



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.MFMLLEGAL.COM](http://WWW.MFMLLEGAL.COM)  
EMAIL: [INFO@MFMLLEGAL.COM](mailto:INFO@MFMLLEGAL.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](mailto:ab@macfar.com)

September 28, 2020

**VIA E-PORTAL FILING**

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

**Re: Docket No. 20200051-GU – Petition for rate increase by Peoples Gas System  
Docket No. 20200166-GU-Petition for approval of 2020 depreciation study  
by Peoples Gas System**

Dear Mr. Teitzman:

Attached for electronic filing in the above docket on behalf of Peoples Gas System, please find its Prehearing Statement in the above case.

Your assistance in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb

Attachment

cc: J.R. Kelly/Mireille Fall-Fry ([kelly.jr@leg.state.fl.us](mailto:kelly.jr@leg.state.fl.us);[fall-fry.mireille@leg.state.fl.us](mailto:fall-fry.mireille@leg.state.fl.us))  
Kurt Schrader/Jennifer S. Crawford/Bianca Lherisson ([kschrade@psc.state.fl.us](mailto:kschrade@psc.state.fl.us);  
[jcrawfor@psc.state.fl.us](mailto:jcrawfor@psc.state.fl.us); [blheriss@psc.state.fl.us](mailto:blheriss@psc.state.fl.us))  
Jon C. Moyle, Jr., Esq./Karen A. Putnal, Esq. ([jmoyle@moylelaw.com](mailto:jmoyle@moylelaw.com);  
[kputnal@moylelaw.com](mailto:kputnal@moylelaw.com); [mqualls@moylelaw.com](mailto:mqualls@moylelaw.com))  
Paula K. Brown  
Kandi Floyd  
Karen Bramley  
Thomas F. Farrior, Esq.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for rate increase by Peoples Gas System.

Docket No. 20200051-GU

In re: Petition for approval of 2020 Depreciation study by Peoples Gas System.

Docket No. 20200166-GU

Submitted for Filing: 9/28/2020

---

**PEOPLES GAS SYSTEM'S  
PREHEARING STATEMENT**

Pursuant to Order No. PSC-2020-0198-PCO-GU, establishing the prehearing procedure in this docket, Peoples Gas System (Peoples, PGS, or the Company), by its undersigned attorneys, submits the following Prehearing Statement for the hearing scheduled to be held in the above docket October 27-29, 2020.

**A. APPEARANCES**

ANDREW M. BROWN, Macfarlane Ferguson & McMullen, P.O. Box 1531, Tampa, Florida 33601, and THOMAS R. FARRIOR, Macfarlane Ferguson & McMullen, P. O. Box 1531, Tampa, Florida 33601  
On behalf of Peoples Gas System (PGS)

**B. WITNESSES**

| <u>Witness</u>          | <u>Subject Matter</u>   | <u>Issues #</u>       |
|-------------------------|---|-----------------------|
| <u>Direct</u>           |   |                       |
| TJ Szelistowski         | Overview and the Importance of Natural Gas Infrastructure in FL |                       |
| Karen Sparkman          | Customer Service  | 4                     |
| Richard F. Wall         | Safety, Reliability, and Customer Service                       | 14-16, 34, 35, 43, 45 |
| Timothy O'Connor        | Expansion Projects and Capital Investments                      | 13-16, 34, 35, 37-40  |
| Richard K. Harper, PhD. | Economic Conditions in Florida and Contributions of Natural Gas |                       |

|                       |   |                                   |
|-----------------------|---|-----------------------------------|
| Dylan D'Ascendis      | Return on Equity  | 24                                |
| Sean P. Hillary       | Proposed Test Year, Revenue Requirement, Cost of Capital              | 1, 7-23, 25-36, 41, 42, 44-57, 70 |
| Valerie Strickland    | Income Tax, Accumulated Deferred Income Taxes, Parent Debt Adjustment | 27                                |
| Charlene M. McQuaid   | Compensation and Benefits   | 35                                |
| Lorraine L. Cifuentes | Forecasting Process, Customer and Revenue Forecasts                   | 2, 3                              |
| Daniel P. Yardley     | Cost of Service Study, Billing Determinants, Rate Design              | 58-61                             |
| T. Mark Whitaker      | Miscellaneous Service Charges   | 62                                |
| Luke A. Buzard        | Safety, New Tariff sheets and Non-rate Tariff Changes                 | 41, 45, 63-69                     |
| Dane Watson           | Depreciation Study and Depreciation Rates                             | 5, 6                              |

Rebuttal

|                    |   |   |
|--------------------|---|---|
| Richard F. Wall    | Safety, Reliability, and Customer Service                             | 14-16, 34, 35, 43, 45                               |
| Timothy O'Connor   | Expansion Projects and Capital Investments                            | 13-16, 34, 35, 37-40                                |
| Dylan D'Ascendis   | Return on Equity  | 24  |
| Sean P. Hillary    | Proposed Test Year, Revenue Requirement, Cost of Capital              | 10-17, 19, 20, 30, 33-36, 41, 42, 44, 45, 48-50, 54 |
| Valerie Strickland | Income Tax, Accumulated Deferred Income Taxes, Parent Debt Adjustment | 27  |

|                     |   |        |
|---------------------|---|--------|
| Charlene M. McQuaid | Compensation and Benefits                             | 35     |
| Luke A. Buzard      | Safety, New Tariff Sheets and Non-rate Tariff Changes | 41, 45 |
| Dane Watson         | Depreciation Study and Depreciation Rates             | 5, 6   |

**C. EXHIBITS**

| <b><u>Exhibit</u></b> | <b><u>Witness</u></b> | <b><u>Documents</u></b>  |
|-----------------------|-----------------------|--|
|                       | Various               | MFR Schedules<br>Tariff Sheets   |
| (SPH-1)               | Hillary               | 1. List of MFR Schedules<br>2. Operations & Maintenance Expense Summary<br>3. Storm Reserve Analysis<br>4. Manufactured Gas Plant Regulatory Asset Amortization<br>5. Summary of Other Non-Trended O&M by FERC Account<br>6. 2020 and 2021 Capital Budget<br>7. 2021 Test Year Reconciliation of Capital Structure to Rate Base  |
| (SPH-2)               | Hillary               | 1. Moody's Updated Inflation Forecast<br>2. Customer Growth- Customer Count July 2020 vs July 2020   |
| (TO-1)                | O'Connor              | 1. List of Co-Sponsored MFRs<br>2. Map of Expansion Projects<br>3. Chart of Developer Agreement Signings since 2008<br>4. Peoples' Investment Aligns with Expanding Florida Population<br>5. American Gas Association, Energy Analysis, September 1, 2018  |
| (RFW-1)               | Wall                  | 1. List of MFRs- Co-Sponsored  |
| (TMW-1)               | Whitaker              | 1. List of MFRs Sponsored  |
| (LLC-1)               | Cifuentes             | 1. List of MFRs- Sponsored and Co-Sponsored<br>2. Residential and Small Commercial Customers<br>3. Residential and Small Commercial Average Usage<br>4. Residential and Small Commercial Therms<br>5. Historical and Forecasted Service Line Capital Expenditures<br>6. Historical and Forecasted Heating and Cooling Degree-Days<br>7. 2017-2021 Total Customers, Therms, and Base Revenues |

