

16

PGS's Response to Staff's First Interrogatories
Nos. 1-6

PEOPLES GAS SYSTEM
DOCKET NO. 20210004-GU
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 1
BATES PAGE: 1
FILED: JULY 6, 2021

Please refer to Schedule CT-2, Page 3 of 3, of Peoples Gas System's May 3, 2021 filing in Docket No. 20210004-EG to answer the following questions.

1. Please explain the principle drivers for the variance of (\$28,530) in Common Payroll costs in the January – December 2020 period.
 - A. Peoples spent less than projected on Payroll and Benefits due to the timing of the hiring of resources.

**PEOPLES GAS SYSTEM
DOCKET NO. 20210004-GU
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 2
BATES PAGE: 2
FILED: JULY 6, 2021**

- 2.** Please explain the principle drivers for the variance of (\$106,375) in Common Advertising costs in the January – December 2020 period.
- A.** Common advertising costs were lower in 2020 primarily due to the impacts of the COVID-19 Pandemic, including reduced or eliminated sports marketing opportunities, and limited access to production resources for ad development.

**PEOPLES GAS SYSTEM
DOCKET NO. 20210004-GU
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 3
BATES PAGE: 3
FILED: JULY 6, 2021**

- 3.** Please explain the principle drivers for the variance of \$195,700 in Incentive costs for the New Residential Construction program in the January – December 2020 period.
- A.** This variance was driven by increased participation in this program along with increased utilization of the tankless water heater rebate. Peoples continues to see a strong residential housing market, which has led to increased participation in this program.

**PEOPLES GAS SYSTEM
DOCKET NO. 20210004-GU
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 4
BATES PAGE: 4
FILED: JULY 6, 2021**

4. Please explain the principle drivers for the variance of \$425,692 in Incentive costs for the Residential Appliance Retention program in the January – December 2020 period.
 - A. In Peoples' 2021 NGCCR Projection Filing (filed August 7, 2020), Peoples inadvertently included a portion of Residential Retention rebates in the Residential Replacement program. The result was that incentives were under-projected for the Residential Retention program. Peoples corrected the amounts in its 2020 NGCCR True-up Filing (filed May 3, 2021). Since all incentives were included in the original filing, albeit in the opposite programs, there was no net effect on total costs or cost recovery factors. Additionally, Peoples achieved a level of participation that was 12 percent higher than projected for the July-December 2020 period in this program which also contributed to this variance.

**PEOPLES GAS SYSTEM
DOCKET NO. 20210004-GU
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 5
BATES PAGE: 5
FILED: JULY 6, 2021**

- 5.** Please explain the principle drivers for the variance of (\$232,792) in Incentive costs for the Residential Appliance Replacement program in the January – December 2020 period.

- A.** In Peoples' 2021 NGCCR Projection Filing (filed August 7, 2020), Peoples inadvertently included a portion of Residential Retention rebates in the Residential Replacement program. The result was that incentives were over-projected for the Residential Replacement program. Peoples corrected the amounts in its 2020 NGCCR True-up Filing (filed May 3, 2021). Since all incentives were included in the original filing, albeit in the opposite programs, there was no net effect on total costs or cost recovery factors.

**PEOPLES GAS SYSTEM
DOCKET NO. 20210004-GU
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 6
BATES PAGE: 6
FILED: JULY 6, 2021**

- 6.** Please explain the principle drivers for the variance of \$161,834 in Incentive costs for the Commercial Replacement program in the January – December 2020 period.
 - A.** The variance was driven by increased participation and increased utilization of the tankless water heater rebate. Peoples' projections were conservative in nature due to unknown impacts from COVID-19 on commercial customers.