



February 10, 2025

VIA ELECTRONIC FILING

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

Re: Undocketed: 20240000-OT Peoples Gas System's Annual Depreciation Status Report for the Year Ended December 31, 2024

Dear Mr. Teitzman:

Attached for filing on behalf of Peoples Gas System, Inc. is the company's Annual Depreciation Status Report for the Year Ended December 31, 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

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20240000-OT
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
BATES PAGE(S): 1
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Please refer to Peoples Gas System's (PGS) 2023 Annual Depreciation Status Report (ADSR), specifically, Tab "13 14 15 16" of the "2023 ASR_B-7 and B-9_Final with formulas for filing.xlsx," for the questions below:

- 1.** Account 37600 – Mains Steel
 - a. On the plant side, please explain the cause of the negative \$3,657,963 reported in the "Adjustments" column.
 - b. On the reserve side, please explain the reason for the negative \$3,571,771 reported in the "Depreciation Accruals" column.

- A.** a. The negative \$3,657,963 in the "Adjustments" column is a result of moving the Alliance Renewable Natural Gas assets to below the line, or unregulated (FERC Account 121 – Non-utility Property), to align with the Commission's decisions associated with the company's 2023 petition for rate increase summarized in Order No. PSC-2023-0388-FOF-GU.
- b. The negative \$3,571,771 in the "Depreciation Accruals" column is a result of moving the Alliance Renewable Natural Gas assets to below the line, or unregulated (Account 121 – Non-utility Property), to align with the Commission's decisions associated with the company's 2023 petition for rate increase summarized in Order No. PSC-2023-0388-FOF-GU.

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2. Account 37602 – Mains Plastic
Please explain the reason for the positive “Cost of Removal” incurred in the amount of \$72,585.
 - A. The positive \$72,585 in Cost of Removal for Account 37602 – Mains Plastic is a result of a fixed asset system process that ran in December 2023 across select fixed asset accounts. The company’s fix asset software solution, PowerPlan, provides an internal process that projects the assignment of non-unitized cost of removal and salvage (Account 1080001) to select sub-accounts within Account 108000 – Accumulated Provision for Depreciation. This reporting feature was at the request of the company’s Corporate Tax group. The actual Cost of Removal postings to Account 37602 - Mains Plastic for the year 2023 was a negative \$1,636,719, but when netted with the projected assignment by this system process shows as a positive Cost of Removal net amount in the report.

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3. Account 37700 – Compressor Equipment
- a. Please explain the nature of the negative plant addition, in the amount of \$9,497.
 - b. Please explain the reason for the positive “Cost of Removal” incurred in the amount of \$50,533.
- A.
- a. The negative plant additions of \$9,497 in Account 37700 – Compressor Equipment is a result of trailing charges in 2023 to an associated work order that was already in service in Account 106000 – Completed Construction Not Classified.
 - b. The positive \$50,533 in Cost of Removal for Account 37700 – Compressor Equipment is a result of a fixed asset system process that ran in December 2023 across all fixed asset accounts. The company’s fix asset software solution, PowerPlan, provides an internal process that projects the assignment of non-unitized cost of removal and salvage (Account 1080001) to select sub-accounts within Account 108000 – Accumulated Provision for Depreciation. This reporting feature was at the request of the company’s Corporate Tax group. The actual Cost of Removal postings to Account 37700 – Compressor Equipment for the year 2023 was \$0, but when netted with the projected assignment by this system process shows as a positive Cost of Removal net amount in the report.

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4. Account 37900 – Meas & Reg Station Eqp City
Please refer to PGS's Answers to Staff's First Data Request regarding the Company's Annual Depreciation Status Report for the Year Ended December 31, 2021, served by U.S. mail dated January 26, 2023. Question No. 2 reads "Account 37900 – Meas & Reg Station Eqp City: Please explain the nature and cause for the amount of negative \$2,240 COR incurred, given that there is no retirement recorded in the account." PGS's response reads:

In 2021, the asset addition and cost of removal ("COR") for the replacement of an odorizer tank at a gate station were correctly booked to the Plant in Service and Reserve Accounts, 37900 – Measuring & Regulating Station Equipment, City Gate Stations. Because the odorizer tank was not a unique asset in the system, but rather a component of the asset of record, a gate station, a retirement unit was not identified. Without a unique retirement unit identified, the corresponding retirement was not recorded resulting in the negative \$2,240 COR. In a scenario like the replacement of this odorizer tank, the Handy Whitman index can be used to value an asset retirement. To complete the recording of this asset replacement, Peoples will apply the Handy Whitman index and book the corresponding asset retirement in 2023.