|         |            |   |
|---------|------------|---|
| (KS-1)  | Sparkman   | <ol style="list-style-type: none"> <li>1. List of MFRs- Co-Sponsored</li> <li>2. TECO Peoples Gas J.D. Power Study Highlights</li> <li>3. TECO Peoples Gas Awards</li> </ol>  |
| (RBH-1) | D'Ascendis | <ol style="list-style-type: none"> <li>1. Summary of Results</li> <li>2. Constant Growth DCF Results</li> <li>3. Retention Growth Estimates</li> <li>4. Market Risk Premium Estimates</li> <li>5. Beta Coefficient Estimates</li> <li>6. CAPM Results</li> <li>7. Bond Yield Plus Risk Premium Analysis</li> <li>8. Expected Earnings Results</li> <li>9. Coefficient of Variation in 30-Year Treasury Yields</li> <li>10. Utility Dividend Yields and 30-Year Treasury Yields</li> <li>11. Utility Sector Dividend Yield vs. S&amp;P 500 Dividend Yield</li> <li>12. Components of Proxy Group (Two-Year) Beta Coefficients</li> <li>13. Proxy Group (Two-Year) Beta Coefficients Over Time</li> <li>14. Proxy Group (Five-Year) Beta Coefficients Over Time</li> <li>15. Utility Credit Spreads</li> <li>16. Authorized Returns for Natural Gas Distribution Utilities</li> <li>17. Expected Return and Risk</li> <li>18. Relative Risk</li> <li>19. Flotation Costs</li> <li>20. Projected Capital Expenditures Relative to Net Plant</li> <li>21. Security Market Line</li> </ol> |
| (DWD-1) | D'Ascendis | <ol style="list-style-type: none"> <li>1. Summary of Results</li> <li>2. Constant Growth DCF Results</li> <li>3. Retention Growth Estimates</li> <li>4. Market Risk Premium Estimates</li> <li>5. Beta Coefficient Estimates</li> <li>6. CAPM Results</li> <li>7. Bond Yield Plus Risk Premium Analysis</li> <li>8. Expected Earnings Results</li> <li>9. Annualized Volatility and Returns of Utility Groups</li> <li>10. Calculation of Correlation Coefficients for Utility Groups</li> <li>11. Calculation of Correlation Coefficients for Utility Groups</li> <li>12. Relationship between Investor-Required Return</li> <li>13. Gross Domestic Product by Industry</li> <li>14. Coefficient of Variation (CoV)</li> <li>15. S&amp;P 500 Market Return vs. Graham-Harvey Survey</li> <li>16. Witness Garrett's Implied Equity Risk Analysis</li> <li>17. Hypothetical Example: Flotation Cost Recovery</li> <li>18. Frequency Distribution of Market Risk Premium, 1926-2019</li> </ol>  |

19. Calculation of Alternative Expected Market Risk Premiums  
 20. Indicated ROE Derived by the Predictive Risk Premium Model

|         |            |   |
|---------|------------|---|
| (VS-1)  | Strickland | <ol style="list-style-type: none"> <li>1. List of MFRs- Sponsored</li> <li>2. Calculation of IRC Required Deferred Income Tax Adjustment</li> </ol>   |
| (LAB-1) | Buzard     | <ol style="list-style-type: none"> <li>1. List of Sponsored MFRs</li> </ol>   |
| (DPY-1) | Yardley    | <ol style="list-style-type: none"> <li>1. List of MFRs Sponsored</li> <li>2. Cast Iron/ Bare Steel Rider Revenues Roll-In</li> <li>3. Allocation of Proposed Revenue Requirements to Base Rates</li> <li>4. Existing and Proposed Base Rates and Revenues</li> <li>5. Rate of Return by Class</li> <li>6. Comparison of Existing Customer Charges and Customer-Related Costs by Class</li> </ol>  |
| (RKH-1) | Harper     | <ol style="list-style-type: none"> <li>1. Florida Population Change by Decade, 1970-2050</li> <li>2. Total Non-Farm Employment, Jan 00- Dec 19</li> <li>3. Percent Change in Real GDP from a Year Ago, 1998-2018</li> <li>4. House Prices, Q1 1980 = 100</li> <li>5. Six-Month Ahead Predicted GDP Growth Rate Jan 82- Dec 19</li> <li>6. Annual Growth Rates in U.S. Population, 1960-2019</li> <li>7. Population Growth Since 2008</li> <li>8. Florida's Economic and Demographic Snapshot Bay County</li> <li>9. Florida's Economic and Demographic Snapshot Broward</li> <li>10. Florida's Economic and Demographic Snapshot Charlotte</li> <li>11. Florida's Economic and Demographic Snapshot Collier</li> <li>12. Florida's Economic and Demographic Snapshot Duval</li> <li>13. Florida's Economic and Demographic Snapshot Lee</li> <li>14. Florida's Economic and Demographic Snapshot Miami/Dade</li> <li>15. Citations and Sources</li> </ol> |
| (CM-1)  | McQuaid    | <ol style="list-style-type: none"> <li>1. List of MFRs- Co-Sponsored</li> <li>2. Peoples Benefit Package Description</li> <li>3. Mercer- Average Annual Health Benefits Cost Per Employee</li> </ol>  |
| (DAW-1) | Watson     | <ol style="list-style-type: none"> <li>1. List of Proceedings in Which I Have Performed Depreciation</li> <li>2. Depreciation Study</li> <li>3. Functional Summary Comparison of Depreciation Expense</li> </ol>  |
| (DAW-2) | Watson     | <ol style="list-style-type: none"> <li>1. Email response to discovery questions sent from OPC</li> <li>2. Comparison of Account 380- Steel Services Observed Life</li> <li>3. RTU Detail for Accounts</li> <li>4. Account 378-M&amp;R Stations Sum of Squared Differences</li> <li>5. Account 380- Steel Services Sum of Squared Differences</li> </ol>   |

## 6. Account 385- Industrial M&R Stations Sum of Squared

### **D. STATEMENT OF BASIC POSITION**

#### **PGS:**

##### **Rate Relief Requested**

After making significant efforts to control expenditures, and careful analysis, Peoples Gas System is seeking the Commission's approval for an increase in its base rates and services charges which will produce additional annual revenues of approximately \$85.3 million based on a 2021 projected test year (\$23.6 million is attributable to moving Cast Iron/Bare Steel (CI/BS) Rider investments into rate base). This increase is designed to recover the Company's cost of service and afford it an opportunity to earn a compensatory return on its investment, including a fair and reasonable return on equity (ROE) midpoint of 10.75%. Absent rate relief, Peoples' ROE would fall well below the bottom of its current ROE range in the projected test year.

