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April 27, 2021

VIA E-PORTAL FILING

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

Re: Consumer Request No. 1364030G
Undocketed: 20210000-OT

Dear Mr. Teitzman:

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

Your assistance in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb
Attachment

cc: Corey Hampson, Public Utility Analyst I (champson@psc.state.us)
Tripp Coston, Economic Supervisor (tcoston@psc.state.fl.us)
Ms. Paula K. Brown
Ms. Kandi M. Floyd
Ms. Karen Bramley
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**PEOPLES GAS SYSTEM
UNDOCKETED
CONSUMER REQUEST NO. 1364030G
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
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1. Please refer to tariff sheet No. 7.201-1 for the following. Special Condition 3 states, "Service under this schedule is subject to annual volume review by the Company or anytime at the Customer's request. If reclassification to another billing class is appropriate such classification will be prospective."
 - a. Please explain the annual volume review process and when it typically occurs, prior to COVID-19.
 - b. For new construction customers specifically, does the annual volume review take place immediately following one year of consumption history, on a predetermined date after at least one year of consumption history, or otherwise? Please explain.

- A.
 - a. Prior to 2020, the annual review process calculated the customers' previous 12 months consumption and compared it to the rate class volume thresholds identified in Section 7 of Peoples' tariff. This process would occur in June and where appropriate, customers were reclassified beginning with the July bill. In order for a review to be initiated, 12 consecutive months of established service at the same premise was necessary. For new customers, the 12 consecutive months of established service began when the customer consumed at least 2 CCFs in a billing month. The new rate classifications were applied prospectively only. If customers were moved into a higher rate classification, no effort was made to collect the past lost revenue. Similarly, no credits were given to customers who moved into a lower rate classification.
 - b. A customer must have 12 consecutive months of consumption at the same premise as described in 1a, in order to be eligible for a review.

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- 2.** In a phone call with Consumer Assistance & Outreach staff, PGS explained that the review did not take place due to the COVID-19 pandemic and concerns regarding the effect of changing rates classes on customers during the lockdown. Additionally, in the supplemental response dated March 12, 2021, PGS stated the Commission did not provide approval to not perform an annual volume review in 2020.
- a. Does PGS believe it remains in compliance with Special Condition 3 of tariff sheet No. 7.201-1? Please explain.
 - b. If PGS waived the 2020 annual volume review for RS customers due to COVID-19, please explain what allows it to do so.
 - c. If PGS waived the 2020 annual volume review for RS customers due to COVID-19, did it waive the 2020 annual volume review for all other customer classes? Please explain.
- A.**
- a. Peoples is still in compliance for 2021 as there is time remaining in the year for the review to occur.
 - b. In 2020, the COVID 19 pandemic caused significant hardship for Peoples' customers. Peoples increased efforts to assist customers by suspending shutoffs and providing other financial assistance programs during this time. As the Pandemic continued, Peoples delayed the yearly June rate review because there were concerns that the historical volume usage during this time reflected fluctuations due to the Pandemic which Peoples believed were atypical and not a good indication of future gas usage. Because of uncertainty regarding how long the effects of the Pandemic would last, Peoples had less confidence that the usage in the coming year would be consistent with what had occurred in the past year and therefore felt that an adjustment under these circumstances would not be appropriate and could in some cases cause hardship to customers by changing their rate class. Additionally, the Company had filed a rate case in 2020 which reached a settlement late in the year with the result that new rates would go into effect in January 2021. Peoples was concerned that if it conducted the annual rate review late in the year, the resulting rate class adjustment followed by an

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increase in new rates in January 2021 would potentially cause confusion and multiple increases to some customers over a short period of time.

- c. Peoples did not conduct an annual volume review for any customer rate class in 2020 unless specifically requested by the customer.

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- 3.** Has PGS resumed its annual review process? If not, please explain.
 - A.** Peoples has not yet resumed its annual review process but is anticipating to resume it later in 2021.