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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20210003-GU

PURCHASED GAS ADJUSTMENT
(PGA) TRUE-UP.

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VOLUME 1

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PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN GARY F. CLARK
COMMISSIONER ART GRAHAM
COMMISSIONER ANDREW GILES FAY
COMMISSIONER MIKE LA ROSA
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Tuesday, November 2, 2021

TIME: Commenced: 1:00 p.m.
Concluded: 4:36 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter and
Notary Public in and for
the State of Florida at Large

PREMIER REPORTING
112 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

1 APPEARANCES:

2 BETH KEATING and GREGORY M. MUNSON, ESQUIRES,
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4 Street, Suite 601, Tallahassee, Florida 32301-1839;
5 CHRISTOPHER T. WRIGHT, ESQUIRE, 700 Universe Boulevard,
6 Juno Beach, Florida 33408, appearing on behalf of
7 Florida City Gas (FCG).

8 BETH KEATING, ESQUIRE, Gunster, Yoakley &
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10 Tallahassee, Florida 32301-1839, appearing on behalf of
11 Florida Public Utilities Company (FPUC).

12 ANDREW M. BROWN, ESQUIRE, Macfarlane Law Firm,
13 Post Office Box 1531, Tampa, Florida 33601-1531,
14 appearing on behalf of Peoples Gas System (PGS).

15 ANDY SHOAF, VICE PRESIDENT, St. Joe Natural
16 Gas Company, Incorporated, Post Office Box 549, Port St.
17 Joe, Florida 32457-0549, appearing on behalf of St. Joe
18 Natural Gas Company, Inc. (SJNG).

19 RICHARD GENTRY, PUBLIC COUNSEL; CHARLES
20 REHWINKEL, DEPUTY PUBLIC COUNSEL, PATRICIA A.
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22 ESQUIRES, Office of Public Counsel, c/o The Florida
23 Legislature, 111 W. Madison Street, Room 812,
24 Tallahassee, Florida 32399-1400, appearing on behalf of
25 the Citizens of the State of Florida (OPC).

1 APPEARANCES (CONTINUED):

2 STEFANIE-JO OSBORN, ESQUIRE, FPSC General
3 Counsel's Office, 2540 Shumard Oak Boulevard,
4 Tallahassee, Florida 32399-0850, appearing on behalf of
5 the Florida Public Service Commission Staff (Staff).

6 KEITH HETRICK, GENERAL COUNSEL; MARY ANNE
7 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service
8 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
9 Florida 32399-0850, Advisor to the Florida Public
10 Service Commission.

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I N D E X

WITNESSES

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EXHIBITS

NUMBER:		ID	ADMITTED
1	Comprehensive Exhibit List	60	60
2-22	As identified on the CEL	60	60

1 P R O C E E D I N G S

2 CHAIRMAN CLARK: All right. Ms. Osborn, I
3 believe you have lead here. Any preliminary
4 matters we need to discuss?

5 MS. OSBORN: Staff will note that there are
6 proposed Type 2 stipulations on all issues, with
7 OPC taking into position on all issues.

8 Staff will also note that all witnesses have
9 been excused and that the parties have waived
10 opening statements.

11 CHAIRMAN CLARK: All right. Let's address
12 prefiled testimony.

13 MS. OSBORN: Staff will ask that the prefiled
14 testimony of all witnesses identified in Section VI
15 of the prehearing order be inserted into the record
16 as though read.

17 CHAIRMAN CLARK: So ordered.

18 (Whereupon, prefiled direct testimony of
19 Miguel Bustos was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA CITY GAS

DIRECT TESTIMONY OF MIGUEL BUSTOS

DOCKET NO. 20210003-GU

(2020 Final True-Up)

MAY 3, 2021

1 **Q. Please state your name and business address.**

2 A. My name is Miguel Bustos. My business address is 4045 NW 97 Avenue, Doral,
3 Florida 33178.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Florida City Gas (“FCG” or “Company”) as Manager of
6 Governmental & Community Affairs. I have been with the Company for
7 approximately 18 years.

8 **Q. What are your responsibilities as Manager of Governmental & Community
9 Affairs?**

10 A. I am responsible for managing FCG’s Purchased Gas Adjustment clause, the
11 overall strategic design and management of the Company’s energy efficiency
12 programs, as well as development of strategies of new business channels and
13 emerging technologies. I am also responsible for providing direction and oversight
14 for the Company’s implementation of governmental and community affairs. I have
15 held these responsibilities since 2013.

16 **Q. Please describe your prior work experience and responsibilities.**

17 A. I began my career at FCG in 2003. I progressed through roles in operations,
18 budgeting, accounting, and business operations. Prior to joining FCG, I was a
19 corporate lead auditor in PricewaterhouseCoopers.

20 **Q. What is your educational background?**

21 A. I have a Bachelor of Science Degree in Accounting from the National Polytechnic
22 Institute (Mexico City) and completed MBA coursework from the University of
23 Americas.

1 **Q. Please explain the purpose of your testimony.**

2 A. The purpose of my testimony is to present FCG's Purchased Gas Adjustment
3 ("PGA") final true-up amount for the period of January 1, 2020 through December
4 31, 2020.

5 **Q. Has the Company prepared the form prescribed by this Commission for this**
6 **purpose?**

7 A. Yes. Attached to my testimony as Exhibit MB-1 is Schedule A-7, which is the PGA
8 true-up reporting form supplied by the Commission Staff. This schedule provides
9 the total actual fuel cost for the period in question, the total actual fuel revenues
10 for that the period, and the resulting over or under-recovery amount.

11 **Q. What was the total gas cost incurred by the Company during the period of**
12 **January 1, 2020 through December 31, 2020?**

13 A. The total cost of gas for this period is \$18,794,777, as shown on Line 1 of Exhibit
14 MB-1.

15 **Q. What was the total amount of gas revenues recovered through the PGA**
16 **during the period of January 1, 2020 through December 31, 2020?**

17 A. The Company recovered a total of \$17,351,163 through the PGA as shown on Line
18 2 of Exhibit MB-1.

19 **Q. What is the Company's actual over/under recovery amount for the period of**
20 **January 1, 2020 through December 31, 2020?**

21 A. The actual over/under recovery amount for this period, including margin sharing
22 (Line 1a), adjustments (Line 3a), and interest (Line 4), is an under-recovery of
23 \$1,067,888 as shown on Line 5 of Exhibit MB-1.

1 **Q. Is this amount net of the estimated true-up for the period January 1, 2020**
2 **through December 31, 2020 that was included in the PGA Factor being**
3 **charged for the period of January 2021 through December 2021 (“2021 PGA**
4 **Factor”)?**

5 A. No. As shown on Line 6 of Exhibit MB-1, there was an estimated under-recovery
6 of \$1,568,073 for the period January 1, 2020 through December 31, 2020 that was
7 included in the 2021 PGA Factor. The final true-up amount, net of the estimated
8 under-recovery included in the 2021 PGA Factor, is an over-recovery of \$500,185,
9 as shown on Line 7 of FCG Exhibit MB-1. This net over-recovery should be
10 included in FCG’s projected PGA Factor for the period January 1, 2022 through
11 December 31, 2022.

