

PGS's Response to Staff's Second Set of  
Interrogatories, No. 4-8

**PEOPLES GAS SYSTEM  
DOCKET NO. 20210003-GU  
STAFF'S SECOND SET OF  
INTERROGATORIES  
INTERROGATORY NO. 4  
BATES PAGE: 1  
FILED: OCTOBER 11, 2021**

4. Referring to the August 6, 2021 filing of witness Bramley's testimony, page 12, lines 4-7 states that the Florida Gas Transmission (FGT) rate case increases/impacts are included in the PGS's projection period. Please state where in the schedules the FGT rate related expenses are included and state the amount allocated to the FGT rate case filed with the Federal Energy Regulatory Commission (FERC).
- A. FGT pipeline transportation costs are included in the filing on Schedule E-1, Lines 1 and 5, for Jan 2022 to Dec 2022, and on Schedule E-1/R, Lines 1 and 5, for Aug 2021 to Dec 2021. The amount includes the increase in FGT pipeline transportation costs from their pre-filed rates to their as-filed rates with FERC. Like all shippers on FGT's system, Peoples began paying the higher as-filed pipeline transportation rates on August 1, 2021 and will continue paying these rates until the final rates are determined.

**PEOPLES GAS SYSTEM  
DOCKET NO. 20210003-GU  
STAFF'S SECOND SET OF  
INTERROGATORIES  
INTERROGATORY NO. 5  
BATES PAGE: 2  
FILED: OCTOBER 11, 2021**

**5.** Referring to Schedule E-1, line 6 – Other, please state what costs (other than legal expenses) are included in the Other category.

**A.** The types of costs included under Other costs (Line 6) include:

- Salaries & Benefits
- Gate Station Telemetry
- Odorization
- Contractor/Outside Services
- IT Software and Support Services
- CNG Service

**PEOPLES GAS SYSTEM  
DOCKET NO. 20210003-GU  
STAFF'S SECOND SET OF  
INTERROGATORIES  
INTERROGATORY NO. 6  
BATES PAGE: 3  
FILED: OCTOBER 11, 2021**

- 6.** Did PGS use FGT rates currently in effect as of June 1, 2021 for this filing? Please explain.
- A.** No. FGT filed its rate case with FERC on February 1, 2021, with their new rates becoming effective on August 1, 2021. Peoples used the FGT rates in effect as of August 1, 2021, since Peoples is required to pay the as-filed rates until the final rates are determined.

**PEOPLES GAS SYSTEM  
DOCKET NO. 20210003-GU  
STAFF'S SECOND SET OF  
INTERROGATORIES  
INTERROGATORY NO. 7  
BATES PAGE: 4  
FILED: OCTOBER 11, 2021**

7. How did PGS account for any rate changes resulting from the FGT rate case filed with FERC?
  - A. Please see the responses to Interrogatories Nos. 4 and 6 above.

**PEOPLES GAS SYSTEM  
DOCKET NO. 20210003-GU  
STAFF'S SECOND SET OF  
INTERROGATORIES  
INTERROGATORY NO. 8  
BATES PAGE: 5  
FILED: OCTOBER 11, 2021**

8. Please discuss the components and assumptions that were made in developing the company's 2022 projections.

A. Peoples' projections consist primarily of a load or demand forecast, pipeline transportation costs, and a natural gas price forecast. Peoples' 2022 PGA costs also include the collection of the Company's projected true-up under-recovery of \$7,732,336. Peoples used the tariff or contract rates in effect as of August 1, 2021, for its natural gas pipeline transportation costs. Peoples used natural gas futures settlement prices as traded on the New York Mercantile Exchange ("NYMEX"), averaged over the five consecutive business days of July 20-26, 2021, to estimate the natural gas price for the projection period. The price was then adjusted to reflect the Zone 3 basis differential for Henry Hub.

The price of natural gas began increasing in May 2021 and has continued to increase significantly. To account for this market price volatility, Peoples included a market price volatility adjustment in its projection filing to account for market conditions over the course of the next year. Since the time of the projection filing, natural gas prices have continued to increase, with current pricing exceeding Peoples' projections. For example, as of September 28, 2021, the natural gas futures price on NYMEX for the month of January 2022 is 19% higher than the price Peoples included in its projection filing.

## AFFIDAVIT

STATE OF Florida )

COUNTY OF Hillsborough )

I hereby certify that on this day 28 of SEPTEMBER, 2021, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Karen L. Bramley, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatories in Staff's 2nd set, (Nos. 4-8) in Docket No. 20210003-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this day 28<sup>th</sup> of SEPTEMBER, 2021.

Karen L. Bramley  
Witness

Tison C. Vega  
Notary Public  
State of Florida, at Large

My Commission Expires:

