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December 12, 2023

VIA: ELECTRONIC FILING

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

**Re: Statement of Estimated Regulatory Costs (SERC) Data Request for
Proposed Amendment of Rule 25-14.004, Florida Administrative Code (F.A.C.),
Determination of Total Corporate Income Tax.**

Dear Mr. Teitzman:

Attached please find Peoples Gas System, Inc.'s response to Staff's First SERC Data Request (Nos. 1-11), propounded by email on November 28, 2023.

Thank you for your assistance in connection with this matter.

Sincerely,

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

Virginia Ponder

VP/bml

Attachments

cc: Sevini Guffey (sguffey@psc.state.fl.us)
PGS Regulatory Department

**PEOPLES GAS SYSTEM, INC.
UNDOCKETED: PROPOSED
AMENDMENT TO RULE 25-14.004
STAFF'S (SERC) FIRST DATA REQUEST
REQUEST NO. 1
BATES PAGE(S): 1
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Considering draft revisions to Rule 25-14.004, F.A.C., attached to this data request, response criteria, and definition of the term "incremental" noted above, please respond to the following questions.

- 1.** Proposed revisions to Rule 25-14.004, F.A.C., describes the methodology how a regulated utility's stand-alone income tax expense will be calculated. Would calculating your utility's stand-alone income tax expense using the proposed methodology result in incremental costs to your utility? If yes, please state the incremental annual cost.
 - A.** The company interprets the proposed rule amendments to memorialize the way the company currently calculates income tax, except that no parent debt or other adjustment(s) will be made based on the capital structure of a parent or affiliated company. Based on this interpretation, the proposed rule amendments should not result in incremental costs to the company.

**PEOPLES GAS SYSTEM, INC.
UNDOCKETED: PROPOSED
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STAFF'S (SERC) FIRST DATA REQUEST
REQUEST NO. 2
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- 2.** Would the proposed revisions to Rule 25-14.004, F.A.C., directly or indirectly result in incremental regulatory costs to your utility in excess of \$200,000 in the aggregate in Florida within 1 year after implementation of the rule?
 - A.** No, the company does not foresee incremental regulatory costs in excess of \$200,000 within the first year subsequent to implementation of the proposed revisions.

**PEOPLES GAS SYSTEM, INC.
UNDOCKETED: PROPOSED
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- 3.** Please state if the proposed rule revisions would result in any cost savings to your utility and if so, state the categories and estimated amounts of cost savings.
 - A.** The proposed rule amendment would eliminate the costs associated with calculating a parent debt adjustment in a rate case and the associated costs of preparing testimony to support the adjustment calculation, but the company does not believe that the associated cost savings for those activities are material.

**PEOPLES GAS SYSTEM, INC.
UNDOCKETED: PROPOSED
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STAFF'S (SERC) FIRST DATA REQUEST
REQUEST NO. 4
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A Small Business is defined by Section 288.703, F.S., as an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

- 4.** Considering the above stated definition, please state if your water and/or water and wastewater utility is a small business.

- A.** Peoples Gas System, Inc. is a local natural gas distribution company and is not a small business as defined by Section 288.703, F.S.

**PEOPLES GAS SYSTEM, INC.
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- 5.** If yes, please state if the proposed rule would have an adverse, minimal, or no financial impact on your utility.
 - A.** Not applicable. See answer to Data Request No. 4.

**PEOPLES GAS SYSTEM, INC.
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STAFF'S (SERC) FIRST DATA REQUEST
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- 6.** Would the proposed rule directly or indirectly result in incremental regulatory costs to your utility in excess of \$200,000 in the aggregate in Florida within 1 year after implementation of the rule?
- A.** No, the company does not foresee incremental regulatory costs in excess of \$200,000 within the first year subsequent to implementation of the proposed revisions.

**PEOPLES GAS SYSTEM, INC.
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7. Would the proposed rule revisions have an adverse incremental impact on economic growth, private-sector job creation or employment, and private-sector investment in excess of \$1 million in the aggregate within 5 years after implementation of the rule?
 - A. No, the company does not foresee adverse incremental impact on economic growth, private-sector job creation or employment, or private-sector investment in excess of \$1 million in the aggregate within 5 years after implementation of the rule.

**PEOPLES GAS SYSTEM, INC.
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- 8.** Would the proposed rule revisions have an adverse incremental impact on business competitiveness, productivity, and innovation in excess of \$1 million in the aggregate within 5 years after implementation of the rule?
 - A.** No, the company does not foresee adverse incremental impact on business competitiveness, productivity, or innovation in excess of \$1 million in the aggregate within 5 years after implementation of the rule.

**PEOPLES GAS SYSTEM, INC.
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- 9.** Would the proposed rule revisions result in incremental regulatory costs, including any transactional costs (Transactional costs include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used, procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring or reporting, and any other costs necessary to comply with the rule) to your utility, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? If yes, please explain.
- A.** No, the company does not foresee incremental regulatory costs, including transactional costs to the utility, in excess of \$1 million in the aggregate within 5 years after implementation of the rule.

**PEOPLES GAS SYSTEM, INC.
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A "Small City" is defined by Section 120.52, F.S., as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. A "small county" is defined by Section 120.52, F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

10. Considering the above definition, please state if your utility serves a small city or several small cities, or a small county/counties? Would the small city/cities/county/counties served by your utility have financial impacts or no impacts due to the proposed rule revisions?

A. The company does serve small cities and small counties as defined by Section 120.52, F.S. The company does not foresee financial impacts to these cities and counties based on the proposed rule revisions.

**PEOPLES GAS SYSTEM, INC.
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- 11.** Please provide any additional information, including any tasks not identified above, which would result in incremental costs to your utility, due to the proposed revisions to the rule, which the Commission may determine useful. [120.541(2)(f), F.S.]
 - A.** The company does not have any additional information that would result in incremental costs to the utility as a result of the proposed revisions to the rule.