PGS's base rates were last increased in 2008. Over the past twelve years, several factors have contributed to the necessity for the Company to seek the adjustment sought in this case. In order to respond to customer growth and demand, improve system safety, and enhance system resiliency, the Company has an obligation to make prudent and necessary infrastructure investments that provides a safe and reliable natural gas distribution system in the communities we serve. Peoples' projects its adjusted rate base in 2021 to be nearly \$1.6 billion, which is an increase of approximately \$1 billion over the \$560 million amount approved in the last base rate proceeding. In addition to normal inflationary pressures, the Company's operating costs continue to increase due to significant customer growth and system expansion, expanding compliance requirements, increased damage prevention efforts, enhanced oversight over safety and quality control, implementation of additional technology in operations and customer expectations, and replenishment of an aging and retiring workforce. Additionally, liability insurance and health care costs continue to escalate at a rate significantly higher than inflation. Construction costs have increased significantly since the last rate case as a result of increased contractor costs, oversight and regulatory requirements, and material costs.

The overall size of Peoples' system has grown considerably since 2009. In 2007, the base year in the Company's last rate case filing, Peoples had approximately 325,000 customers. In the 2019 base year for this rate case filing, that number is now more than 400,000, representing a 23% increase in the number of customers served.

Since its last rate case, Peoples has improved operations companywide and enhanced the Company's customer experience. The success of these efforts is demonstrated by the numerous awards and designations Peoples has received for customer service. In 2020, Peoples achieved the highest customer satisfaction score ever achieved by a gas utility in the J.D. Power Residential Study and ranked highest in residential customer satisfaction

among Midsize Natural Gas utilities in the South for the eighth consecutive year. While the results for the 2020 Business Customer Satisfaction Study will not be released until late October, the Company is on track to repeat its success from 2019. At the study's midpoint in June, Peoples led the South region in overall customer satisfaction, ranked first of 60 brands nationally. Peoples was also named Most Trusted Utility in the nation in Escalent's Cogent Reports residential study for the sixth year in a row and was designated a Customer Champion by Escalent for the sixth consecutive year. In 2020, the Company was designated an Environmental Champion by Escalent for the sixth year in a row and named one of the Easiest Utilities in the Nation to do Business With for the second consecutive year, also by Escalent, based on the Cogent study.

In recent years, Peoples has made numerous operational and system upgrades that have improved safety, compliance, and service to customers. Peoples has improved mapping and leak-detection systems. Peoples has undertaken to improve its inspection and compliance program by the implementation of an electronic data management system. The Company has also added a centralized gas control management operation room and team, a state of the art training center, reorganized its engineering department to improve efficiency, and implemented a new shared Customer Relationship Management (CRM) platform that combined the customer service, billing and credit and collections departments. A centralized statewide dispatch team, new damage prevention programs and new quality and safety management systems have also been introduced to enhance safety and improve the customer experience. In 2012, the Company began a program to retire and replace all CI/BS from the system and recovered through a rider which was approved by the Commission in Order No. PSC-12-0476-TRF-GU. In 2017, the Commission approved adding the retirement and replacement of problematic plastic pipe (PPP) to the CI/BS Rider in Order No. PSC-17-0066-AS-GU.

In this filing the Company is seeking approval for other changes that better reflect the costs of providing safe and reliable service to customers. They include the following:

### **Current and Future Capital Investments**

As Peoples' system expands, it becomes necessary to undertake more investment to sustain the system and ensure its safety and reliability. The Company is nearing completion on three large-scale capital pipeline projects (Panama City, Southwest Florida and Jacksonville), which are responsive to increases in customer demand and will improve system reliability. All three projects are expected to be in service near the end of 2020.



In this filing, Peoples is also moving \$200.7 million of CI/BS Rider investments, made through December 31, 2020, into rate base, thereby adding the related \$23.6 million of 2021 revenue requirements to be recovered through base rates, pursuant to Commission Order No. PSC-12-04760-TRF-GU. Although the \$23.6 million is included in the 2021 projected test year revenue requirement, it does not represent new revenue to the Company, as this is revenue that the Company already receives through the CI/BS rider surcharge.

### **Increase in the Annual Accrual of the Storm Damage Reserve**

The additional revenue requirements Peoples is requesting by this Petition include an increase in the annual accruals to its storm damage reserve from \$57,500 to \$380,000. Peoples believes that in light of the effects of Hurricane Michael, a larger storm damage reserve is necessary to account for the increasing severity and costs of storm damage in general.

### **Manufactured Gas Plant**

The additional revenue requirements Peoples is requesting by this Petition include an increase in the annual amortization expense of the Manufactured Gas Plant (MGP) regulatory asset from \$640,000 to \$1,000,000. The increase would provide for an approximate 20-year amortization period of the MGP regulatory asset.

### **Depreciation Study**

Peoples has filed a separate petition for approval of a Depreciation Study that the Company is proposing to be effective on January 1, 2021, commensurate with new base rates. The Depreciation Study concludes that Peoples will need an estimated \$3.7 million of additional revenue to account for the impact of increased depreciation.

### **Maximum Allowable Construction Cost (MACC)**

Peoples extends main pipelines and service facilities in accordance with the provisions of Rule 25-7.054, Florida Administrative Code. As shown in Exhibit C to this petition, Peoples proposes to change its tariff, pages 5.601 through 5.601-2 to adjust the MACC calculation based on ten (10) years revenue rather than the four (4) years existing calculation. Peoples believes the ten (10) year calculation better reflects the realities of the cost of extending service to customers which has increased considerably since the Company's last rate case. This revised tariff provision will help make gas service more affordable to customers seeking gas service and will promote new commercial and residential development during the economic recovery following the pandemic.