12 **Q. Does this conclude your testimony?**

13 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA CITY GAS

DIRECT TESTIMONY OF MIGUEL BUSTOS

DOCKET NO. 20210003-GU

(2022 Purchased Gas Adjustment Factor)

AUGUST 6, 2021

1 **Q. Please state your name and business address.**

2 A. My name is Miguel Bustos. My business address is 4045 NW 97 Avenue, Doral,
3 Florida 33178.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Florida City Gas ("FCG" or "Company") as Manager of
6 Governmental & Community Affairs. I have been with the Company for
7 approximately 18 years.

8 **Q. What are your responsibilities as Manager of Governmental & Community
9 Affairs?**

10 A. I am responsible for managing FCG's Purchased Gas Adjustment clause, the
11 overall strategic design and management of the Company's energy efficiency
12 programs, as well as development of strategies of new business channels and
13 emerging technologies. I am also responsible for providing direction and oversight
14 for the Company's implementation of governmental and community affairs. I have
15 held these responsibilities since 2013.

16 **Q. Please describe your prior work experience and responsibilities.**

17 A. I began my career at FCG in 2003. I progressed through roles in operations,
18 budgeting, accounting, and business operations. Prior to joining FCG, I was a
19 corporate lead auditor in PricewaterhouseCoopers.

20 **Q. What is your educational background?**

21 A. I have a Bachelor of Science Degree in Accounting from the National Polytechnic
22 Institute (Mexico City) and completed MBA coursework from the University of
23 Americas.

1 **Q. Please explain the purpose of your testimony.**

2 A. My testimony supports FCG's request for Commission approval of a Purchased
3 Gas Adjustment ("PGA") Factor to be applied during the period of January 1, 2022
4 through December 31, 2022 (the "Projection Period"). My testimony will present
5 the revised projected true-up for the current period January 1, 2021 through
6 December 31, 2021, based on actual data for six months and projected data for
7 six months (the "Actual/Estimated True-Up"). I will then present the development
8 of the proposed maximum PGA Factor to be charged to Sales Customers during
9 the Projection Period.

10 **Q. Has the Company prepared the form prescribed by this Commission for this
11 purpose?**

12 A. Yes. Attached to my testimony as Exhibit MB-2 are Schedules E-1, E-1/R, and E-
13 2 through E-5, which are the forms prescribed by Commission Staff. These
14 schedules are used to calculate FCG's Actual/Estimated True-Up for the current
15 period and the maximum PGA Factor for the Projection Period.

16 **Q. Can you explain the method used by the Company to calculate its projection
17 of gas costs for the period January 2022 through December 2022?**

18 A. Yes. To calculate its projected gas costs, FCG applied the methodology adopted
19 by the Commission in Order No. PSC-1993-0708-FOF-GU issued on May 10,
20 1993, and modified in Docket No. 19980269-PU on May 19, 1993. Under this
21 methodology, natural gas companies are to project their gas costs each twelve
22 months for the subsequent twelve-month period ending in December. A per therm
23 rate is developed for the weighted average cost of gas ("WACOG") for the

1 projected twelve-month period. However, this rate, which is based on the average
2 of the winter and summer seasons, would lead to over or under-recoveries of gas
3 costs in the two seasons. This problem is mitigated by establishing a maximum
4 levelized PGA Factor, or cap, based on the Company's expected winter cost of
5 gas, thereby reducing the potential for large under-recoveries in the winter season
6 when natural gas supply prices are typically higher. The Company is then able to
7 flex the rate downward in the summer in order to match market conditions and
8 reduce the potential for large over-recoveries in the summer season when natural
9 gas supply prices are typically lower.

10 **Q. What if the actual cost exceeds the maximum rate as projected?**

11 A. If the revised projected gas costs exceed projected recoveries by at least 10%
12 during the twelve-month period, a mid-course correction may formally be
13 requested by the Company.

14 **Q. How are differences between the Company's estimated and actual gas costs
15 treated?**

16 A. The forms prescribed by the Commission take this into consideration. Form E-2
17 calculates the projected differences using estimated figures, and form E-4
18 calculates the final net true-up using actual figures. These under/over recoveries
19 are recovered from or credited to Sales Customers, as appropriate, through a true-
20 up credit/charge included in the PGA Factor billed in the subsequent twelve-month
21 period.

22 **Q. Are any Florida Gas Transmission ("FGT") rate changes projected in this
23 filing?**

1 A. No. On February 1, 2021, FGT filed revised tariffs with the Federal Energy
2 Regulatory Commission ("FERC") in Docket No. RP21-441-000 requesting new
3 rates that, if approved, would apply to FCG. FGT's proposed higher rates will go
4 into effect August 1, 2021, subject to refund pending the FERC's final order
5 approving FGT's rates. At this time it is uncertain what the final FGT rates will be
6 and when they will become effective. Therefore, for purposes of this filing, FCG
7 used the FGT rates in effect on June 1, 2021. Any changes in FGT's FERC-
8 approved rates will be reflected in FCG's Actual True-Up for 2021 and
9 Actual/Estimated True-Up for 2022.

10 **Q. Will FCG incur any costs associated with the FGT rate case at FERC?**

11 A. Yes. The rate increase requested by FGT would apply to gas transportation
12 capacity currently contracted by FCG, which will directly impact the costs paid by
13 Sales Customers through the PGA. FGT's proposed rate increase will also apply
14 to transportation capacity contracted by FCG's direct parent, Florida Power & Light
15 Company ("FPL"), and its affiliate, Gulf Power Company ("Gulf"). Therefore, FCG
16 has intervened in the case and has partnered with FPL and Gulf to collectively
17 participate in the FGT rate case at FERC to ensure that FGT's rate increase is
18 reasonable and prudent. FCG, FPL, and Gulf will allocate the costs incurred to
19 intervene and participate in the FGT rate case based on annual transportation
20 volumes of each entity, which reduces the costs that FCG would otherwise incur if
21 it were to separately participate on its own. The total estimated budget allocated
22 to FCG for the FGT rate case is \$12,000, which is projected to be incurred in 2021.
23 These estimated costs are included as "Other Costs" in FCG's Actual/Estimated

1 True-Up for 2021. The actual costs incurred and allocated to FCG will be included
2 in FCG's Actual True-Up for 2021.

3 **Q. Can you summarize the contents of the schedules submitted as part of this**
4 **filing?**

5 A. Yes. Schedule E-1 shows the Projection Period, January 2022 through December
6 2022. For 2022, the Company projects the total gas purchases by Sales
7 Customers will be 42,208,033 therms (Schedule E-1, Line 27) at a total cost of
8 \$28,650,840 (Schedule E-1, Line 11) with a resulting WACOG of 67.88 cents per
9 therm (Schedule E-1, Line 40) before the application of the true-up factor and the
10 regulatory assessment fee.

