

**PGS's Response to Staff's First Set of
Interrogatories, Nos. 1-3**

**PEOPLES GAS SYSTEM
DOCKET NO. 20200003-GU
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 1
BATES PAGE: 1
FILED: SEPTEMBER 3, 2021**

- 1.** Referring to witness Bramley's direct testimony filed on May 3, 2021, page 3, lines 13-15 states that the final true-up for the January through December 2020 is an under-recovery of \$1,957,218. Please explain how this amount was derived.

- A.** Peoples' Total Actual Fuel Cost for the Period was \$124,281,867. Peoples' Total Actual Fuel Revenues for the Period were \$122,166,701. Subtracting the revenues from the costs results in an under-recovery of \$2,115,166. The interest of \$63,674 and adjustments of \$94,274 are added to the true-up balance. The final result is the under-recovery of \$1,957,218. The calculation of this figure is detailed in Schedule A-7, Page 1, of Peoples' 2020 True-up Filing, filed on May 3, 2021.

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INTERROGATORY NO. 2
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- 2.** Referring to Exhibit No. KLB-1, line 6 of witness Bramley's direct testimony filed on May 3, 2021, please explain what is included in the adjustments which equates to \$94,274.
- A.** The adjustments of \$94,274 represent a net credit to Peoples from interstate pipelines after the reconciliation of fuel charges and other system expenses.

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INTERROGATORY NO. 3
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3. Referring to the PGA filing for the month of June 2021 (filed on July 20, 2021), Schedule A-5, line 11, please explain the term “Off System Sales” and discuss the reasons for the PGA therm sales reduction for the “off system sales” from 16,631,840 in June 2020 (filed on July 20, 2020) to 4,400,370 in June 2021.

A. The term Off-System Sales (“OSS”) refers to sales of interruptible gas delivered by Peoples, through the facilities of an interstate or intrastate pipeline, using Peoples’ transportation capacity rights on such pipeline, to any customer not connected to Peoples’ distribution system. Peoples must reserve sufficient capacity on its system to meet peak demands and customer growth. Due to fluctuations in day-to-day or seasonal demand, some capacity on Peoples system may be unused. While OSS are sporadic, they are opportunistic transactions that are highly dependent on natural gas supply and demand-related market conditions. Through a revenue-sharing mechanism, Peoples can make sales under the OSS rate schedule. The mechanism allows for 75 percent of the net revenues from OSS to be credited to the PGA as revenues, with the remaining 25 percent retained by PGS as regulated revenues.

The reduction in therm sales from June 2020 to June 2021 is a result of warmer weather in June 2020 and the fact that prior OSS customers contracted for additional transportation capacity directly with the interstate pipelines, as opposed to buying from Peoples. In addition, in August 2020, Peoples entered into an Asset Management Agreement (“AMA”). AMAs are contractual relationships in which an asset manager agrees to manage unused pipeline capacity. The terms associated with the AMA are not recorded on Schedule A-5, Line 11, because Peoples did not transact the sale. However, the associated revenue is reflected on Schedule A-5, Line 17, of Peoples’ monthly PGA filings.

A F F I D A V I T

STATE OF FLORIDA)
)
COUNTY OF HILLSBOROUGH)

Before me the undersigned authority personally appeared Karen L. Bramley who deposed and said that she is Manager, Regulatory Affairs, Peoples Gas System, and that the individuals listed in Peoples Gas Systems' response to Staff's First Set of Interrogatories, (Nos. 1-3) prepared or assisted with the responses to these interrogatories to the best of her information and belief.

Dated at Tampa, Florida this 31st day of August, 2021.

Karen L. Bramley

Sworn to and subscribed before me this 31st day of August, 2021.

Krystal Chisolm

My Commission expires