## **Virtual Pipeline Natural Gas Service (VPNGS)**

Peoples is proposing to implement a new tariff which is designed to provide natural gas service to customers who are unable to obtain access from traditional pipelines. This tariff would allow Peoples to respond to customer demand in situations where traditional natural gas pipeline delivery would not be economically or logistically feasible.

## **Other Tariff Changes**

Peoples is proposing several changes to the tariff that updates antiquated language and corrects grammar and typographical errors. Additionally, changes are proposed to modify the Renewable Natural Gas (RNG), Compressed Natural Gas (CNG) and Natural Gas Vehicle Service (NGVS) tariffs to make these services more widely available to customers and reflects adjustments to adapt to changing market conditions.

## **E. STATEMENT OF ISSUES AND POSITIONS**

### **TEST PERIOD AND FORECASTING**

**ISSUE 1** Is PGS's projected test period of the twelve months ending December 31, 2021, appropriate?

**PGS:** Yes. Calendar year 2021 is appropriate for use as the test year since it is representative of Peoples' projected revenues and projected cost of service, capital structure, and rate base required to provide safe, reliable, cost-effective service to its customers during the period when the Company's new rates will be in effect.

**ISSUE 2** Are PGS's forecasts of customer and therms by rate class for the projected test year ending December 31, 2021 appropriate? If not, what adjustments should be made?

**PGS:** Yes. PGS' projections of bills and therms for the projected test year, as shown on MFR Schedule G-6, page 4-7, are appropriate.

**ISSUE 3** Are PGS' estimated revenues from sales of gas by rate class at present rates for the projected test year appropriate? If not, what adjustments should be made?

**PGS:** Yes. Peoples' estimated revenues from sales of gas by rate class, as shown on MFR Schedule G-2, pages 8a-8f, are appropriate.

## QUALITY OF SERVICE

**ISSUE 4** Is the quality of service provided by PGS adequate?

**PGS:** Yes. Peoples' quality of service is excellent. No party to this proceeding has suggested otherwise. Peoples has ranked highest in residential customer satisfaction among Midsize Natural Gas utilities in the South region for eight consecutive years in the J.D. Power Gas Utility Residential Customer Satisfaction Study. In 2020, Peoples achieved the highest score in the history of the study. Peoples also led the South region in overall customer satisfaction at the midpoint of the 2020 Gas Utility Business Customer Satisfaction Study. Peoples ranked highest in Brand Trust in Escalent's 2020 Cogent Syndicated Utility Trusted Brand & Customer Engagement Residential Study, which marked the sixth consecutive year.

## DEPRECIATION STUDY

**ISSUE 5** Should the Commission establish an annual depreciation rate applicable to PGS's liquefied natural gas storage, renewable natural gas, and compressed natural gas assets?

**PGS:** Yes. The proposed new annual depreciation rates of 3.5% - RNG Plant (Account 33600), 3.5% LNG Plant (Account 36400) and 3.0% Compressor Equipment (Account 37700) are appropriate.

**ISSUE 6** What are the appropriate depreciation parameters, resulting rates, reserve allocation, and amortization schedules?

**PGS:** The appropriate depreciation parameters, resulting rates, reserve allocation, and amortization schedules are contained in Exhibit DAW-1 at the following pages:

- Amortization schedules - pages 74-98,
- Reserve allocation - Appendix A-1, pages 100-101
- Resulting rates - Appendix B, pages 104-105, and Appendix E, page 145, and
- Parameters - Appendix C page 107.

**ISSUE 7** What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?

**PGS:** The implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules should be the date new base rates are in effect, as decided in Issue 70.

## RATE BASE

**ISSUE 8** Has PGS made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation, and Working Capital?

**PGS:** Yes. All required adjustments to remove non-utility items have been included in the 2021 test year, as shown on MFR Schedule G-1, page 4.

**ISSUE 9** Should any adjustments be made to the amounts included in the projected test year for acquisition adjustment and accumulated amortization of acquisition adjustment?

**PGS:** No. In the projected 2021 test year, Peoples included \$2,084,900 for acquisition adjustment and (\$2,148,582) for accumulated amortization of acquisition adjustment, as seen on MFR Schedule A-3, page 1.

**ISSUE 10** What is the appropriate level of CWIP to include in the projected test year?

**PGS:** The appropriate amount of CWIP for the 2021 projected test year is \$154,563,081, as reflected on MFR Schedule G-1, page 1. The most recent up to date capital expenditures forecast reflects that the Company will exceed its original projected capital expenditures included in the Company's claim. Therefore, there is no reason to modify the projected expenditures for the test year.

**ISSUE 11** What is the appropriate level of Gas Plant Accumulated Depreciation and Amortization for the projected test year?

**PGS:** The appropriate amount of Gas Plant Accumulated Depreciation and Amortization for the projected test year 2021 is (\$819,372,981), as shown on MFR Schedule G-1, page 1.

**ISSUE 12** What are the appropriate amounts of plant in service and accumulated depreciation to be removed in the projected test year for PGS's Cast Iron/Bare Steel program?

**PGS:** The appropriate amounts to be included in the projected 2021 test year for Peoples' CI/BS Rider are \$16,488,118 for plant in service and \$84,198 for accumulated depreciation, as shown on MFR Schedule G-1, page 4.

**ISSUE 13** Is PGS's proposed LNG facility reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed LNG facility?

**PGS:** Yes, the proposed LNG facility is reasonable. The 2021 13-month average plant in service balance for PGS's proposed LNG facility is \$11,082,087.

**ISSUE 14** Is PGS's proposed Jacksonville expansion project reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed Jacksonville expansion project?

**PGS:** Yes, the proposed Jacksonville expansion project is reasonable. The 2021 13-month average plant in service balance for PGS's proposed Jacksonville expansion project is \$58,704,815.

**ISSUE 15** Is PGS's proposed Panama City expansion project reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed Panama City expansion project?

**PGS:** Yes, the proposed Panama City expansion project is reasonable. The 2021 13-month average plant in service balance for PGS's proposed Panama City expansion project is \$28,505,502.

**ISSUE 164** Is PGS's proposed Southwest Florida Expansion project reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed Southwest Florida Expansion project?

**PGS:** Yes, the proposed Southwest Florida expansion project is reasonable. The 2021 13-month average plant in service balance for PGS's proposed Southwest Florida expansion project is \$48,498,972.