11
12 Schedule E-4 shows the final true-up of the revised estimated gas costs and the
13 actual gas costs for the prior period, January 2020 through December 2020, which
14 is an over-recovery of \$500,185 (Schedule E-4, Column 3, Line 4). The final true-
15 up amount is net of interest, adjustments and the estimated under-recovery
16 included in the 2021 PGA Factor. I previously submitted direct testimony and
17 Exhibit MB-1 in support of the final PGA true-up amount for the period January
18 2020 through December 2020.

19
20 The projected true-up for the current period January 2021 through December
21 2021, based on six months actual data and six months projected data, is an under-
22 recovery of \$1,334,903 (Schedule E-4, Column 4, line 4). The total net true-up is
23 an under-recovery of \$834,718 (Schedule E-4, Column 5, Line 4), which results in

1 a true-up factor of 1.978 cents per therm that would be applied during the
2 Projection Period (Schedule E-1, Line 41).

3
4 Applying the net true-up factor increases the WACOG for the Projection Period to
5 69.858 cents per therm (Schedule E-1, Line 42) before the regulatory assessment
6 fee. With the regulatory assessment fee added, the WACOG is 70.209 cents per
7 therm (Schedule E-1, Line 44) based on the average of the winter and summer
8 seasons.

9 **Q. Does the WACOG described above provide a sufficient basis to set the PGA**
10 **Factor for the projection period?**

11 A. No. As explained above, using a PGA Factor based on the average of the winter
12 and summer seasons would lead to over or under-recoveries of gas costs in the
13 two seasons. This problem is mitigated by establishing a maximum levelized PGA
14 Factor, or cap, based on the Company's expected winter cost of gas, which may
15 be flexed downward during the summer season. As shown on Schedule E-1
16 (winter), FCG's maximum levelized PGA Factor based on the Company's
17 projected winter cost of gas is as follows:

18 Winter Average, per Therm

Total Cost (Line 11)	\$16,804,365
Total Therm Sales (Line 27)	21,914,333
(Line 11/ Line 27)	\$ 0.76682
True-up	\$ 0.01978
Before Regulatory Assessment	\$ 0.78660
Revenue Tax Factor	1.00503

1 (Whereupon, prefiled direct testimony of
2 Derrick M. Craig was inserted.)

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20210003-GU
PURCHASED GAS ADJUSTMENT (PGA) TRUE-UP**

**Direct Testimony (True Up) of
Derrick Maurice Craig
On Behalf of
Florida Public Utilities Company**

1 Q. Please state your name and business address.

2 A. Derrick M. Craig, 208 Wildlight Avenue, Yulee, FL 32097.

3 Q. By whom are you employed and in what capacity?

4 A. I am employed by Florida Public Utilities Company as a Senior
5 Regulatory Analyst.

6 Q. What is the purpose of your testimony at this time?

7 A. To advise the Commission of the actual over/under recovery of the
8 Purchased Gas Adjustment for the period January 1, 2020 through
9 December 31, 2020, as compared to the true-up amount previously
10 reported for that period which was based on six months actual and six
11 months estimated.

12 Q. Please state the actual amount of over/under recovery of the Purchased
13 Gas Adjustment for January 1, 2020 through December 31, 2020.

14 A. During January 2020 through December 2020, FPUC under-recovered
15 \$2,260,571.

16 Q. How does this amount compare with the estimated true-up amount, which
17 was allowed by the Commission during the November 2020 hearing?

1 A. As recognized in Order No. PSC-2020-0471-FOF-GU, in Docket No.
2 20200003-GU, FPUC had an anticipated over-recovery of \$938,564, based
3 upon six months of actual and six months of projected data.

4 Q. Have you prepared any exhibits at this time?

5 A. We prepared and pre-filed composite Exhibit DMC-1, containing Schedule
6 A-7, Final PGA Over/Under Recovery for the Period January 2020
7 through December 2020.

8 Q. Does this conclude your testimony?

9 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 DOCKET NO. 20210003-GU - In Re: Purchased Gas Adjustment (PGA) True-Up.

3 (Actual/Estimated and Projections)

4 DIRECT TESTIMONY

5 OF DERRICK M. CRAIG

6 On behalf of Florida Public Utilities Company

7 **Q. Please state your name and business address.**

8 A. My name is Derrick M. Craig. My business address is 208 Wildlight Ave,
9 Yulee, FL 32097.

10 **Q. By whom are you employed and in what capacity?**

11 A. I am employed by Florida Public Utilities Company (FPUC, or the Company)
12 as a Senior Regulatory Analyst.

13 **Q. Can you please provide a brief overview of your educational and
14 employment background?**

15 A. I received a Bachelor of Electrical Engineering degree from the Georgia
16 Institute of Technology 1991 and a Masters of Business Administration from
17 the Darden Graduate School of Business (University of Virginia) in 1997. I
18 have worked in various engineering and financial analysis roles for several
19 utilities, including Baltimore Gas and Electric, Oglethorpe Power Company
20 and Southern Company. I have been in my current position as Senior
21 Regulatory Analyst with Florida Public Utilities Company (FPUC) since April
22 2019. My responsibilities include the fulfillment of regulatory activities for
23 FPUC, ranging from regulatory analysis to periodic filings (Purchased Gas
24 Adjustment, Swing Service, and the Gas Reliability Infrastructure Program)

1 before the Florida Public Service Commission.

2 **Q. Are you familiar with the Purchased Gas Adjustment (PGA) clause of the**
3 **Company?**

4 A. Yes.

5 **Q. Have you ever testified in the PGA Docket before?**

6 A. Yes.

7 **Q. What is the purpose of your testimony in this docket?**

8 A. My testimony will establish the PGA “true-up” collection amount, based on
9 actual January 2020 through June 2021 data and projected July 2021 through
10 December 2022 data. My testimony will summarize the computations that are
11 contained in composite exhibit DMC-2 supporting the January through
12 December 2022 projected PGA recovery (cap) factor for the FPUC
13 consolidated gas division.

14 **Q. Which schedules have you included in your Exhibit DMC-2?**

15 A. The Company has previously filed True-Up schedules A-1, A-2, A-3, A-4, A-
16 5, A-6 and A-7 in this proceeding. Exhibit DMC-2, which is included with
17 my testimony, contains Schedules E-1, E-1/R, E-2, E-3, E-4, and E-5 for the
18 FPUC consolidated gas division. These schedules support the calculation of the
19 PGA recovery (cap) factor for January through December 2022.

20 **Q. Were these schedules completed by you or under your supervision?**

21 A. Yes, these schedules were completed by me.

22 **Q. What is the projection period for this filing?**

23 A. The projection period is January through December 2022.

1 **Q. What is the appropriate final PGA true-up amount for the period**
2 **January through December 2020?**

3 A. As shown on Schedule E-4, the final PGA true-up amount for the period
4 January through December 2020 is an under-recovery of \$3,199,135 inclusive
5 of interest.

