


MACFARLANE FERGUSON & MCMULLEN

ATTORNEYS & COUNSELORS AT LAW EST. 1884

One Tampa City Center, Suite 2000
201 N. Franklin Street
P.O. Box 1531 (33601)
Tampa, FL 33602
813.273.4200 Fax: 813.273.4396

WWW.MFMLEGAL.COM
EMAIL: INFO@MFMLEGAL.COM

625 Court Street, Suite 200
P.O. Box 1669 (33757)
Clearwater, FL 33756
727.441.8966 Fax: 727.442.8470

In Reply Refer to:
Tampa
ab@macfar.com

November 8, 2021

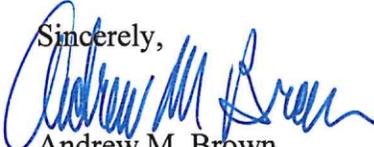
VIA E-MAIL: jenny.wu@psc.state.fl.us

Ms. Jenny Wu
Senior Analyst
Division of Economics
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Peoples Gas System's Annual Depreciation Status Report for the Year
Ended December 31, 2020
Undocketed: 20210000-OT

Dear Ms. Wu:

Attached please find responses on behalf of Peoples Gas System to Staff's 1st Data Request in the above matter.

Sincerely,

Andrew M. Brown

AB/plb
Attachment

cc: Ms. Kandi M. Floyd (w/attachment)
Ms. Paula Brown (w/attachment)
Mr. Derrick S. MacDonald (w/attachment)

**PEOPLES GAS SYSTEM
2020 ANNUAL DEPRECIATION
STATUS REPORT
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
BATES PAGES(S): 1
FILED: NOVEMBER 8, 2021**

1. Account 37400- Land Distribution

Negative \$6,174,610 was booked to this plant account as Retirement and \$6,174,610 was booked to this account as an Adjustment on the reserve side. Please explain the nature and cause for this adjustment.

- A.** The nature of the \$6,174,610 adjustment was related to the sale of Distribution Land property at 1307 E 2nd Avenue in Tampa.

**PEOPLES GAS SYSTEM
2020 ANNUAL DEPRECIATION
STATUS REPORT
STAFF'S FIRST DATA REQUEST
REQUEST NO. 2
BATES PAGES(S): 2
FILED: NOVEMBER 8, 2021**

2. Account 38000- Service Steel

Please explain the nature and cause for the negative \$1,631,970 Cost of Removal (COR) incurred, or approximately 409% of the retirement amount recorded in the account.

- A.** The cause for the negative Cost of Removal incurred is primarily attributable to the significant retirement activity being performed under Peoples' Cast Iron Bare Steel Rider replacement program that was approved by the Commission in Order No. PSC-I2-0476-TRF-GU. For safety reasons, Peoples is replacing very low original cost-per-foot pipe. This causes a high net salvage percentage when dividing the current cost of removal expenditures by the very low original cost retirements dollars.

**PEOPLES GAS SYSTEM
2020 ANNUAL DEPRECIATION
STATUS REPORT
STAFF'S FIRST DATA REQUEST
REQUEST NO. 3
BATES PAGES(S): 3
FILED: NOVEMBER 8, 2021**

3. Account 38002 - Service Plastic

Please explain the nature and cause for the negative \$2,335,017 COR incurred, or approximately 307% of the retirement amount recorded in the account.

- A.** The cause for the negative Cost of Removal incurred is primarily attributable to the significant retirement activity being performed under Peoples' Cast Iron Bare Steel Rider replacement program that was approved by the Commission in Order No. PSC-12-0476-TRF-GU. For safety reasons, Peoples is replacing very low original cost-per-foot. This causes a high net salvage percentage when dividing the current cost of removal expenditures by the very low original cost retirements dollars.

**PEOPLES GAS SYSTEM
2020 ANNUAL DEPRECIATION
STATUS REPORT
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
BATES PAGES(S): 4
FILED: NOVEMBER 8, 2021**

4. Account 39401 - CNG Stations

Please explain the nature and cause for the \$6,680 Reclass. booked to this account on the plant side.

- A.** The nature of the \$6,680 Reclass was a correction to a transaction posted to GL account 39401-104 Lease. Peoples has subsequently determined that this correction was done in error, and it is expected to be reversed in 2021.

**PEOPLES GAS SYSTEM
2020 ANNUAL DEPRECIATION
STATUS REPORT
STAFF'S FIRST DATA REQUEST
REQUEST NO. 5
BATES PAGES(S): 5
FILED: NOVEMBER 8, 2021**

5. Account 39205 - Vehicles over 1 Ton

Zero dollar retirement and negative \$1,801 COR are booked to this account. Please explain the nature and cause for the recorded COR in this vehicle account.

- A.** A vehicle was retired in December 2019. The cost for towing services and disposal was recorded in 2020.