$ 4,658,890	
Revised/Excessed Pipe	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	
Pipeline/Wire Casings	\$ 2,301,610	\$ 2,373,819	\$ 2,440,312	\$ 2,506,170	\$ 2,579,815	\$ 2,679,815	\$ 2,779,815	\$ 2,879,815	\$ 2,979,815	\$ 2,779,815	\$ 23,309,802	
Undetectable Facilities	\$ 4,461,081	\$ 4,664,270	\$ 4,664,271	\$ 2,702,036	\$ 2,702,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,193,672	
	\$ 8,162,993	\$ 7,452,853	\$ 7,532,645	\$ 5,649,441	\$ 5,437,812	\$ 2,750,999	\$ 2,766,728	\$ 2,762,982	\$ 2,798,778	\$ 2,817,135	\$ 48,153,365	
System Enhancement Project Reducing Risk of Loss of Service to Critical Customers												
Miami Area Project	\$ -	\$ -	\$ 8,000,000	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,000,000
Southwest Florida Area Project	\$ -	\$ 11,000,000	\$ 8,000,000	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,000,000
	\$ -	\$ 11,000,000	\$ 8,000,000	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,000,000
Risk-Based Relocation of Facilities Located in Rear Easements												
	\$ 3,369,362	\$ 3,537,830	\$ 3,714,721	\$ 3,900,457	\$ 4,095,480	\$ 4,300,254	\$ 4,515,287	\$ 4,741,030	\$ 4,976,082	\$ 5,226,986	\$ 42,379,471	
TOTAL All Activities	\$ 74,323,115	\$ 78,740,481	\$ 77,648,480	\$ 61,137,743	\$ 32,658,849	\$ 28,499,185	\$ 28,773,002	\$ 29,059,086	\$ 29,356,014	\$ 29,670,392	\$ 470,066,326	
Total Expanded Activities (i.e., excludes CISS & PPP)	\$ 39,409,504	\$ 43,355,807	\$ 43,866,677	\$ 39,636,993	\$ 31,639,117	\$ 28,499,185	\$ 28,773,002	\$ 29,059,086	\$ 29,356,014	\$ 29,670,392	\$ 343,767,775	

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2. Please refer to paragraph 19 of the petition and Peoples' response to Staff's First Data Request, No. 3.

- a. State if the proposed Rule referenced is in effect as of the filing of this data request. If so, provide the date it became effective and explain what differences there are, if any, between the proposed Rule and the final Rule. If the proposed Rule is not currently in effect, when does Peoples estimate that the proposed Rule will come into effect?
- b. Explain the criteria and process by which Peoples determines that a district regulator station is in need of improvements.
- c. Given that the estimated project of \$22.3 million is due to the assumption of half of all existing stations needing some level of improvements, could project costs be changed later?

A. a. PHMSA's proposed Gas Distribution rulemaking (RIN 2137-AF53) has not been issued as a final rule and is not currently in effect. The public comment period for the proposed rule ended November 6, 2023, and a meeting of the Gas Pipeline Advisory Committee for input on the proposed rulemaking is to be scheduled. Because a publication schedule for the rule has yet to be prepared and posted by PHMSA, Peoples does not have an estimated date for the final rule or an estimated effective date.

Peoples recognizes that over-pressurization is a significant risk to pipeline safety and can result in pipeline incidents impacting customers and the public. Based on the significance of the risk, the company believes the risk should be proactively mitigated through the implementation of redundant and complementary controls, consistent with the Pipeline Safety Management System and irrespective of when a rule becomes effective.

- b. The process by which Peoples determines that a district regulator station needs improvements involves the company's Engineering group reviewing a station's design, reviewing the station's system design and needs, and inspecting the station to determine what improvements, if any, are needed. The inspection will define the improvements and what the deficiencies are based upon the latest design requirements and gas distribution system needs. A major regulator station design consideration is proper sizing of relief valves

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and associated piping, as undersized relief valves and piping do not allow for proper relief of pressure and result in a pipeline safety concern. Following this assessment, a cost-benefit analysis is performed to determine whether identified improvements should be made or whether a new station should be constructed.

- c. Yes, project costs could change in the future. The estimated costs included in the filing are based on currently known or estimated factors (e.g., number of stations needing improvements, type of improvements needed, contractor costs, material costs, etc.). As with all capital investments, the company is committed to minimizing costs and reducing the impact on its customers resulting from these activities. As set out in the Petition, the company proposes to follow the procedure set forth in Order No. PSC-20212-0476-TRF-GU for the current CIBSR Rider.

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- 3.** Please refer to paragraph 26 of the petition and Peoples' response to Staff's First Data Request, No. 8.
 - a. State the number of pipeline casings to be replaced and the number of casings in need of improvement.
 - b. Provide an estimated number of pipeline casings that Peoples will improve or replace annually.

- A.**
 - a. Peoples has identified 21 problematic pipeline casings and expects that the majority, if not all, will require replacement of the pipeline and elimination of the casing.
 - b. Peoples expects to complete 2 to 3 pipeline casing projects a year. Several factors will drive the number of annual projects, including project complexity, third-party resource availability, and permitting.