6 **Q. What is the projected PGA true-up amount for the period January**
7 **through December 2021?**

8 A. As also shown on Schedule E-4, the projected PGA true-up amount is an over-
9 recovery of \$5,120,126 inclusive of interest, for the period January through
10 December 2021.

11 **Q. What is the total projected PGA true-up amount to be collected from or**
12 **refunded to customers for the period January through December 2022?**

13 A. As shown on Schedule E-4, the total net over-recovery to be refunded for the
14 period January through December 2022 is \$1,920,991.

15 **Q. What is the appropriate PGA recovery (cap) factor for the period January**
16 **through December 2022?**

17 A. As shown on Schedule E-1, the PGA recovery (cap) factor is **105.04¢** per
18 therm for the period January through December 2022.

19 **Q. What should be the effective date of the PGA recovery (cap) factor for**
20 **billing purposes?**

21 A. The PGA recovery (cap) factor should be effective for all meter readings
22 applying to the period of January 1, 2022 through December 31, 2022.

23 **Q. Does this conclude your testimony?**

1 A. Yes.

1 (Whereupon, prefiled direct testimony of
2 Jeffrey B. Bates was inserted.)

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 DOCKET NO. 20210003-GU - In Re: Purchased Gas Adjustment (PGA) True-Up.

3 (Actual/Estimated and Projections)

4 DIRECT TESTIMONY

5 OF JEFFREY B BATES

6 On behalf of Florida Public Utilities Company

7 **Q. Please state your name and business address.**

8 A. My name is Jeffrey Bates. My business address is 331 W. Central Ave, Suite
9 200, Winter Haven, FL 33880.

10 **Q. By whom are you employed and in what capacity?**

11 A. I am employed by Florida Public Utilities Company (“FPUC” or “Company”)
12 as a Senior Energy Logistics Analyst.

13 **Q. Can you please provide a brief overview of your educational and
14 employment background?**

15 A. I graduated from Delaware State University in 1994 with a Bachelor’s of
16 Science degree in Accounting. I graduated from Wilmington University in
17 1999 with a Masters of Business Administration. I have been employed by
18 FPUC since January of 1996.

19 **Q. Are you familiar with the Purchased Gas Adjustment (PGA) clause of the
20 Company and the associated projected and actual revenues and costs?**

21 A. Yes.

22 **Q. Have you ever testified before the Florida Public Service Commission
23 (“FPSC”)?**

24 A. Yes.

1 **Q. Are you sponsoring any Exhibits in this case?**

2 A. No. Numerical references made in my testimony relate to Exhibit DMC-2
3 being sponsored by Derrick Craig.

4 **Q. Please describe how the forecasts of pipeline charges and commodity costs**
5 **of gas were developed for the projection period.**

6 A. The purchases for the gas cost projection model are based on projected sales to
7 traditional non-transportation service customers. Florida Gas Transmission
8 Company's ("FGT") FTS-1, FTS-2, FTS-3, NNTS-1, and ITS-1 as well as
9 Southern Natural Gas ("SONAT") and the Florida Southeast Connection
10 ("FSC") effective charges (including surcharges) and fuel rates, based on the
11 prices from the FGT and SONAT posted rates and FSC rates from a precedent
12 agreement. These were used for the entire projection period. As is further
13 explained herein, the Company has also included costs related to the various
14 expansion projects in the counties of Palm Beach, Polk and Nassau. FPUC has
15 entered into an Asset Management Agreement ("AMA") with Emera Energy to
16 help facilitate the delivery of natural gas in the northeast division.
17 Additionally, the company has included costs related to compressed natural gas
18 which is used to bring supply to areas as a virtual pipeline for emergency and
19 planned services. The expected costs of natural gas purchased by the Company
20 during the projection period were developed using actual prices paid during
21 relevant historical periods and the Henry Hub natural gas futures pricing
22 through the end of the projection period. The forecasts of the commodity

1 costs were then adjusted to reflect the unexpected potential market increases in
2 the projection period.

3 **Q. Please describe how the forecasts of the weighted average cost of gas are**
4 **developed for the projection period.**

5 A. The Company has forecasted the 2022-weighted average cost of gas using the
6 projected monthly pipeline demand costs, less the projected cost of capacity
7 temporarily relinquished to third parties, the projected pipeline usage and no-
8 notice costs and the projected supplier commodity costs. The weighted average
9 cost of gas also includes projected costs related to our purchased gas functions
10 and anticipated a credit for the swing service rider. The sum of these costs are
11 then divided by the projected therm sales to the traditional non-transportation
12 customers resulting in the projected weighted average cost of gas and
13 ultimately the PGA recovery (cap) factor, as shown on Schedule E-1.
14 Capacity shortfall if any, would be satisfied by gas and capacity repackaged
15 and delivered by another FGT or SONAT capacity holder. If other services
16 become available and it is economic to dispatch supplies under those services,
17 the Company will utilize those services as part of its portfolio.

18 **Q. Are the pipeline capacity and supply costs associated with expansions**
19 **appropriate for recovery in the PGA docket?**

20 A. Yes. Historically, the Commission has allowed recovery, through the clause, of
21 upstream transmission pipeline capacity, transportation and related supply
22 costs associated with service expansions to new areas.

1 **Q. Did you include costs of other expansions or interconnects related to**
2 **Florida Division of Chesapeake Utilities (CFG) in the calculations of your**
3 **true-up and projected amounts?**

4 A. Yes. There is a Local Distribution Company (“LDC”) to LDC interconnect
5 with TECO/PGS and CFG for pressure stabilization of CFG’s system in
6 Hernando County. There is also an interconnection to CFG’s facilities for
7 Gulfstream’s Baseball City Gate southward through Davenport and Haines
8 City as well as the expansion into Escambia County. There is an
9 interconnection to CFG’s facilities from a new Gulfstream gate station in
10 Auburndale. Finally, there is an expansion project in Winter Haven built to
11 serve CFG including a new large industrial customer. It is designed for future
12 industrial growth in the region, reinforces the Winter Haven distribution
13 system, replaces high maintenance facilities and reducing O&M.

14 **Q. Please explain how these costs incurred by CFG are recoverable under the**
15 **PGA clause.**

16 A. Consistent with the prior years, the modified cost allocation methodology and
17 revised purchased gas adjustment calculation approved by the Commission by
18 Order No. PSC-2015-0321-PAA-GU, issued August 10, 2015, had been
19 applied to allocate these costs to the Transitional Transportation Service (TTS)
20 pool customers, until the approval of the Swing Service Rider in 2016, which
21 allocates these costs to certain transportation service customers who were not
22 part of modified cost allocation methodology approved in 2015.

