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April 28, 2025

VIA: ELECTRONIC FILING

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

Re: Undocketed 20250000-OT
Peoples Gas System, Inc.'s 2024 DSM Annual Report

Dear Mr. Teitzman:

Attached for filing in the above docket is People Gas System, Inc.'s responses to Staff's First Data Request (Nos. 1-8) dated April 2, 2025.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'V. Ponder'.

Virginia Ponder

VLP/dh
Attachment

cc: Karen Bramley
Paula Brown
discovery-gcl@psc.state.fl.us

**PEOPLES GAS SYSTEM, INC.
2024 DSM ANNUAL REPORT
STAFF'S FIRST DATA REQUEST
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1. Please populate the following table to provide information on the quantity of residential rebates processed in 2024 within the named programs, by appliance.

Program Name	Quantity of rebates provided (Appliances, by Type)								
	Dryer	Range / Cooktop	Tank Water Heater	Energy Star Tank Water Heater	Tankless Water Heater	Central Heating	Space Heater	Space Cond.	Total
Residential New Construction									
Residential Retrofit									
Residential Retention									

ANSWER:

Please see the tables below.

Program Name	Quantity of rebates provided (Appliances, by Type)								
	Dryer	Range / Cooktop	Tank Water Heater	Energy Star Tank Water Heater	Tankless Water Heater	Central Heating	Space Heater	Space Cond.	Total
Residential New Construction	13,024	13,776	4,284	10	10,416	818	0	0	42,328
Residential Retrofit	124	165	10	0	190	5	1	1	496
Residential Retention	633	254	2,949	15	1,471	1,698	0	1	7,021

The company notes that in preparing its response to Staff's First Data Request, Nos. 1 through 4, which relate to participant totals, the company discovered a design error in the report generated by the company's rebate processing platform. When summarizing the participant totals by measure and rebate amount, the company determined that the design error impacted certain participant numbers in its DSM annual report, filed on February 28, 2025, pursuant to Rule 25-17.0021(6) Florida Administrative Code (the "2024 DSM Annual Report"). This related to the following programs: (a) Residential Retrofit; (b) Commercial Retention; and (c) Commercial New Construction. Peoples is currently working on changes to the report to ensure accurate representation of program participants going forward.

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Due to this error, the Residential Retrofit participants were overstated by one in the company's 2024 DSM Annual Report, which reflected 497 participants instead of 496.

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2. Please populate the following tables to provide information on the quantity of rebates processed in 2024 within the Commercial Retention program, by appliance.

a. Dryer Rebates:

Program Name	Quantity of Dryer rebates provided (by Level)			
	Level 1 (\$0 to \$1,500)	Level 2 (\$1,501 to \$3,000)	Level 3 (\$3,001 and up)	Total (All Levels)
Commercial Retention				

b. Range/Cooktop Rebates:

Program Name	Quantity of Range/Cooktop rebates provided (by Level)			
	Level 1 (\$0 to \$1,500)	Level 2 (\$1,501 to \$3,000)	Level 3 (\$3,001 and up)	Total (All Levels)
Commercial Retention				

c. Tankless Water Heater Rebates:

Program Name	Quantity of Tankless Water Heater rebates provided (by Level)			
	Level 1 (\$0 to \$1,500)	Level 2 (\$1,501 to \$3,000)	Level 3 (\$3,001 and up)	Total (All Levels)
Commercial Retention				

d. Tank Water Heater Rebates:

Program Name	Quantity of Tank Water Heater rebates provided (by Level)			
	Level 1 (\$0 to \$1,500)	Level 2 (\$1,501 to \$3,000)	Level 3 (\$3,001 and up)	Total (All Levels)
Commercial Retention				

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e. Fryer Rebates:

Program Name	Quantity of Fryer rebates provided (by Level)					Total (All Levels)
	Level 1 (\$0 to \$1,000)	Level 2 (\$1,001 to \$2,000)	Level 3 (\$2,001 to \$3,000)	Level 4 (\$3,001 to \$4,000)	Level 5 (\$4,001 and up)	
Commercial Retention						

ANSWER:

Please see the tables below.

a. Dryer Rebates:

Program Name	Quantity of Dryer rebates provided (by Level)			Total (All Levels)
	Level 1 (\$0 to \$1,500)	Level 2 (\$1,501 to \$3,000)	Level 3 (\$3,001 and up)	
Commercial Retention	2	8	88	98

b. Range/Cooktop Rebates:

Program Name	Quantity of Range/Cooktop rebates provided (by Level)			Total (All Levels)
	Level 1 (\$0 to \$1,500)	Level 2 (\$1,501 to \$3,000)	Level 3 (\$3,001 and up)	
Commercial Retention	35	85	283	403

c. Tankless Water Heater Rebates:

Program Name	Quantity of Tankless Water Heater rebates provided (by Level)			Total (All Levels)
	Level 1 (\$0 to \$1,500)	Level 2 (\$1,501 to \$3,000)	Level 3 (\$3,001 and up)	
Commercial Retention	3	38	354	395

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d. Tank Water Heater Rebates:

Program Name	Quantity of Tank Water Heater rebates provided (by Level)			
	Level 1 (\$0 to \$1,500)	Level 2 (\$1,501 to \$3,000)	Level 3 (\$3,001 and up)	Total (All Levels)
Commercial Retention	0	0	8	8

e. Fryer Rebates:

Program Name	Quantity of Fryer rebates provided (by Level)					
	Level 1 (\$0 to \$1,000)	Level 2 (\$1,001 to \$2,000)	Level 3 (\$2,001 to \$3,000)	Level 4 (\$3,001 to \$4,000)	Level 5 (\$4,001 and up)	Total (All Levels)
Commercial Retention	0	13	377	719	1,170	2,279

The design error impacted the number of participants represented in the Commercial Retention Program. The 2024 DSM Annual Report showed 3,024 participants in this program, however, the actual number of participants was 3,183.

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3. Please populate the following table to provide information on the quantity of rebates processed in 2024 within the Commercial New Construction program, by appliance.

Program Name	Quantity of rebates (by appliance type)					
	Range / Cooktops	Dryer	Fryer	Energy Star Tank Water Heater	Tankless Water Heater	Total
Comm. New Construction						

ANSWER:

Please see the table below.

Program Name	Quantity of rebates (by appliance type)					
	Range / Cooktops	Dryer	Fryer	Energy Star Tank Water Heater	Tankless Water Heater	Total
Comm. New Construction	316	68	251	9	415	1,059

The design error impacted the number of participants represented in the Commercial New Construction Program. The 2024 DSM Annual Report showed 1,053 participants in this program, however, the actual number of participants was 1,059.

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4. Please populate the following table to provide information on the quantity of rebates processed in 2024 within the Commercial Retrofit program, by appliance.

Program Name	Quantity of rebates (by appliance type)						
	Range / Cooktops	Dryer	Fryer	Energy Star Tank Water Heater	Tankless Water Heater	Space Conditioning	Total
Commercial Retrofit							

ANSWER:

Please see the table below.

Program Name	Quantity of rebates (by appliance type)						
	Range / Cooktops	Dryer	Fryer	Energy Star Tank Water Heater	Tankless Water Heater	Space Conditioning	Total
Commercial Retrofit	7	0	11	0	157	1	176

5. On page 3 of the Report, Peoples provides information reflecting that the number of participants in the Residential Customer Assisted Audit has decreased in each year since 2022.
- a. What does Peoples believe is the reason enrollment has declined in this program since 2022?
 - b. Describe what efforts are underway in 2025 to increase the participation rate in this program.
 - c. Please populate the following table to provide information on the 7,442 residential audits conducted in 2024.

Residential Audits by Type in 2024

Utility	In-Person	Virtual		Total
	Walk-Through, BERS, and Computer-Assisted	Online	Phone	
Peoples				7,442

ANSWER:

- a. Peoples believes there are multiple factors that contributed to the decrease in participation in the Residential Online Audit since 2022. In 2022, natural gas prices were volatile worldwide, resulting in higher fuel costs that were passed on to Peoples' customers through the Purchased Gas Adjustment Clause. Customers likely noticed this increase and sought ways to save on their gas bills. However, this behavior declined in 2023 and 2024 as natural gas prices stabilized and decreased. Additionally, by 2023, the program had been advertised for nearly three years and had attracted over 25,000 participants. As a result, Peoples reallocated its Conservation advertising budget and earmarked fewer dollars for the online audit.

In 2024, Peoples continued to promote the audit through digital advertising and supplemented with messaging within media channels such as social media, Peoples' website and on-bill messaging to all residential customers. In terms of paid media advertising, rates and schedules were competitive due to the election year. This situation not only reduced the amount of advertising the company could purchase within its budget but also created

a lot of noise in the market, making it harder for Peoples' ads to make an impression on customers.

- b. In 2025, the company will concentrate on areas where average homes are over ten years old, as a homeowner in a new home with brand new appliances is much less likely to seek out the Residential Customer Assisted Audit program. Peoples is also researching other factors that could affect participation in this program. With the benefit of experience in marketing the online audit, Peoples understands that as the program matures, customer participation may no longer be proportionate to its advertising investment. As the audit has been available to Peoples' customers for almost five years, the company believes that a significant portion of customers are now aware of the online audit. With that in mind, Peoples is thinking strategically about targeting customers who are more likely to complete the audit such as homeowners in older homes as described above.