**ISSUE 17** What is the appropriate level of plant in service for the projected test year?

**PGS:** The appropriate plant in service amount for the 2021 projected test year is \$2,266,308,430, as reflected on MFR Schedule G-1, page 1. The most recent up to date capital expenditures forecast reflects that the Company will exceed its original projected capital expenditures included in the Company's claim. Therefore, there is no reason to modify the projected expenditures for the test year.

**ISSUE 18** Have under recoveries and over recoveries related to the Purchased Gas Adjustment, Energy Conservation Cost Recovery, and Area Expansion Plan been appropriately reflected in the Working Capital Allowance?

**PGS:** Yes, as shown on MFR Schedule G-1, page 2.

**ISSUE 19** What is the appropriate level of working capital for the projected test year?

**PGS:** The appropriate 2021 projected test year Working Capital Allowance is (\$12,053,001), as reflected on MFR schedule G-1, page 3.

**ISSUE 20** What is the appropriate level of rate base for the projected test year?

**PGS:** The appropriate projected test year Rate Base is \$1,578,725,509, as reflected on MFR Schedule G-1, page 1.

### **COST OF CAPITAL**

**ISSUE 21** What is the appropriate amount of accumulated deferred taxes to include in the projected test year capital structure?

**PGS:** The appropriate amount of accumulated deferred taxes to be included in the capital structure for the projected test year is \$216,463,449, as shown on MFR Schedule G-3, page 2.

**ISSUE 22** What is the appropriate amount and cost rate for short-term debt to include in the projected test year capital structure?

**PGS:** The appropriate amount of short-term debt for the projected test year is \$103,252,578 and the cost rate is 2.80 percent, as shown on MFR Schedule G-3, page 4.

**ISSUE 23** What is the appropriate amount and cost rate for long-term debt to include in the projected test year capital structure?

**PGS:** The appropriate amount of long-term debt for the projected test year is \$521,217,185 and the cost rate is 4.47 percent, as shown on MFR Schedule G-3, page 3.

**ISSUE 24** What is the appropriate authorized return on equity (ROE) to use in establishing PGS's projected test year revenue requirement?

**PGS:** The appropriate authorized return on equity (ROE) for the projected test year is 10.75 percent.

**ISSUE 25** Has PGS made the appropriate adjustments to remove all non-utility investments from the common equity balance?

**PGS:** Yes. The appropriate adjustments to remove all non-utility investments from the common equity balance have been made, as shown on Exhibit SPH-1, Document No. 7.

**ISSUE 26** What is the appropriate weighted average cost of capital to use in establishing PGS's projected test year revenue requirement?

**PGS:** The appropriate weighted average cost of capital for the projected test year

is 6.63 percent, as reflected on MFR Schedule G-3, page 2.

**ISSUE 27** Should a parent company debt adjustment be made per Rule 25-14.004, Florida Administrative Code, and if so, what is the amount of the adjustment?

**PGS:** Emera U.S. Holding Inc. (EUSHI) is the ultimate parent company used for purposes of calculating a parent debt adjustment as provided for in Rule 25-14.004. EUSHI does not project to have debt on its balance sheet in the 2021 projected test year. Therefore, Peoples has included a parent company debt adjustment of \$0, as shown on MFR Schedule C-26.

### **NET OPERATING INCOME**

**ISSUE 28** Has PGS properly removed Purchased Gas Adjustment and Energy Conservation Cost Recovery Revenues, Expenses, and Taxes-Other from the projected test year?

**PGS:** Yes, as shown on MFR Schedule G-2, page 2.

**ISSUE 29** What is the appropriate amount of miscellaneous revenues?

**PGS:** The appropriate amount of miscellaneous revenues is \$11,827,475, as shown on MFR Schedule E-1, page 5.

**ISSUE 30** Is PGS's projected Total Operating Revenues for the projected test year appropriate (fallout issue)?

**PGS:** The appropriate amount of total operating revenues after adjustments is \$245,355,065, as reflected on MFR Schedule G-2, page 1.

**ISSUE 31** Has PGS made the appropriate adjustments to remove all non-utility activities from operation expenses, including depreciation and amortization expense?

**PGS:** Yes. The appropriate adjustments to remove all non-utility activities from operation expenses has been made, as shown on MFR Schedule G-2, pages 2-3.

**ISSUE 32** Should an adjustment be made to Bad Debt Expense and for Bad Debt in the Revenue Expansion Factor?

**PGS:** No, the Bad Debt Expense is \$1,312,803, as shown on Exhibit SPH-1, Document No. 5, and the bad debt rate of 0.3423 percent was incorporated into the Revenue Expansion Factor, as shown on MFR Schedule G-4, page

1.

**ISSUE 33** Should the projected test year O&M expenses to be adjusted to reflect changes to the non-labor trend factors for inflation and customer growth?

**PGS:** No.

**ISSUE 34** Should an adjustment be made to the number of added positions in 2020 and 2021?

**PGS:** No. As noted in the salaries and benefits issue below, the new 2020 and 2021 positions result in an additional \$4,282,254 of O&M payroll in the 2021 projected test year, as shown on MFR Schedule G-2, page 19 and detailed in the Company's response to OPC Interrogatory No. 50.

**ISSUE 35** What is the appropriate amount of salaries and benefits to include in the projected test year?

**PGS:** The appropriate amount of salaries or payroll O&M included in the 2021 projected test year is \$41,065,277, which is the \$36,783,023 "Payroll trended" and \$4,282,254 "Payroll not trended" total amounts as shown on MFR Schedule G-2, page 19. The new 2020 and 2021 positions are reflected in the \$4,282,254 of O&M Payroll not trended and have been detailed in the Company's response to OPC Interrogatory No. 50. The appropriate amount of benefits included in FERC account 926 for the 2021 projected test is year \$10,932,381, as shown on MFR Schedule G-2, page 18, and as detailed in the Company's response to Interrogatory No. 21. The appropriate amount of short-term incentive compensation included in the 2021 projected test year is \$4,512,108, as shown on Exhibit SPH-1, Document No. 5, in FERC account 920.

**ISSUE 36** Are there membership dues expense that should be adjusted in the projected test year?

**PGS:** Yes. The Company agrees with the adjustment of \$25,000 for Associated Gas Distributors of Florida lobbying-related costs.

**ISSUE 37** What is the appropriate amount for Miami LNG O&M storage expense in the projected test year?

**PGS:** The appropriate amount of Miami LNG O&M storage expense in the projected test year is \$25,000.

**ISSUE 38** Are all costs related to PGS' provision of LNG services to end users properly allocated?



**PGS:** Yes, they are properly allocated. There is no approved LNG tariff and Peoples does not have any contracts for LNG services, so there has been no allocation to any end users.

