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STATE OF FLORIDA



DIVISION OF ECONOMICS  
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# Public Service Commission

January 6, 2017

Ms. Kandi M. Floyd  
Manager – State Regulatory  
Peoples Gas System  
P.O. Box 111  
Tampa, Florida 33601-0111

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COMMISSION  
CLERK

**Re: Staff's 4th Data Request in Docket No. 160159-GU, Petition for Approval of Settlement Agreement Pertaining to Peoples Gas System's 2016 Depreciation Study, Environmental Reserve Account, Problematic Plastic Pipe Replacement, and Authorized ROE**

Ms. Floyd,

Staff has reviewed Peoples Gas System's response to Staff's Fourth Data Request Pertaining to the Settlement Agreement in the docket, and we have some follow-up questions. Please provide your responses to the attached questions by January 13, 2017, or earlier.

Should you have any questions, or need further information, please do not hesitate to contact Jenny Wu at (850) 413-7005.

Sincerely,

A handwritten signature in black ink, appearing to be "JW".

Jenny Wu  
Economic Analyst

Attachment

cc: Office of Commission Clerk  
Office of Public Counsel  
Ms. P. Brown, Regulatory Affairs, Peoples Gas System  
Mr. Ansley Watson, Jr. Attorney for Peoples Gas System

**Staff's Fourth Data Request**

1. Please refer to Exhibit B of the Settlement for the following questions.
  - a. Please provide the rationale for the proposed depreciation curve-life combination of R2-55 years for Account 37600 - Main Steel.
  - b. Please provide the rationale for the proposed depreciation curve-life combination of R3-45 years for Account 37602 - Main Plastic.
  - c. Please provide the rationale for the proposed depreciation curve-life combination of R0.5-45 years for Account 38000 - Service Steel.
  - d. Please provide the rationale for the proposed depreciation curve-life combination of R3-40 years for Account 38002 - Service Plastic.
2. Referring to the Settlement, Exhibit B, and PGS's response to Staff's Revised Report, pages 3 - 4, please confirm that PGS maintains its position that "Peoples agrees with staff's proposal" that Account 38600 – Other Property Customer Premise is closed. If your response is negative, please provide reasons to justify your decision.
3. Referring to PGS' response to Staff's Third Data Request, No. 11, please provide the 2015 year-end 10-K filing pages 1, 108, and 138.
4. Please provide a continuation of Exhibit E of the Settlement Agreement, by year, from 2018 through 2028.
5. Referring to Paragraph 17 on page 7 of the Settlement Agreement, what is the average per mile replacement cost of cast iron and bare steel (CI/BR) experienced by PGS under Rider CI/BSR?
6. Please refer to paragraphs 17 and 19, on pages 7 and 8 respectively, of the Settlement Agreement for the following questions.
  - a. Is it correct that the estimated total mileage of the problematic plastic pipe (PPP) to be replaced under the CI/BSR Rider is 550 miles as indicated in paragraph 17? If your response is negative, please provide the correct mileage with explanation.
  - b. Please provide a list of the gas utilities, in the United States, which have started a PPP replacement project.
  - c. Please provide a list of the regulated gas utilities, in the United States, which have specifically been authorized to recover the costs for a PPP replacement project.

7. Please refer to paragraph 18 on page 7 of the Settlement Agreement for the following questions.
  - a. Please provide PGS's estimate of the number of miles of PPP that are interspersed with or connected to the CI/SB pipe remaining in PGS's system.
  - b. Please provide PGS's best estimate of the future incremental costs which can be avoided if PGS removes PPP concurrently with its removal of CI/BS pipe rather than separate removal operations. Please also discuss any assumptions used in deriving the estimate.
  - c. Please provide an estimate of the number of miles of PPP that were interspersed with, or connected to, PGS's already replaced CI/BS pipe.
8. Please refer to PGS's response to Staff's Third Data Request, No. 5 on page 6. Please specify the "projected number of miles of PPP, by mains and service lines," associated with the projected \$7 M investment in 2017.
9. Please refer to PGS' response to Staff's Third Data Request, No. 5.
  - a. Has PGS replaced any of its PPP to date? If so, please provide details such as location, amount, project efficiencies gained, etc.
  - b. When does PGS expect to have a detailed replacement schedule for PPP available?
  - c. What actions is PGS currently taking to develop such a schedule?
  - d. How and when does PGS intend to make such information known to the Commission?
10. Please refer to PGS' response to Staff's Third Data Request, No. 12.
  - a. What is the status of PGS's activities/efforts to recover MGP environmental expenses from past owners of the Tampa site? If there was no past owner, please so state.
  - b. What are the names of the responsible parties for each site?
  - c. What is the settlement amount of the Jacksonville MGP site, and what was the disposition of the funds collected?
  - d. When does PGS anticipate a resolution of the claims against the parties at the Miami and Orlando sites?
11. Please refer to PGS's response to Staff's Third Data Request, No. 13. Please identify the name of the environmental consulting firm reviewing the status of each MGP site, and

provide the written report to the extent it is now available or becomes available prior to February 1, 2017.

12. Please confirm that PGS will apply the proposed depreciation rates contained in the Attachment B of the Settlement Agreement to revise its 2016 ITC amortization if the Settlement Agreement is approved by the Commission. Please also confirm that PGS will apply the proposed depreciation rates contained in the Attachment B of the Settlement Agreement to revise its 2016 deferred taxes amortization if the Settlement Agreement is approved by the Commission.