23 **Q. Please explain the Swing Service Rider.**

1 A. On April 11, 2016, Docket No. 20160085-GU, Florida Public Utilities, CFG,
2 Florida Public Utilities Indiantown and Ft. Meade Divisions (the Companies)
3 filed a joint petition for approval of the Swing Service Rider with this
4 Commission. The Swing Service Rider proposed that the allocation of all
5 costs be expanded to include transportation service customers on FPUC's
6 system (i.e., customers who are not part of the current PGA mechanism) as
7 well as shippers on CFG's system that are not part of the TTS pools. The
8 Companies believe that these customers ultimately should bear their fair
9 portion of the intrastate capacity costs. However, the Companies recognize that
10 shippers for the larger classes of customers provide a service under contracts
11 that will likely need to be amended to adjust for the revised cost allocations
12 and systems need to be implemented to allow for billing of these charges to
13 transportation customers and/or shippers. This petition was approved
14 September 2016, Order No. PSC-2016-0422-TRF-GU.

15 **Q. What is the effect of Swing Service Rider on PGA costs?**

16 A. As shown on Schedule E-1, the Company has reduced PGA costs of
17 \$19,676,917 attributable to the Swing Service Rider allocated to certain gas
18 transportation customers.

19 **Q. Describe how the Company computed the Swing Service Rider and its
20 impact on PGA costs.**

21 A. The Company compiled the actual throughput volumes, based on the most
22 recent 12-months usage data, for each affected transportation and sales rate
23 schedule to determine the percentage split between transportation and sales

1 service customers relative to the total throughput for the affected rate
2 schedules. The split for allocating the annual total intrastate and LDC-to-LDC
3 capacity costs of \$19.1 million is 69.30 percent (\$13.2 million) to
4 transportation customers and 30.70 percent (\$5.9 million) to sales customers.
5 Then, the transportation customers' share of the \$13.2 million would be
6 allocated to the affected transportation rate schedules in proportion to each rate
7 schedule's share of the total throughput for the affected transportation rate
8 schedules. The costs allocated to each rate schedule was then divided by the
9 rate schedule's number of therms to calculate the cost recovery factor to be
10 billed by rate schedule directly to the transportation customers. Since the
11 Company recognized that implementation of the swing service rider could
12 have a significant financial impact on large volume customers, the Company
13 requested and received approval of a stepped implementation process, annually
14 applying a rate of 20 percent of the total allocation until 100 percent is reached
15 in five years. The Company applied a rate of 100 percent this year to the large
16 volume customers.

17 **Q. Has there been an effect from the COVID-19 pandemic on the Florida**
18 **Public Utilities Purchased Gas Adjustment costs?**

19 A. Yes. Per a June 11, 2021, jointly-filed motion referencing Docket No. 2020-
20 0194, Florida Public Utilities informed the Commission of a settlement
21 agreement between Florida Public Utilities and the Florida Office of Public
22 Counsel. This settlement agreement, which was approved by the Commission
23 on July 8, 2021, allows Florida Public Utilities to recover approximately \$2.1

1 million over the next two years in COVID-19 related incremental expenses.
2 This recovery is to be achieved through the use of the Company's swing
3 service rider and purchased gas adjustment recovery clause.

4 Of this \$2.1 million in incremental expenses, approximately \$1.35 million was
5 attributable to electric and approximately \$732k was attributable to natural gas
6 customers. Utilizing the same allocation methodology used in the calculation
7 of the swing service rider described above, 69.30% of this amount, or
8 approximately \$507k, would be allocated to the transportation customers and,
9 therefore, recovered through the use of the swing service rider over the next
10 two years. The remaining 30.70% is to be recovered over the same two-year
11 time frame through the use of the purchased gas adjustment clause, resulting in
12 an aggregate increase to costs of \$225k, or about \$112k on an annual basis.

13 **Q. Have the appropriate related costs and credits been included in the**
14 **Projections for 2022?**

15 A. Yes, as more specifically reflected in Schedule E-1 and E-3 of Exhibit DMC-2,
16 the Company has included the costs of existing and planned interstate and
17 intrastate capacity agreements, as well as the costs associated with the COVID
18 settlement and Swing Service Rider as described above.

19 **Q. Did you include costs in addition to the costs specific to purchased gas in**
20 **the calculations of your true-up and projected amounts?**

21 A. Yes, included with our purchased gas costs are consulting expenses to assist in
22 the advancement of our PGA processes. Additionally, the Company has
23 included costs associated with a software tool used by the Company to manage

1 customer usage and assist in determining the gas supply needs for the rate
2 classes subject to the PGA. These costs directly influence the Company's
3 PGA factor and are appropriate for recovery through the PGA clause.

4 **Q. Please explain how these costs were determined to be recoverable under**
5 **the PGA clause.**

6 A. The costs the Company has included are integrally related to the gas purchase
7 function and were not anticipated or included in the cost levels used to
8 establish the current base rates. These costs relate to the Company's
9 optimization of fuel supply in an effort to protect current fuel savings, and
10 directly benefit our customers. These costs have historically been allowed for
11 recovery through the PGA and are not being recovered through the
12 Companies' base rates.

13 **Q. What is the projection period for this filing?**

14 A. The projection period is January through December 2022.

15 **Q. Does this conclude your testimony?**

16 A. Yes.

1 (Whereupon, prefiled direct testimony of Karen
2 L. Bramley was inserted.)

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **KAREN L. BRAMLEY**

5
6 **Q.** Please state your name and business address.

7
8 **A.** My name is Karen L. Bramley. My business address is 702
9 North Franklin Street, Tampa, Florida 33602.

10
11 **Q.** By whom are you employed and in what capacity?

12
13 **A.** I am employed by Peoples Gas System ("Peoples") as
14 Manager, Regulatory Affairs having held that position
15 since 2018.

16
17 **Q.** Please summarize your educational background and
18 professional qualifications.

19
20 **A.** I graduated from the University of South Florida in 1990
21 with a Bachelor of Arts degree in Political Science and
22 from University of South Florida in 1993 with a Master's
23 degree in Public Administration. My work experience
24 includes twenty-four years of gas and electric utility
25 experience. My utility work has included various positions

1 in Legal, Customer Service, Fuels Management and
2 Regulatory. In my current position, I am responsible for
3 Peoples Gas System's Purchased Gas Adjustment ("PGA")
4 Clause and Natural Gas Conservation Cost Recovery ("NGCCR")
5 Clause as well as various regulatory activities at Peoples.
6

7 **Q.** What is the purpose of your testimony in this docket?
8

9 **A.** The purpose of my testimony is to present and support for
10 Commission review and approval the company's actual PGA
11 true-up costs incurred during the January through
12 December 2020 period.
13

14 **Q.** Did you prepare any exhibits in support of your testimony?
15

16 **A.** Yes. I have caused to be prepared as Exhibit KLB-1,
17 entitled "People Gas System, January 2020 through
18 December 2020: Schedule A-7 - Final Fuel Over/Under
19 Recovery" schedule with respect to the final true-up for
20 the period.
21

22 **Q.** What was Peoples' cost of gas to be recovered through the
23 PGA clause for the period January 2020 through December
24 2020?
25

1 **A.** As shown on Exhibit A-7 in KLB-1, the cost of gas
2 purchased, adjusted for company use, was \$124,281,867.

