

The Peoples Gas Light and Coke Comp  
Attorney General Data Requests AG 14.01-14.08  
Dated: December 7, 2012

**REQUEST NO. AG 14.08:**

With regard to the 2013 AMRP, please describe the extent to which expected in service dates of 2013 AMRP projects are impacted by the experience in 2012.

**RESPONSE:**

The 2012 experience related to AMRP projects has affected 2013 planned work in several respects. First, similar to 2012, where some of the 2011 planned AMRP construction projects were carried over into 2012, the construction projects not completed in 2012 will carry forward into 2013. Second, with respect to the high pressure steel main expansion project, the original 2013 plan to install 17 miles is being reduced to 7 miles. Third, the planned 2013 gas distribution construction projects will also be reduced. However, Peoples Gas is not increasing the AMRP capital budget of \$220.75 million for 2013. As the 2013 construction season progresses, Peoples Gas will adjust the volume of work to maintain its capital budget of \$220.75 million. See NS-PGL Ex. 34.5 for AMRP planned 2013 construction work. [Also see the Rebuttal Testimony of Philip M. Hayes.]

Since the 2012 gas distribution projects not completed in 2012 will be the first projects to be started in 2013, the start of the 2013 gas distribution projects will begin late spring or early summer of 2013. It is expected that the high pressure gas main projects will start late winter or early spring of 2013. With the Operations staff increase at the Peoples Gas shops, the timing of gassing the new mains will be improved over previous years. The later portion of 2012 saw a significant improvement in terms of timing from when a main was installed by the construction contractor to when the Peoples Gas crews were able to gas the main. It is expected that this improvement will be sustained, if not improved upon going forward. This will improve the timing of the in service dates of the gas mains. [It is expected that the projects in CWIP between January and August 2013 will be in service by December 2013 or early 2014.]

To provide some background, when a work order is created for the installation of a gas main segment and the initial charges of material are recorded to it, it can be several months before construction of that main commences. Upon completion of the installation of the gas main segment and the installation of the new service pipe to the customer facilities, Peoples Gas crews mobilize to gas the main. The time frame from when the main is ready to be gassed and when it actually is gassed may take several weeks. This time frame duration has been improved. Upon gassing the main, the work order can be placed in-service. Since there may be hundreds of work orders to accomplish the full scope of work in a year, new work orders are created over the course of the year. The installation of the gas mains is staggered over the course of the year to optimize both the construction contractors' work forces and the Peoples Gas crews. So as new work orders are created over the year, other work orders are closing as the gas main segments are gassed.