- a. Please show the book entry of the stated "corresponding asset retirement."
 - b. Does the negative \$13,202 "retirements" shown in PGS's 2023 ADSR include the aforementioned "corresponding asset retirement?" Please explain your response.
- A.
- a. Please see the attachment, "Staff Response 2023 ADSR 4a&b.pdf."
 - b. Yes, please see the attachment, "Staff Response 2023 ADSR 4a&b.pdf."

Retired Asset Report

TECO Energy - Set of books: Financial
Peoples Gas System

Start Month: Jan/2023
End Month: Dec/2023

Business Segment

GL Account \ Plant Account \ Sub Account

Major Location

Asset ID	Retired On WO	Original WO	Asset Description	Vintage (ENG)	Quantity	Amount
06 - JACKSONVILLE						
1010000-Utility Plant in Service \ 37900 06 City Gate Stations - Measu \ None						
01 - 06 - JACKSONVILLE						
228290	D0099815	010679306101	ODORANT LOAD CELLS & WT INDICATORS/MAIN & BALDWIN GATES,JAX	01/1993	-8	(\$8,561.69)
					Major Location Total:	-8 (\$8,561.69)
					Account Total:	-8 (\$8,561.69)
					Business Segment Total:	-8 (\$8,561.69)
10 - HIGHLANDS						
1010000-Utility Plant in Service \ 37900 10 City Gate Stations - Measu \ None						
01 - 10 - HIGHLANDS						
260508	D0091446	D0017523	NJEX Odorant Injection System for Avon Park Gate Station NJEX Odorant Inj	01/2001	0	(\$4,640.34)
					Major Location Total:	0 (\$4,640.34)
					Account Total:	0 (\$4,640.34)
					Business Segment Total:	0 (\$4,640.34)
					Company Total:	-8 (\$13,202.03)
					Grand Total:	-8 (\$13,202.03)

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5. Account 39201 – Vehicles up to ½ Tons
Please explain the reason for the positive “Cost of Removal” incurred in the amount of \$16,004.
- A. The positive \$16,004 in Cost of Removal for Account 39201 – Vehicles up to ½ Ton is a result of a fixed asset system process that ran in December 2023 across select fixed asset accounts. The company's fix asset software solution, PowerPlan, provides an internal process that projects the assignment of non-unitized cost of removal and salvage (Account 1080001) to select sub-accounts within Account 108000 – Accumulated Provision for Depreciation. This reporting feature was at the request of the company's Corporate Tax group. The actual Cost of Removal postings to Account 39201 – Vehicles up to ½ Ton for the year 2023 was a negative \$2,964.80, but when netted with the projected assignment by this system process shows as a positive Cost of Removal net amount in the report.

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6. Account 39202 – Vehicles from ½ - 1 Tons
Please explain the reason for the positive “Cost of Removal” incurred in the amount of \$66,451.
- A. The positive \$66,451 in Cost of Removal for Account 39202 – Vehicles from ½ - 1 Ton is a result of a fixed asset system process that ran in December 2023 across select fixed asset accounts. The company’s fix asset software solution, PowerPlan, provides an internal process that projects the assignment of non-unitized cost of removal and salvage (Account 1080001) to select sub-accounts within Account 108000 – Accumulated Provision for Depreciation. This reporting feature was at the request of the company’s Corporate Tax group. The actual Cost of Removal postings to Account 39202 – Vehicles from ½ - 1 Ton for the year 2023 was a negative \$485.64, but when netted with the projected assignment by this system process shows as a positive Cost of Removal net amount in the report.