

STATE OF FLORIDA



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# Public Service Commission

September 19, 2018

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**STAFF'S FIRST DATA REQUEST**  
*via e-mail*

**Re: Docket No. 20180173-GU - Petition for approval of 2017 True-up, the Projected 2018 True-up, and 2019 Revenue Requirements and Surcharges associated with Cast Iron/Bare Steel Pipe Replacement Rider, by Peoples Gas System**

Dear Mr. Watson and Mr. Brown:

By this letter, Commission staff requests the following information from Peoples Gas System (PGS):

1. Please update the following tables contained in Peoples' response to staff's first data request, Nos. 1 and 2, in Docket No. 20170192-GU and attached below.

Year	CI/BS Miles Replaced	PPP Miles Replaced	CI/BSR Investment	PPP Investment	CI/BSR Revenue Requirement	PPP Revenue Requirement
2017	49	23	\$14,882,508	\$4,363,585	\$5,377,195	\$ 1,576,606
2018	90	55	\$22,850,000	\$12,825,000	\$6,559,722	\$ 3,681,770
2019	70	50	\$18,215,000	\$10,925,000	\$9,102,830	\$ 5,427,604
2020	40	50	\$10,254,500	\$11,198,125	\$8,479,704	\$ 9,202,390
2021	12	50	\$ 2,460,759	\$11,478,078	\$3,510,446	\$16,231,667
2022		50		\$11,765,030		\$21,042,130
2023		50		\$12,059,156		\$22,173,862
2024		50		\$12,360,635		\$23,308,036
2025		50		\$12,669,651		\$24,450,384
2026		50		\$12,986,392		\$25,601,296
2027		50		\$13,311,052		\$26,760,986
2028		24		\$6,276,161		\$27,527,248

Year	Main Replacements					Service Replacements	
	Replaced Cast Iron (miles)	Replaced Bare Steel (miles)	Remaining Cast Iron at Year End (miles)	Remaining Bare Steel at Year End (miles)	Total Miles Remaining of CI/BS Mains	Replaced Number of Bare Steel Services	Total Number of Remaining Bare Steel Services
2012			100	354	454		14978
2013	13	38	87	316	403	907	14071
2014	2	18	85	298	383	7964	6107
2015	26	60	59	238	297	1019	5088
2016	15	35	44	203	247	1050	6963**
2017 (projected)	15	34	29	183*	212*	1078	5885
2018	10	80	19	103	122	1200	4685
2019	10	60	9	43	52	1200	3485
2020	9	31	0	12	12	1200	2285
2021	0	12	0	0	0	1200	1085
2022	0	0	0	0	0	1085	0

	PPP (miles)	Total Remaining PPP Mains (miles)	Replaced Number of PPP Services	Total Number of Remaining PPP Services*
2016	0	551	0	-
2017	23	528	1800	-
2018	55	473	3600	-
2019	50	423	Not yet Determined**	-
2020	50	373	Not yet Determined**	-
2021	50	323	Not yet Determined**	-
2022	50	273	Not yet Determined**	-
2023	50	223	Not yet Determined**	-
2024	50	173	Not yet Determined**	-
2025	50	123	Not yet Determined**	-
2026	50	73	Not yet Determined**	-
2027	50	23	Not yet Determined**	-
2028	23	0	Not yet Determined**	-

2. Please provide the Excel spreadsheets for Exhibits A, B, and C with formulas unlocked.
3. Referring to paragraph 10 of the petition, please explain the factors that led to the \$1,030,552 under-recovery for 2017.
4. Please explain the difference in projected and actual expenditures for eligible replacements under the Cast Iron/Bare Steel Rider (CI/BSR) during 2018 (\$35,675,000 projected in Docket No. 20170192-GU versus actual of \$37,732,218).
5. Referring to Exhibit A, page 2 of 3, please explain line 9.a (Regulatory Assessment Fee Adjustment).
6. Referring to Exhibit B, page 4 of 5, please provide the calculations used to determine the Tax Multiplier of 1.628002.
7. Referring to Exhibit B, page 5 of 5, please provide the calculations used to determine the Tax Multiplier of 1.35236.
8. Referring to Exhibit B, please provide the projected schedule for 2018 without the adjustments of the impact of the tax rate reduction.
9. Referring to Exhibit C, page 1 of 2, please provide a detailed description of how PGS accounted for the approximately \$10.3 million reduction of 2019 depreciation expense agreed to in the Settlement Agreement.
10. Referring to Exhibit C, please provide the projected schedule for the year 2019 excluding the adjustments of the impact of the tax rate reduction, but including the adjustments of the \$10.3 million reduction of 2019 depreciation expense.
11. Referring to Exhibit C, please provide the projected schedule for the year 2019 including the adjustments of the impact of the tax rate reduction and excluding the adjustments of the \$10.3 million reduction of 2019 depreciation expense.
12. Referring to Exhibit C, please provide the projected schedule for the year 2019 excluding the adjustments of the impact of the tax rate reduction and excluding the adjustments of the \$10.3 million reduction of 2019 depreciation expense.
13. Please briefly discuss the CI/BSR projects in 2017, 2018, and those planned for 2019.

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Please file all responses electronically no later than Wednesday, October 3, 2018 via the Commission's website at [www.floridapsc.com](http://www.floridapsc.com) by selecting the Clerk's Office tab and Electronic Web Filing Form. Feel free to call me at 850-413-6495 if you have any questions.

Sincerely,

*/s/ Henry Merryday*  
Public Utility Analyst I  
[hmerryda@psc.state.fl.us](mailto:hmerryda@psc.state.fl.us)

cc: Office of Commission Clerk  
Office of Public Counsel