3

4 **Q.** What was the amount of gas revenue collected for the
5 period January 2020 through December 2020?

6

7 **A.** The amount of gas revenue collected to cover the cost of
8 gas was \$122,166,701.

9

10 **Q.** What was the final true-up amount for the period January
11 2020 through December 2020?

12

13 **A.** The final true-up amount for the period, including
14 interest and adjustments, is an under-recovery of
15 \$1,957,218.

16

17 **Q.** Is this amount net of the estimated true-up for the period
18 January 2020 through December 2020, which was included in
19 the January 2021 through December 2021 PGA factor
20 calculation?

21

22 **A.** No. The final true-up net of the estimated true-up for
23 the period January 2020 through December 2020 is an over-
24 recovery of \$599,738.

25

1 **Q.** Is this the final under-recovery amount to be included in
2 the January 2022 through December 2022 projection?

3

4 **A.** Yes.

5

6 **Q.** Does this conclude your testimony?

7

8 **A.** Yes, it does.

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **KAREN L. BRAMLEY**

5
6 **Q.** Please state your name, business address, by whom you
7 are employed, and in what capacity?

8
9 **A.** My name is Karen L. Bramley. My business address is 702
10 North Franklin Street, Tampa, Florida 33602. I am
11 employed by Peoples Gas System ("Peoples" or the
12 "Company") as the Manager, Regulatory Affairs.

13
14 **Q.** Please describe your educational and employment
15 background.

16
17 **A.** I graduated from the University of South Florida in 1990
18 with a Bachelor of Arts degree in Political Science and
19 from University of South Florida in 1993 with a Master's
20 degree in Public Administration. My work experience
21 includes twenty-four years of gas and electric utility
22 experience. My utility work has included various
23 positions in Legal, Customer Service, Fuels Management
24 and Regulatory. In my current position, I am responsible
25 for Peoples Gas System's Purchased Gas Adjustment ("PGA")

1 Clause and Natural Gas Conservation Cost Recovery
2 ("NGCCR") Clause as well as various other regulatory
3 activities for Peoples.
4

5 **Q.** What is the purpose of your testimony in this docket?
6

7 **A.** The purpose of my testimony is to describe generally the
8 components of Peoples' cost of purchased gas and
9 upstream pipeline capacity. In my testimony, I also
10 explain how Peoples' projected weighted average cost of
11 gas ("WACOG") for the January 2022 through December 2022
12 period was determined and the resulting requested
13 maximum PGA ("Cap").
14

15 **Q.** Please summarize your testimony.
16

17 **A.** I will address the following areas:
18

19 1. How Peoples will obtain its gas supplies during the
20 projected period.

21 2. Estimates and adjustments used to determine the
22 amount of gas to be purchased from Peoples' various
23 available sources of supply during the projected period.

24 3. Projections and assumptions used to estimate the
25 purchase price to be paid by Peoples for such gas

1 supplies.

2 4. The components and assumptions used to develop
3 Peoples' projected WACOG including the projected true-up
4 balance to be collected or refunded.

5

6 **Q.** What is the appropriate final purchased gas adjustment
7 true-up amount for the period January 2020 through
8 December 2020?

9

10 **A.** The final PGA true-up amount for the year 2020 is an
11 over-recovery of \$599,738.

12

13 **Q.** What is the estimated purchased gas adjustment true-up
14 amount for the period January 2021 through December
15 2021?

16

17 **A.** As shown on Schedule E-4, the estimated PGA true-up
18 amount for 2021 is an under-recovery of \$8,332,074.

19

20 **Q.** What is the total purchased gas adjustment true-up
21 amount to be collected during the period January 2022
22 through December 2022?

23

24 **A.** The total PGA true-up amount to be collected in 2022 is
25 an under-recovery of \$7,732,336.

1 **Q.** Have you prepared or caused to be prepared certain
2 schedules for use in this proceeding?

3

4 **A.** Yes. Composite Exhibit KLB-2 was prepared by me or
5 under my supervision.

6

7 **Q.** Please describe how Peoples will obtain its gas supplies
8 during the projected period of January 2021 through
9 December 2021.

10

11 **A.** Natural gas delivered through Peoples' distribution
12 system is currently received through three interstate
13 pipelines and one intrastate pipeline. Gas is delivered
14 through Florida Gas Transmission Company ("FGT"),
15 through Southern Natural Gas Company ("Southern"),
16 through Gulfstream Natural Gas System ("Gulfstream") and
17 through SeaCoast Gas Transmission ("SeaCoast").
18 Receiving gas supply through multiple upstream pipelines
19 provides valuable flexibility and reliability to serve
20 customers.

21

22 **Q.** In general, how does Peoples determine its sources of
23 supply?

24

25 **A.** Peoples evaluates, selects, and utilizes sources of

1 natural gas supply based on its "best value" gas
2 acquisition strategy. For a source of supply to be
3 identified as a "best value," it must offer the best
4 combination of price, reliability of supply, and
5 flexibility, consistent with Peoples' obligation as a
6 public utility to provide safe, adequate, and efficient
7 service to the public. Through a competitive bidding
8 process, Peoples has a portfolio of supply sources from
9 numerous third-party suppliers that reflect balance
10 between cost, reliability, and operational flexibility.

11
12 **Q.** Could Peoples purchase all third-party supplies in
13 advance for a long term at the lowest available fixed
14 price to provide increased stability to its cost of gas?

15
16 **A.** No. Peoples' quantity requirements for system supply gas
17 vary significantly from year to year, season to season,
18 month to month, and from day to day. The demand for gas
19 on the Peoples system can often vary dramatically within
20 a month from the lowest to the highest requirement of
21 its customers. The actual takes of gas out of the
22 Peoples system by transport customers varies
23 significantly from day to day. Since significant
24 portions of the total transportation volumes are
25 received by Peoples at a uniform daily rate, Peoples is

1 forced to increase or decrease the volumes purchased for
2 its own system supply by significant increments to
3 maintain a balance between receipts and deliveries of
4 gas each day. Therefore, Peoples must buy a portion of
5 its total system requirements under swing contract
6 arrangements and meet extreme variations in delivered
7 volumes by relying on swing gas, peaking gas, pipeline
8 balancing volumes and pipeline no notice service at the
9 prevailing rates for such services.

10

11 **Q.** How did Peoples estimate the amount of gas to be
12 purchased from various sources during the projected
13 period of January 2022 through December 2022?

