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November 10, 2025

VIA: ELECTRONIC FILING

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

Re: Petition for approval of 2024 True-up, the Projected 2025 true-up and 2026 Revenue Requirements and Surcharges associated with Cast Iron / Bare Steel Replacement Rider, by Peoples Gas System, Inc.

FPSC Docket No. 20250106-GU

Dear Mr. Teitzman:

Attached for filing in the above-styled matter are Peoples Gas System, Inc. responses to Staff's Second Data Request (Nos. 1-4), propounded by electronic mail on November 5, 2025.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'V. Ponder'.

Virginia Ponder

VLP/dh
Attachment
cc: All parties of record

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Peoples Gas System, Inc. responses to Staff's Second Data Request (Nos. 1-4), have been furnished by electronic mail on this 10th day of November, 2025 to the following:

Zachary Bloom
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
zbloom@psc.state.fl.us
discovery-gcl@psc.state.fl.us

A handwritten signature in blue ink, appearing to read "H. Wender", is positioned above a horizontal line.

ATTORNEY

1. Please refer to Exhibit C, page 1 of 2 for the following question: Please explain why depreciation savings are positive on line 8d.

ANSWER:

Depreciation savings are positive on Line 8d on Page 1 of Exhibit C due to a formula error in the calculation file. Depreciation savings on Line 8d should be negative. Changing the depreciation savings amounts to a credit would result in a reduction of \$89,038 to the 2026 projected revenue requirement. This reduction in revenue requirement consequently would result in a reduction to the surcharges filed in the amended petition on October 9, 2025. For Residential customers this would reduce the surcharge by \$0.00001 per therm, or a total of \$0.01 per average bill. Based on the resulting de minimis reduction to the proposed surcharges for all rate classes as filed in its Amended Petition and the overall reduction of just three percent of the projected revenue requirement, the company proposes to keep the surcharges as filed in the Amended Petition and account for actual differences through the true-up in next year's filing.

2. Please refer to Exhibit A, page 1 of 3 for the following question: Please explain why depreciation expense is negative for January through August on Line 8a.

ANSWER:

Depreciation expense is negative for January through August on Line 8a of Page 1 of Exhibit A due to a beginning negative balance in 2024. This negative beginning balance is the result of an ending balance in Gross Plant-in Service in 2023 that was approximately \$7.5 million lower than was approved by the Commission in the company's 2023 Rate Case to roll into rate base and continue recovery through base rates. To prevent a net over-recovery from customers, the plant balance—and consequently the revenue requirement under Rider CI/BSR—was negative, or offsetting base rate recovery, at the start of 2024.

3. Has the utility identified any operations and maintenance savings? If not, please explain why.

ANSWER:

No. The company has not identified any operations and maintenance ("O&M") expense savings resulting from the replacement of cast iron, bare steel, or problematic plastic pipe. The company continues to perform pipeline compliance, locating, and service orders—all resulting in operations and maintenance costs—on the new facilities as it previously did on the facilities replaced. The new pipeline necessitates less frequent leak surveys, shifting from every three years to every five years when replacing bare steel or cast iron with plastic pipe. However, any operational and maintenance cost savings from less frequent inspections of replaced assets have been outweighed by increased inspection costs associated with additional facilities added to the system. Additionally, the average non-excavation leaks per mile of pipeline have remained flat throughout the existence of the Rider CI/BSR and resulted in no measurable O&M expense savings.

4. Please refer to Exhibit C, page 1 of 2 for the following question: Please explain why property tax expense is zero on line 8c.

ANSWER:

The property tax expense is zero on Line 8c on Page 1 of Exhibit C because the projected beginning balance in 2026 for Plant-in-Service less Accumulated Depreciation, or ending balance for 2025, is zero. The beginning plant balances of zero are due to the roll in to rate base as approved by the Commission through the 2025 Settlement Agreement. Property tax expense is based on beginning Plant-in-Service less Accumulated Depreciation for the projected year and a plant balance of zero at the beginning of the year results in zero property tax. The property tax on the plant balances rolled into rate base as of January 1, 2026, will be recovered through the new base rates per the 2025 Settlement (Docket No. 20250029). Agreement.