Peoples' 2025 advertising plan for the audit includes paid digital channels, and the company will continue to support the audit in media channels like social media, Peoples' website, and on-bill messaging to all residential customers. Additionally, we are leveraging opportunities like live radio promotions and television appearances in major markets like Jacksonville and Tampa to further promote online audit usage.

- c. Please see the table below.

Residential Audits by Type in 2024

Utility	In-Person	Virtual		Total
	Walk-Through, BERS, and Computer-Assisted	Online	Phone	
Peoples	0	7,442	0	7,442

6. On page 4 of the Report, Peoples provides information reflecting that the number of participants in the Residential New Construction program has increased in each year since 2020. What explanation does the utility have for the multi-year trend in rising enrollment in this program since 2020? Address in your response whether the utility sees a point in the next 2-5 years when residential and/or commercial new construction activity in its service territory may begin to level off or decline.

ANSWER:

Peoples attributes the rise in participation in the Residential New Construction program to Florida's growing population and customer preference for homes equipped with natural gas. According to the U.S. Census Bureau, between April 1, 2020, and July 1, 2024, Florida's population increased by over 1.8 million people, reflecting an 8.5 percent increase. This surge in population has translated to increased housing demand in the state, particularly in areas around Jacksonville, Fort Myers, Sarasota, and others which are served by Peoples. Many of these new residents seek homes with natural gas because it is desirable for cooking, serves as a heating fuel for customers who are accustomed to it, and for its reliability in a state with unpredictable weather events. In response to this demand, builders in Florida continue to build natural gas homes.

As seen on Page 4 of the Report, in Column C, Peoples' residential customer additions have trended down slightly over the past two years. Peoples notes that the process of building a home is lengthy, and builders are allowed one year from home completion to apply for a rebate. Therefore, the company expects new construction rebate activity to remain elevated over the next two to five years, even if the construction of new natural gas homes slows.

7. On page 7 of the Report, Peoples provides information about the company's new Commercial Walk-through Energy Audit program that it launched statewide in April 2024. Describe any challenges that may have been encountered in its statewide launch in 2024, and what responsive solutions have been implemented so far in 2025.

ANSWER:

The primary challenge in developing the statewide audit was determining when and how to dispatch auditors. Dispatching an auditor to cover single audits statewide would have resulted in an excessive cost per audit. To avoid these costs, Peoples and the vendor divided Peoples' territory up into areas centered around large cities (for ease of travel), and agreed to dispatch an auditor once five customers in an area requested an audit. To ensure customers do not have a disproportionate wait for their audit, the vendor allows some flexibility, and Peoples focuses its customer outreach to areas where less than five customers have requested an audit to get more participants. The auditors are supplied with promotional materials to advertise the audit and distribute them to businesses in the vicinity of the audit participants.

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8. On page 12 of the Report, information about the company's Commercial Retention program indicates that the number of participants grew from 557 in 2022 to 2,386 in 2023 and to 3,024 in 2024.
- a. Please identify the most significant factors that contributed to the large increase in participation for this program over the 3-year time span (2022 through 2024). If possible, relate the Company's response to the Company's response to Question 2 and its sub-parts.
 - b. Please provide, in an Excel spreadsheet with formulas intact, the calculation to demonstrate the \$48,600 amount recorded for Net Benefit of Measures Installed During the Reporting Period.

ANSWER:

- a. The most significant factor for the increase in participation in the Commercial Retention Program is the increase in rebate applications that Peoples began receiving for "low-cost" fryer models in late 2022, which has continued to increase through 2024. Most of the models eligible for these rebates entered the market after Peoples developed its 2019 DSM Program Standards. As shown in Peoples' response to Data Request No. 2, fryer rebates accounted for more than half of the rebates in the program in 2025, with many issued at the maximum allowance. In its 2025-2029 DSM Plan, the company revised the fryer rebate structure to limit the number of low-cost models receiving the maximum allowance and to incentivize the installation of higher efficiency models.

Moreover, Peoples' account managers and field personnel continue to promote its conservation programs to commercial customers and educate them on the benefits of natural gas. As a result, the company continues to see a steady increase in participation in its rebate programs from commercial customers each year.

- b. Please see the attached Microsoft Excel file entitled "2025 DSM Annual Report Tables.xls", and the tab within labeled "C Retention". In calculating the Net Benefits of Measures Installed During Reporting Period, Peoples relied on the formula presented in Chapter 25-17.0021(6)(n), F.A.C.