14

15 **A.** Peoples' projected gas purchases are based on the
16 Company's preliminary total throughput of therms
17 delivered to customers projected for 2022, including
18 both sales of Peoples' system supply and transportation
19 deliveries of third-party gas purchased by end-users of
20 Peoples. The throughput was then adjusted for the
21 anticipated level of transportation service.

22

23 **Q.** How are revenues derived from Peoples' Swing Service
24 Charge accounted for through the PGA?

25

1 **A.** Customers who participate in the Natural Choice program
2 pay a Swing Service Charge. The Swing Service Charge
3 covers costs included in the PGA for balancing the
4 difference between marketer-supplied gas and the
5 customers' actual consumption. The revenues from the
6 Swing Service Charge are credited to the PGA to offset
7 this expense.

8
9 **Q.** How did you estimate the purchase price to be paid by
10 Peoples for each of its available sources of gas supply?

11
12 **A.** Peoples estimates natural gas prices based on an
13 evaluation of historical prices for gas delivered to the
14 FGT, Southern, and Gulfstream systems. For the
15 projection period of January 2022 through December 2022,
16 Peoples uses natural gas futures settlement prices as
17 traded on the New York Mercantile Exchange, averaged
18 over five consecutive business days in July 2021 to
19 forecast natural gas price. The price projection is then
20 adjusted to reflect the potential for unexpected and
21 unforeseen changes due to market forces for natural gas
22 prices in the projection period.

23
24 **Q.** What drivers have contributed to the recent increase in
25 the price of natural gas?

1 **A.** The cold weather event associated with Winter Storm Uri
2 that occurred in February caused the Texas energy
3 infrastructure chain to experience significant stress
4 during the storm, causing daily cash prices for natural
5 gas to set records across much of the U.S. In the
6 aftermath of this unprecedented event, the price of
7 natural gas decreased. However, starting in May and
8 continuing into July, the current and forward price for
9 natural gas has continued to increase. Unlike the
10 temporary natural gas price movements Peoples
11 experienced in February, with Winter Storm Uri, the
12 increases seen since May are expected to be a
13 fundamental market shift that continues for the current
14 year and into 2022. The drivers of this change are low
15 natural gas storage levels, high demand for liquefied
16 natural gas exports, extreme weather, and low production
17 growth.

18
19 **Q.** Referring to Schedules E-3 (A) through (G) of Composite
20 Exhibit KLB-2, please explain the components of these
21 schedules and the assumptions that were made in
22 developing the Company's projections.

23
24 **A.** Schedule E-3, column (G) is a compilation of the annual
25 data that appears on Schedules E-3 (E) through (F) for

1 the year ending December 31, 2022. In Column (B), "FGT"
2 indicates that the volumes are to be purchased for
3 delivery via FGT interstate pipeline transportation.
4 "SONAT" indicates that the volumes are to be purchased
5 for delivery via Southern interstate pipeline
6 transportation. "GULFSTREAM" indicates that the volumes
7 are to be purchased for delivery via Gulfstream
8 interstate pipeline transportation. "SEACOAST" indicates
9 the volumes are to be purchased for delivery via
10 SeaCoast intrastate pipeline transportation. "Sabal
11 Trail" indicates the volumes are to be purchased from
12 third-party suppliers for delivery via Sabal Trail
13 interstate pipeline. "THIRD PARTY" indicates that the
14 volumes are to be purchased directly from various third-
15 party suppliers for delivery into FGT, Southern,
16 Gulfstream or Sabal Trail.

17
18 In Column (C), "PGS" means the purchase will be for
19 Peoples' system supply and will become part of Peoples'
20 total WACOG. None of the costs of gas or transportation
21 for end-use purchases made by end-use customers of
22 Peoples are included in Peoples' WACOG. In Column (D),
23 purchases of pipeline transportation services from FGT
24 under Rate Schedules FTS-1, FTS-2, and FTS-3 are split
25 into two components, commodity (or "usage") and demand

1 (or "reservation"). Both Peoples and end-users pay the
2 usage charge based on the actual amount of gas
3 transported. The FTS-1, FTS-2, and FTS-3 commodity costs
4 shown include all related transportation charges
5 including usage, fuel, and ACA charges. The FTS-1, FTS-
6 2, and FTS-3 demand component is a fixed charge based on
7 the maximum daily quantity of FTS-1, FTS-2, and FTS-3
8 firm transportation capacity reserved. Similarly, the
9 transportation rates of Southern and Gulfstream consist
10 of two components, a usage charge and a reservation
11 charge, and SeaCoast and Sabal Trail consist of one
12 component, a reservation charge. Individual
13 Transportation Service customers reimburse Peoples or
14 directly pay the upstream pipeline for all pipeline
15 reservation charges associated with the transportation
16 capacity that Peoples reserves and uses on their behalf.

17
18 Also, in Column (D), "NO NOTICE TRANSPORTATION SERVICE"
19 (or "NNTS") means FGT's no notice service provided to
20 Peoples on a fixed charge basis for use when Peoples'
21 actual use exceeds scheduled quantities. "SWING SERVICE"
22 means the demand and commodity component of the cost of
23 third-party supplies purchased to meet Peoples "swing"
24 requirements for supply that fluctuate on a day-to-day
25 basis. Column (E) shows the annual quantity in therms of

1 gas purchased by Peoples for each category of system
2 supply.

3

4 Column (F) shows the gas purchased by end-users for
5 transportation. Column (G) is the total of Columns (E)
6 and (F) in each row. Columns (H), (I), (J) and (K) show
7 the corresponding third-party supplier commodity costs,
8 pipeline transportation commodity costs, pipeline
9 transportation reservation costs, and other charges
10 (e.g., balancing charges), respectively. These costs are
11 determined using the actual amounts paid by Peoples. In
12 the case of end-user transportation, these costs are
13 reimbursed to Peoples or paid directly to FGT. All ACA
14 and fuel charges are included in the commodity costs in
15 Column (I) and, therefore, are not shown in Column (K).
16 Column (L) in each row is the sum of Columns (H), (I),
17 (J) and (K) divided by Column (G).

18

19 **Q.** Did FGT file a rate case in 2021?

20

21 **A.** Yes, FGT filed a rate proceeding on February 1, 2021
22 with the Federal Energy Regulatory Commission ("FERC")
23 seeking to increase the transportation rates it charges
24 its customers.

25

1 **Q.** How did Peoples reflect the impact of FGT's rate case in
2 the filing?

3

4 **A.** The proposed rate increase associated with the FGT
5 proceeding is effective as of August 2021 and is
6 reflected in the PGA CAP filing for the projection
7 period.

8

9 **Q.** Please explain the components of these schedules and the
10 assumptions that were made in developing the Company's
11 projections.

12

13 **A.** Schedule E-1 shows the Cost of Gas Purchased, Therms
14 Purchased, and Cents Per Therm for all rate classes.

