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March 25, 2026

**VIA ELECTRONIC FILING**

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

Re: Undocketed: 20260000-OT Peoples Gas System's Annual Depreciation Status Report for the Year Ended December 31, 2025

Dear Mr. Teitzman:

Attached for filing on behalf of Peoples Gas System, Inc. is the company's Responses to Staff's First Data Request.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'V. Ponder'.

Virginia Ponder

VLP/dk  
Attachment

PEOPLES GAS SYSTEM, INC.  
DOCKET NO. 20260000-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) 2024 Annual Depreciation Status Report (ADSR), specifically, Tab "13 14 15 16" of the "Peoples Gas System Annual Depreciation Status Report 2024 - refile," filed on June 11, 2025, for the questions below:

1. Account 30200 – Franchise & Consents

On the reserve side, please explain the cause of the adjustment of \$15,464.

**ANSWER:** The adjustment of \$15,464 reflects a 2024 reclassification to loss on sale, account 421, as further explained in the company's response to OPC's Third Set of Interrogatories, No. 138, under Docket No. 20230023-GU (see excerpt below). The company did not record the remaining loss on sale referred to in the excerpt below until 2024. The adjustment of \$15,464 is this loss on sale, and is the total debit balance in reserve, \$60,225 for account 374 less the amount eliminated, \$44,760, to account 107 (with rounding).

*"No depreciation or amortization has been recorded for these assets. The reserve account for the land assets was debited for the cost of removal activity. The land reserve balance was spread over the remaining assets at the division level. As shown on MFR Schedule B-9, the total amount of debit balance in reserve for account 374 is \$60,225 and the debits to the reserve occurred in years prior to 2022. Of that amount, \$44,760 will be eliminated with a reclass from account 107 (misclassification in the original journal entry), and the remainder will be recorded as a loss on sale in 2023."*

2. Account 37400 – Land Distribution
- a. On the plant side, please explain the cause of the negative plant addition of \$707,756.
  - b. On the reserve side, please explain the activities associated with the Cost of Removal (COR) of \$44,760.

**ANSWER:**

- a. The negative plant addition of \$707,756, resulted from a difference in the estimated split to account 1060000, Completed Construction Costs Not Classified – Gas, for land and fixed assets performed by the company's fixed asset system prior to 2024, and the actual split of costs performed through the unitization process in 2024. During the unitization process, the estimated split between land and fixed assets was reversed and an actual split based on completed construction documentation was recorded to account 1010000, Gas Plant in Service.
- b. The costs of removal amount of \$44,760, relates to the activities explained in the company's response to Staff's First Data Request, No. 1.

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3. Account 37700 – Compressor Equipment

On the reserve side, please explain the cause of the negative \$4,680 recorded in column "Salvage."

**ANSWER:** The negative \$4,680 recorded in the column labeled, "Salvage," resulted from the company's reversal of a process that ran in the company's fixed asset system in December 2023 across all fixed asset accounts. This system process projects the assignment of non-unitized cost of removal and salvage to select sub-accounts within account 108, Accumulated Provision for Depreciation of Gas Utility Plant. This process was implemented for reporting purposes at the request of the company's Corporate Tax department. The company has realized that this process may result in unrealistic estimations and has taken steps to improve this process starting in 2025. The actual salvage postings in account 377, Compressor Equipment, for the year 2024 was \$0.

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4. Account 38400 – House Regulator Installs  
On the plant side, please explain the nature of the negative \$3,237,279 plant addition.

**ANSWER:** The negative plant addition of \$3,237,279, in account 38400, House Regulator Installs, is due to a true up during unitization between 382, Meter Installations, and 384, House Regulator Installations. During a prior estimated split of work order costs between installation of meters and installation of house regulators to account 106, Completed Construction Not Classified – Gas, the split was erroneously 50:50 rather than the company's customary 75:25 split. During unitization to account 101, Gas Plant in Service, the customary split of 75:25 was recorded, resulting in the negative plant addition.