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June 26, 2018

Ms. Carlotta S. Stauffer  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**Re: 20180117 - In re: Petition for approval of tariff modifications for the use of natural gas for gas heat pumps by customers of Peoples Gas System.**

Dear Ms. Stauffer:

Attached for electronic filing in the above docket on behalf of Peoples Gas System, please find its Response to Staff's Second Data Request (Nos. 1-3).

Additionally, please find attached a revision to Original Tariff Sheet No. 7.405 and a new tariff sheet for the Commercial Gas Heat Pump Rate Schedule, Original Tariff Sheet No. 7.405-1.

Your assistance in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb

Attachments

cc: Office of Public Counsel  
Ms. Kandi M. Floyd  
Ansley Watson, Jr., Esq.

**PEOPLES GAS SYSTEM  
DOCKET NO: 20180117-GU  
STAFF'S SECOND DATA REQUEST  
REQUEST NO. 1  
PAGE: 1 OF 1  
FILED: JUNE 26, 2018**

1. In response to Staff's First Data Request No. 6, Peoples states that company currently has an approved Gas Space Conditioning program which has an allowance of \$150/ton which would be applicable to GHP program proposed in the subject docket. Please explain if the current \$150/ton allowance includes a monetary amount for piping and venting the GHP installations.
  - A. The Gas Space Conditioning program does not provide specific language as to the variable components of the allowance, however, it is designed to provide an allowance to reduce higher first costs of gas space conditioning equipment and installation which could include piping and venting.

**PEOPLES GAS SYSTEM  
DOCKET NO: 20180117-GU  
STAFF'S SECOND DATA REQUEST  
REQUEST NO. 2  
PAGE: 1 OF 1  
FILED: JUNE 26, 2018**

- 2.** In response to Staff's First Data Request No. 8, Peoples provided a table on page 11 showing price comparisons to operate a traditional electric heat pump and a gas heat pump. The table shows the residential market category using an 8 ton capacity GHP system. Is an 8 ton GHP system for a residential customer the norm? What would be an approximate square footage of a residential unit(s) that uses an 8 ton GHP system?
  - A.** While Peoples does not view an 8-ton capacity system as the norm for residential customers, each manufacturer Peoples' researched has an 8-ton GHP offering and allowed for a baseline comparison. Therefore, the cost comparisons provided reflect 8-ton capacities for both electric and gas heat pumps. This is also the basis for Peoples' references to the applicability of GHP systems for larger residential homes. Using an industry average of 500 – 600 square feet of conditioned space per ton, an 8-ton system is expected to satisfy the heating and cooling needs of a home with 4,000 – 4,800 square feet of conditioned space.

**PEOPLES GAS SYSTEM  
DOCKET NO: 20180117-GU  
STAFF'S SECOND DATA REQUEST  
REQUEST NO. 3  
PAGE: 1 OF 1  
FILED: JUNE 26, 2018**

- 3.** In response to Staff's First Data Request No. 15, the company states that it will inform customers of the new GHP tariffs via advertising, outreach, on-bill messaging, and company website. Please state as to when the company anticipates informing the customers and please provide a copy of customer notifications for staff review that is currently available. In the alternative, please provide any notifications when available at a later date (but prior to implementation).
  
- A.** Peoples will announce and communicate the availability of the new residential and commercial GHP rates through on-bill messaging and on the company website. While Peoples has not developed specific customer notifications as of the date of the response to this data request, the Company intends to present messaging and announcement of the new tariff rate(s) to Customers upon Commission approval. Peoples will share the communications to the Staff when available.

**COMMERCIAL GAS HEAT PUMP SERVICE**  
**RATE SCHEDULE CS-GHP**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Commercial Customer utilizing a Gas Heat Pump for heating and cooling.

**Monthly Rate:**

Customer Charge:	\$35.00 per month
Distribution Charge:	\$0.2063 per Therm
Minimum Bill:	The Customer charge

**Special Conditions:**

1. The gas provided for GHP would be separately metered and would appear separately on Customer bills.
2. The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless the customer receives transportation service under the Company's Rider NCTS.
3. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth in Sheet No. 7.101-2.
4. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
5. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
6. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
7. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

**COMMERCIAL GAS HEAT PUMP SERVICE (Contiuned)**

8. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.
9. Service under this schedule is subject to annual volume review by the Company or any time at the Customer's request. If reclassification to another schedule is appropriate such classification will be prospective.
10. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

**COMMERCIAL GAS HEAT PUMP SERVICE  
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**COMMERCIAL GAS HEAT PUMP SERVICE (Continued)**

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