15

16 The costs associated with various categories or items
17 are shown on lines 1 through 14. Line 6 on Schedule E-1
18 includes legal expenses associated with various
19 interstate pipeline dockets, such as tariff filings,
20 seasonal fuel filings, and certification proceedings.
21 These expenses have historically been included for
22 recovery through the Purchased Gas Adjustment Clause
23 because they are fuel-related expenses. The volumes
24 consumed for similar categories or items are shown on
25 lines 15 through 27, and the resulting effective cost

1 per therm rate for each similar category or item is
2 contained on lines 28 through 45. The data shown on
3 Schedule E-1 is calculated from Schedules E-3 (A)
4 through (F) for the year ending December 31, 2022.

5

6 **Q.** What information is presented on Schedule E-1/R of
7 Composite Exhibit KLB-2?

8

9 **A.** Schedule E-1/R of Composite Exhibit KLB-2 shows six
10 months actual and six months estimated data for the
11 current period from January 2021 through December 2021
12 for all customer classes.

13

14 **Q.** What information is presented on Schedule E-2 of
15 Composite Exhibit KLB-2?

16

17 **A.** Schedule E-2 of Composite Exhibit KLB-2 shows the amount
18 of the prior period over/under recoveries of gas costs
19 that are included in the current PGA calculation.

20

21 **Q.** What is the purpose of Schedule E-4 of Composite Exhibit
22 KLB-2?

23

24 **A.** Schedule E-4 of Composite Exhibit KLB-2 shows the
25 calculation of the estimated true-up amount for the

1 January 2021 through December 2021 period. It is based
2 on actual data for six months and projected data for six
3 months.

4
5 **Q.** What information is contained on Schedule E-5 of
6 Composite Exhibit KLB-2?

7
8 **A.** Schedule E-5 of Composite Exhibit KLB-2 is statistical
9 data that includes the projected therm sales and numbers
10 of customers by customer class for the period from
11 January 2022 through December 2022.

12
13 **Q.** What is the appropriate cap factor for which Peoples
14 seeks approval?

15
16 **A.** The WACOG for which Peoples seeks approval as the annual
17 cap is a factor of \$1.19163 per therm as shown in
18 Schedule E-1. This annual cap will be applicable to all
19 rate classes.

20
21 **Q.** Does this conclude your testimony?

22
23 **A.** Yes, it does.
24
25

1 (Whereupon, prefiled direct testimony of
2 Charles A. Shoaf was inserted.)

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1 Final True-Up January 2020 - December 2020

2 Q. What were the total therm sales for the period January
3 2020 through December 2020?

4 A. Total therm sales were 693,572 therms.

5 Q. What were total therm purchases for the period January
6 2020 through December 2020?

7 A. Total therm purchases were 736,780.

8 Q. What was the cost of gas to be recovered through the
9 PGA for the period January 2020 through December 2020?

10 A. The cost of gas purchased for January 2020 through
11 December 2020 was \$339,812.16.

12 Q. What was the amount of gas revenue collected for the
13 period January 2020 through December 2020?

14 A. The amount of gas revenue collected to cover the cost
15 of gas was \$426,659.

16 Q. What is the total true-up provision for the period
17 January 2020 through December 2020?

18 A. The total true-up provision, including interest, is an
19 over-recovery of \$87,350.24 for the period.

20 Q. What is the amount of estimated true-up included for
21 January 2020 thru December 2020 in the January 2021
22 through December 2021 PGA factor calculation?

23 A. The amount of estimated true-up for the period January
24 thru December 2020 included in the January 2021 through
25 December 2021 PGA factor calculation was an over-

1 recovery of \$126,120.00.

2 Q. What is the final over/under-recovery for the January
3 through December 2020 period to be included in the
4 January through December 2022 projection?

5 A. The final under-recovery for the current period to be
6 included in the January 2022 through December 2022
7 projections are \$38,769.76.

8 Q. Does this conclude your testimony?

9 A. Yes

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1 St. Joe Natural Gas seek approval through its petition for
2 the period January 1, 2022 through December 31, 2022?

3 A. 61.70 cents per therm

4 Q. Does this conclude your testimony?

5 A. Yes

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1 CHAIRMAN CLARK: Exhibits?

2 MS. OSBORN: Staff has compiled a
3 Comprehensive Exhibit List, which includes the
4 prefiled exhibits attached to the witnesses'
5 testimony in this case. List has been to the
6 parties, the Commissioners and the court reporter.
7 The parties have agreed to include all exhibits on
8 the Comprehensive Exhibit List in the record.

9 Staff requests that this list be marked as the
10 first hearing exhibit, and the other exhibits
11 marked as set forth in this list.

12 CHAIRMAN CLARK: So ordered.

13 (Whereupon, Exhibit Nos. 1-22 were marked for
14 identification.)

15 MS. OSBORN: Staff requests that the
16 Comprehensive Exhibit List, marked as Exhibit No.
17 1, be entered into the record.

18 CHAIRMAN CLARK: So ordered.

19 (Whereupon, Exhibit No. 1 was received into
20 evidence.)

21 MS. OSBORN: Staff requests to move Exhibits 2
22 through 22 into the record as set forth in the
23 Comprehensive Exhibit List.

24 CHAIRMAN CLARK: Without objection? So
25 ordered.

1 (Whereupon, Exhibit Nos. 2-22 were received
2 into evidence.)

3 CHAIRMAN CLARK: All right. Stipulated
4 issues.

5 MS. OSBORN: Because the parties have reached
6 Type 2 stipulations, with OPC not objecting to the
7 Commission considering the stipulations on all the
8 issues in the case, Staff suggests that the
9 Commission could make a bench decision in this
10 docket, if parties are willing to waive briefs.

11 CHAIRMAN CLARK: Any party intend to brief?
12 Seeing none.

13 This is time for the Commission to ask any
14 questions they might have. Any questions in the 03
15 docket?

16 I will entertain a motion.

17 Commissioner Fay.

18 COMMISSIONER FAY: Mr. Chairman, I would move
19 to approve the stipulated Issues 1 through 7 as
20 presented in the prehearing order.

21 CHAIRMAN CLARK: Do I have a second?

22 COMMISSIONER LA ROSA: Second.

23 CHAIRMAN CLARK: I have a motion and a second
24 to approve the proposed Type 2 stipulations in
25 Issues 1 through 7.

1 Any discussion on the motion?

2 All in favor say aye.

3 (Chorus of ayes.)

4 CHAIRMAN CLARK: Opposed?

5 (No response.)

6 CHAIRMAN CLARK: Motion carries.

7 Any other matters to be discussed in the 03
8 docket?

9 MS. OSBORN: Staff will note that there are
10 none.

11 Since the Commission made a bench decision,
12 post-hearing filings are not necessary. The final
13 order issued by November 22nd, 2021.

14 CHAIRMAN CLARK: All right. We will close the
15 03 docket and open the 04 docket, and swap chairs.

16 (Proceedings concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 12th day of November, 2021.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH31926
EXPIRES AUGUST 13, 2024