**ISSUE 39** What is the appropriate amount for LNG/RNG consulting expense in the projected test year?

**PGS:** The appropriate amount of added LNG/RNG consulting expense in the 2021 projected test year is \$50,000.

**ISSUE 40** What is the appropriate amount of expense in the projected test year for additional economic development initiatives?

**PGS:** The appropriate amount of added Economic Development expense in the 2021 projected test year is \$415,802.

**ISSUE 41** What is the appropriate amount of expenses in the projected test year for additional advertising and marketing expense?

**PGS:** The appropriate amount of added advertising and marketing expense in the 2021 projected test year is \$1,064,871. This includes the following added items in 2021:

- Additional Marketing to Promote Natural Gas - \$829,871
- Additional Pipeline Awareness Campaign Expense - \$200,000
- Additional Customer Communications - \$35,000

**ISSUE 42** What is the appropriate amount of projected test year TIMP Pipeline Reassessment and Risk Analysis expense and is reserve accounting treatment appropriate?

**PGS:** The cost of TIMP Pipeline Reassessment and Risk Analysis in the projected test year is \$2,107,400, as shown on Exhibit SPH-1, Document No. 5. Due to the significant fluctuations in annual TIMP Pipeline Reassessment and Risk Analysis costs, reserve account treatment is appropriate. Based on the average annual amount of the expected costs for the period 2021-2024, the appropriate amount of annual amortization expense for reserve accounting treatment in the 2021 project test year is \$1,437,475.

**ISSUE 43** Are there other projected test year operating expenses that should be adjusted, such as engineering services, engineering training, or others?

**PGS:** No. The Company's expense additions in the 2021 projected test year of \$300,000 for engineering services and \$50,000 for engineering training are appropriate.

**ISSUE 44** Over what time period should operating costs associated with the implementation of a new Work Asset Management system be amortized and recovered?

**PGS:** The Company agrees with OPC's proposal to amortize and recover the new Work Asset Management system non-capitalizable costs of \$811,166 over a five-year period. Therefore, the appropriate amount of annual amortization expense in the 2021 projected test year is \$162,233. This is an adjustment of \$648,933.

**ISSUE 45** What is the appropriate amount of added expenses in the projected test year for other employee-related expense, such as operation employees' expenses and materials costs, additional A&G employee expenses, and increased allocations from Shared Services due to additional employees?

**PGS:** The appropriate amount of employee expenses in the 2021 projected test year for operations employees' expenses is \$163,200 and additional A&G employee expenses for the pipeline safety and compliance responsibilities is \$98,000. The appropriate increase in the 2021 projected test year Information Technology allocation is \$607,242, and approximately one-third of which is not related to PGS employee count. The appropriate increase in the 2021 projected test year Human Resource allocation is \$246,994. The appropriate increase in the 2021 projected test year Other shared services allocation is \$65,652.

**ISSUE 46** What is the appropriate annual storm damage accrual and cap?

**PGS:** The appropriate amount of annual storm expense accrual is \$380,000 and the appropriate cap is \$3.8 million.

**ISSUE 47** What is the appropriate amount of annual Manufactured Gas Plant environmental remediation amortization expense?

**PGS:** The appropriate amount of annual Manufactured Gas Plant environmental remediation amortization expense is \$1,000,000.

- ISSUE 48** Should an adjustment be made to Rate Case Expense for the projected test year and what is the appropriate amortization period?
- PGS:** No adjustment should be made to the Rate Case Expense. The appropriate amortization period is 3 years.
- ISSUE 49** What is the appropriate amount of projected test year O&M expenses (fall-out issue)?
- PGS:** The appropriate amount of O&M Expense in the projected test year is \$121,105,512, as reflected on MFR Schedule G-2, page 1.
- ISSUE 50** What is the appropriate amount of depreciation expense to be removed in the projected test year for PGS's Cast Iron/Bare Steel program?
- PGS:** The appropriate amount of depreciation expense to be removed in the projected test year for Peoples' CIBSR is (\$251,790), as shown on MFR Schedule G-2, page 2.
- ISSUE 51** What is the appropriate amount of Depreciation and Amortization Expense for the projected test year?
- PGS:** The appropriate amount of Depreciation and Amortization Expense in the projected test year is \$57,615,935, as shown on MFR Schedule G-2, page 1.
- ISSUE 52** What is the appropriate amount of projected test year Taxes Other than Income (fall-out issue)?
- PGS:** The appropriate amount of projected 2021 test year Taxes Other Than Income is \$21,104,417, as shown on MFR Schedule G-2, page 1.
- ISSUE 53** What is the appropriate amount of projected test year Income Tax Expense (fall-out issue)?
- PGS:** The appropriate amount of projected 2021 test year Income Tax Expense is \$4,750,161, as shown on MFR Schedule G-2, page 1.
- ISSUE 54** What is the appropriate amount of Total Operation Expenses for the projected test year (fall-out issue)?
- PGS:** The appropriate amount of Total Operating Expenses for the projected 2021 test year is \$204,576,025, as shown on MFR Schedule G-2, page 1.

**ISSUE 55** What is the appropriate amount of Net Operating Income for the projected test year (fall-out issue)?

**PGS:** The appropriate amount of Net Operating Income in the projected test year is \$40,779,039, as reflected on MFR Schedule G-2, page 1.

### **REVENUE REQUIREMENTS**

**ISSUE 56** What is the appropriate revenue expansion factor and the appropriate net operating income multiplier (fall-out issue)?

**PGS:** The appropriate revenue expansion factor in this case is 74.8424 percent and the net operating income multiplier proposed in this case is 1.3361, as shown on MFR Schedule G-4, page 1.

**ISSUE 57** What is the appropriate annual operating revenue increase for the projected test year (fall-out issue)?

**PGS:** The appropriate operating revenue increase for the projected test year is \$85,324,894, as reflected on MFR Schedule G-5.

### **COST OF SERVICE AND RATE DESIGN**

**ISSUE 58** Is PGS's proposed cost of service study appropriate?

**PGS:** Yes. The Company's class of service study appropriately reflects cost causation and each allocation factor is consistent with the factors that drive the underlying costs of providing service to customers.

**ISSUE 59** What are the appropriate customer charges?

**PGS:** The appropriate Customer Charges are:

| <u>Rate Class</u> | <u>Annual Therms</u> | <u>Customer Charge</u> |
|-------------------|----------------------|------------------------|
| RS-1              | 0-99                 | \$16.20 per month      |
| RS-2              | 100-249              | \$19.20 per month      |
| RS-3              | 250-1,999            | \$26.20 per month      |
| RS-GHP            | All Therms           | \$26.20 per month      |
| SGS               | 0-1,999              | \$32.50 per month      |
| GS-1              | 2,000-9,999          | \$48.00 per month      |
| GS-2              | 10,000-49,999        | \$92.00 per month      |
| GS-3              | 50,000-249,000       | \$495.00 per month     |

|        |                      |                      |
|--------|----------------------|----------------------|
| GS-4   | 250,000-499,999      | \$795.00 per month   |
| GS-5   | >500,000             | \$1,695.00 per month |
| SIS    | 1,000,000-3,999,999  | \$1,695.00 per month |
| IS     | 4,000,000-49,999,999 | \$1,895.00 per month |
| ISLV   | >50,000,000          | \$2,095.00 per month |
| NGVS-2 |                      | Varies               |
| RS-SG  |                      | \$27.74 per month    |
| CS-SG  |                      | \$48.00 per month    |
| RNGS   |                      | Varies               |
| CS-GHP |                      | \$48.00 per month    |
| VPNG   |                      | Varies               |
| WHS    |                      | \$495.00 per month   |

**ISSUE 60** What is the appropriate class revenue allocation?

**PGS:** In view of the results of the ACROSS and other important rate design goals, an equal percentage change in base revenues among two groups of customers:

- Residential customers taking service pursuant to Rate Schedules RS, RS-SG, and RS-GHP
- Customer taking service pursuant to the Company’s commercial rate schedules SGS, GS-1, GS-2, GS-3, GS-4, GS-5, CS-GS, CS-GHP, CSLS, and NGVS, wholesale service, and customers taking service pursuant to the Company’s interruptible rate schedules SIS, IS, and ISLV.

Within the first group, a somewhat greater proportionate increase should be applied to the base revenues for RS-1 customers. Within the second group, the base revenues for SIS and IS interruptible customers should be increased proportionately more than for the firm customers. The incremental base revenue from interruptible classes should be used to reduce the increase to SGS, GS-1, and GS-2 customers.

**ISSUE 61** What are the appropriate per Therm distribution charges?

**PGS:** The appropriate per Therm Distribution charges are:

| <u>Rate Class</u> | <u>Distribution Charge per Therm</u> |
|-------------------|--------------------------------------|
| RS-1, RS-2, RS-3  | \$0.34456                            |
| RS-GHP            | \$0.09598                            |
| SGS               | \$0.43539                            |
| GS-1              | \$0.34214                            |
| GS-2              | \$0.28758                            |
| GS-3              | \$0.23340                            |
| GS-4              | \$0.19362                            |
| GS-5              | \$0.12817                            |

|        |               |           |
|--------|---------------|-----------|
| CSLS   |               | \$0.30167 |
| SIS    |               | \$0.09002 |
| IS     |               | \$0.04691 |
| ISLV   |               | \$0.01151 |
| RS-SG  | 0-20.0 Therms | \$0.00000 |
|        | >20.0 Therms  | \$0.34456 |
| CS-SG  | 0-40.0 Therms | \$0.00000 |
|        | >40.0 Therms  | \$0.52937 |
| CS-GHP |               | \$0.19605 |
| WHS    |               | \$0.18413 |

**ISSUE 62**

What are the appropriate miscellaneous service charges (account opening charge, meter turn on charges, meter reconnection charges, trip charge/collection at customer premises, temporary meter turn off charge)?

**PGS:** The appropriate Miscellaneous Service Charges are:

|  |   |
|--|---|
| Account Opening Charge   | \$24.00   |
| Meter Turn On Charge (Res.)<br>(or Service Initiation Charge)        | \$63.00 initial<br>\$29.00 each add'l unit/meter  |
| Meter Turn On Charge (Other)<br>(or Service Initiation Charge)       | \$100.00 initial<br>\$34.00 each add'l unit/meter |
| Meter Reconnection Charge (Res.)<br>(or Service Restoration Charge)  | \$87.00 initial<br>\$28.00 each add'l unit/meter  |
| Meter Reconnection Charge (Other)<br>(or Service Restoration Charge) | \$100.00 initial<br>\$32.00 each add'l unit/meter |
| Trip Charge<br>(or Collection at Customer Premises)                  | \$25.00   |
| Failed Trip Charge at Customer Premises                              | \$25.00   |
| Temporary Meter Turn-Off Charge                                      | \$30.00   |
| ITS Administration Charge  | \$216.00 per meter                                |
| Pool Manager Termination Fee   | \$52.00   |

Where gas service is established outside of normal business hours, by special appointment, or same day service the charges set forth above are multiplied by 1.5.

**ISSUE 63** Is PGS's proposed revision to its Maximum Allowable Construction Cost from four to 10 times the estimated annual revenue reasonable?

**PGS:** Yes, Peoples believes the increase from four to 10 times the estimated annual revenue is reasonable given that it more properly accommodates the construction cost increases that have occurred since the last rate case.

**ISSUE 64** Are PGS's proposed revisions to its counties and communities tariff maps representative of the company's service territory?

**PGS:** Yes. The proposed changes to the counties and communities served is an updated list that reflects the new areas to which Peoples has extended service in response to customer demand.

**ISSUE 65** Is PGS's proposed new Virtual Pipeline Natural Gas Service (VPNGS) rate schedule appropriate?

**PGS:** Yes. The VPNGS tariff is designed to serve customers that are interested in natural gas supply that cannot be served via pipeline by the Company due to the customer's need for gas versus the time it takes to construct the pipeline, the economic feasibility of constructing a pipeline to their location, or due to a customer's intermittent demand or temporary need for gas service. The VPNGS can be a temporary or interim service that allows Peoples to deliver natural gas to customers until the pipeline system exists to serve directly or can be a longer-term solution when a pipeline option does not exist.

**ISSUE 66** Are PGS's proposed revisions to its Renewable Natural Gas (RNG) rate schedule appropriate?

**PGS:** Yes. The proposed changes will support the development of RNG in Florida. The modifications will revise and clarify the types of utilized equipment, the capture of renewable natural gas, and the ownership of renewable natural gas. As the RNG market in Florida begins to grow, there has been a broadening of the types of business structures for RNG projects that were not contemplated when the RNG tariff was originally added. Therefore, the Company seeks to adjust this tariff to make it applicable to the emerging business structures in the RNG arena.

**ISSUE 67** Is PGS's proposal to remove its Natural Gas Vehicle Service-1 (NGVS-1) rate schedule appropriate?

**PGS:** Yes. NGVS-1 has been closed to new customers since 2013 and existing customers will be shifted to the otherwise applicable rate schedule upon approval of new tariff rates.

**ISSUE 68** Are PGS's proposed revision to its Natural Gas Vehicle Service-2 (NGVS-2) rate schedule appropriate?

**PGS:** Yes. The modification to remove the 1.6 percent factor from the calculation will provide greater flexibility to structure the facility fee based on customer needs and project specific requirements. With this change, the NGVS-2 tariff facility fee will be determined in a manner consistent with the RNG tariff. The tariff change will encourage expanded use of natural gas as a transportation fuel.

**ISSUE 69** Are PGS's proposed revisions to its Individual Transportation Service Rider (Rider ITS) appropriate?

**PGS:** Yes. Peoples is proposing to make changes to its penalty calculations by changing the references from FTS-2 to FTS-3. Additionally, Peoples is proposing to change its Alert Day tolerance from 6 percent to 4.17 percent to better align with upstream capacity contracts.

**ISSUE 70** What is the appropriate effective date of PGS's revised rates and charges?

**PGS:** Peoples requests its proposed base rates become effective January 1, 2021.

### **OTHER ISSUES**

**ISSUE 71** Should PGS be required to notify the Commission within 90 days after the date of the final order in this docket, that it has adjusted its books and records for all applicable accounts as a result of the Commission's findings in this rate case?

**PGS:** Yes.



**ISSUE 72** Should this docket be closed?

**PGS:** Yes. This docket should be closed after the Commission has issued its final order and the time for filing an appeal has expired.

**F. STIPULATED ISSUES**

**PGS:** None at this time.

**G. PENDING MOTIONS**

**PGS:** None (except those listed under H. below) at this time.

**H. PENDING CONFIDENTIALITY CLAIMS OR REQUESTS**

**PGS:** PGS has pending the following requests for confidential treatment of information:

| <u>Document No.</u> | <u>Date</u> | <u>Description</u>   |
|---------------------|-------------|--|
| DN 03921-2020       | 07/21/2020  | Request for confidential classification and motion for temporary protective order [of DN 03819-2020] |
| DN 03948-2020       | 07/21/2020  | Request for confidential classification and Motion for temporary protective order [of DN 03853-2020] |
| DN 03949-2020       | 07/21/2020  | Request for confidential classification and motion for temporary protective order [of DN 03853-2020] |
| DN 03964-2020       | 07/22/2020  | Request for confidential classification and motion for temporary protective order [of DN 03939-2020] |
| DN 05173-2020       | 08/27/2020  | Request for confidential classification and motion for temporary protective order [of DN 04207-2020] |
| DN 05187-2020       | 08/27/2020  | Request for confidential classification and motion for temporary protective order [of DN 04572-2020] |

|               |            |   |
|---------------|------------|---|
| DN 05268-2020 | 08/28/2020 | Request for confidential classification and motion for temporary protective order [of DN 04634-2020]  |
| DN 05333-2020 | 08/31/2020 | Request for confidential classification and motion for temporary protective order [of DN 05047-2020]  |
| DN 05380-2020 | 08/31/2020 | Request for confidential classification and motion for temporary protective order [of DN 05570-2020]  |
| DN 05582-2020 | 09/01/2020 | Request for confidential classification and motion for temporary protective order [of response to staff's 2 <sup>nd</sup> set of interrogatories No. 109] |
| DN 07381-2020 | 09/15/2020 | Request for confidential classification and motion for temporary protective order [of DN 05675-2020]  |
| DN 09442-2020 | 09/25/2020 | Request for confidential classification and motion for temporary protective order [of documents Bates numbered BS 16756-16766]                            |

**I. OBJECTIONS TO A WITNESS'S QUALIFICATION AS AN EXPERT**

**PGS:** None at this time.

**J. COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE**

PGS has complied with all requirements of the Order Establishing Procedure in this docket.

**K. OTHER MATTERS**

**PGS:** None at this time.

Dated this 28th day of September, 2020.

Respectfully submitted,

s/Andrew M. Brown

Andrew M. Brown  
Macfarlane Ferguson & McMullen  
P.O. Box 1531  
Tampa, Florida 33601-1531  
Phone: (813) 273-4209  
Fax: (813) 273-4396  
E-mail: [ab@macfar.com](mailto:ab@macfar.com)

Thomas R. Farrior  
Macfarlane Ferguson & McMullen  
P.O. Box 1531  
Tampa, Florida 33601-1531  
Phone: (813) 273-4232  
Fax: (813) 273-4396  
E-mail: [trf@macfar.com](mailto:trf@macfar.com)

Attorneys for Peoples Gas System

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and copy of the foregoing Prehearing Statement has been furnished via electronic mail this 28th day of September, 2020, to the following:

J.R. Kelly, Esq.  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison St., Room 812  
Tallahassee, FL 32399-1400  
[kellyjr@leg.state.fl.us](mailto:kellyjr@leg.state.fl.us)

Paula K. Brown  
Regulatory Department  
TECO Energy, Inc.  
P.O. Box 111  
Tampa, FL 33601-0111  
[regdept@tecoenergy.com](mailto:regdept@tecoenergy.com)

Jennifer S. Crawford, Esq.  
Kurt Schrader, Esq.  
Bianca Lherisson, Esq.  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
[jcrawfor@psc.state.fl.us](mailto:jcrawfor@psc.state.fl.us)  
[kschrade@psc.state.fl.us](mailto:kschrade@psc.state.fl.us)  
[blheriss@psc.state.fl.us](mailto:blheriss@psc.state.fl.us)

Kandi M. Floyd  
Peoples Gas System  
P.O. Box 111  
Tampa, FL 33601-0111  
[kfloyd@tecoenergy.com](mailto:kfloyd@tecoenergy.com)

Mireille Fall-Fry, Esq.  
Associate Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399-1400  
[fall-fry.mireille@leg.state.fl.us](mailto:fall-fry.mireille@leg.state.fl.us)

Florida Industrial Power Users Group  
c/o Jon C. Moyle, Jr.  
Karen A. Putnal  
Moyle Law Firm, P.A.  
118 North Gadsden Street  
Tallahassee, FL 32301  
[jmoyle@moylelaw.com](mailto:jmoyle@moylelaw.com)  
[kputnal@moylelaw.com](mailto:kputnal@moylelaw.com)  
[mqualls@moylelaw.com](mailto:mqualls@moylelaw.com)

s/Andrew M. Brown, Esq.  
Andrew M. Brown