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April 29, 2024

VIA: ELECTRONIC FILING

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

Re: Undocketed 20240000-OT
Peoples Gas System, Inc.'s 2023 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. 1-9) dated March 28, 2024.

Thank you for your assistance in connection with this matter.

Sincerely,

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

Virginia Ponder

VLP/ne
Attachment

cc: Karen Bramley
Paula Brown

**PEOPLES GAS SYSTEM, INC.
 2023 DSM ANNUAL REPORT
 STAFF'S FIRST DATA REQUEST
 REQUEST NO. 1
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1. Please populate the following table to provide information on the quantity of residential rebates processed in 2023 within the named programs, by appliance.

Peoples Gas									
Review Year: 2023									
Quantity of rebates provided (Appliances, by Type)									
Program Name	Dryer	Range / Cooktop	Tank Water Heater	Energy Star Tank Water Heater	Tankless Water Heater	Central Heating	Space Heater	Space Cond.	Total
Residential New Construction							N/A	N/A	
Residential Retrofit									
Residential Retention							N/A		

- A. Please see the table below.

2023	Quantity of Rebates Provided								
Program	Dryer	Range/ Cooktop	Tank Water Heater	ES Tank Water Heater	Tankless Water Heater	Central Heating	Space Heater	Space Cond.	Total
Residential New Construction	11,920	12,860	2,242	4	11,094	28	0	0	38,148
Residential Retrofit	167	258	10	1	404	2	0	0	842
Residential Retention	703	400	3,582	47	1,984	2,098	0	0	8,814

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2. Please populate the following tables to provide information on the quantity of rebates processed in 2023 within the Commercial Retention program, by appliance.

A. Dryer Rebates:

Program Name	Quantity of Dryer Rebates			
	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	8	89	97

B. Range/Cooktop Rebates:

Program Name	Quantity of Range/Cooktop Rebates			
	Level 1 (\$0 to \$1,500)	Level 2 (\$1,501 to \$3,000)	Level 3 (\$3,001 and up)	Total (All Levels)
Commercial Retention	29	48	161	238

C. Tankless Water Heater Rebates:

Program Name	Quantity of Tankless Water Heater Rebates			
	Level 1 (\$0 to \$1,500)	Level 2 (\$1,501 to \$3,000)	Level 3 (\$3,001 and up)	Total (All Levels)
Commercial Retention	1	35	307	343

D. Tank Water Heater Rebates:

Program Name	Quantity of Tank Water Heater Rebates			
	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	1	11	12

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E. Fryer Rebates:

Program Name	Quantity of Fryer Rebates					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	4	2	12	74	1,604	1,696

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3. Please populate the following table to provide information on the quantity of rebates processed in 2023 within the Commercial New Construction program, by appliance.

Program Name	Quantity of Rebates					
	Range / Cooktops	Dryer	Fryer	Energy Star Tank Water Heater	Tankless Water Heater	Total
Comm. New Construction	206	27	137	9	397	776

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4. Please populate the following table to provide information on the quantity of rebates processed in 2023 within the Commercial Retrofit program, by appliance.

Program Name	Quantity of Rebates						
	Range / Cooktops	Dryer	Fryer	Energy Star Tank Water Heater	Tankless Water Heater	Space Conditioning	Total
Commercial Retrofit	17	7	9	0	225	100 tons	358

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5. On Page 3 of the Report, Peoples provides information reflecting that the number of participants in the Residential Customer Assisted Audit decreased from 12,834 in 2022 to 9,576 for 2023.
- a. Please explain why participation declined in 2023, compared to 2022. Describe in your response what efforts underway in 2024 to increase the participation rate in this program.
 - b. Please populate the following table to provide a subcategorization of the 9,576 residential audits conducted in 2023.

A. a. The company’s relatively low, stable Purchased Gas Adjustment (“PGA”) Flex Factor throughout 2023 potentially contributed to a decline in participation in the Residential Customer Assisted Audit (“the audit”), when compared to participation in the prior period. In 2022, natural gas prices were volatile worldwide, leading to a significantly higher PGA Flex Factor than seen historically. Higher gas prices likely encouraged more customers to seek out ways to save on their natural gas bill, including the audit. In 2023, natural gas prices stabilized, and Peoples was able to lower its PGA Flex Factor.

In 2024, Peoples has earmarked a portion of its budget to boost the audit’s advertising efforts to increase participation. Digital advertising that links directly to the audit has proven successful in previous years.

b.

Residential Audits by Type in 2023

Utility	In-Person	Virtual		Total
	Walk-Through, BERS, and Computer-Assisted	Online	Phone	
Peoples	0	9,576	0	9,576

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- 6.** On page 5 of the Report, information about the company's Residential Retrofit program indicates that since 2020, the actual number of program participants (shown in Column g) has been declining, and in each year, the actual number of participants has also been below the number of projected participants (shown in Column d).
- a. In general terms, please explain the reasons for the downward trend in participation since 2020 in this program. If possible, relate the Company's response to the Company's response to Question 1.
 - b. Describe the promotional activities the company undertook in 2023 to promote this program. If none, please explain why.
 - c. Describe the specific actions, if any, the company is taking in 2024 to actively promote the Residential Retrofit program.
- A.**
- a. The federal stimulus payments and customers' increased time spent at home related to the COVID-19 Pandemic potentially contributed to a peak in activity for the Residential Retrofit Program in 2020. These drivers conceivably accelerated some of the appliance replacements that would have taken place in the subsequent years, thus increasing 2020 and reducing the following years.
 - b. Peoples advertised its conservation rebate programs through mass media reaching existing customers and non-customers throughout Florida. The media mix included television, radio, digital, limited outdoor and sports affinity media channels.
 - c. Peoples plans to continue with the strategic approach to advertise all natural gas rebates available to existing customers and prospective customers throughout Florida.

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7. On page 6 of the Report, information about the company's Residential Retention program indicates that the actual number of program participants (shown in Column g) increased in 2023 (8,814), compared with the number from 2022 (8,083). Please identify the most significant factors that contributed to the observed increase in participation for this program. If possible, relate the Company's response to the Company's response to Question 1.
 - A. Peoples has not made any changes to the marketing or administration of the Residential Retention Program over the past few years. Annual participation in this program has been lower since record participation was seen in 2020 for potentially the same reasons postulated in Peoples' response to No. 6(a) of Staff's First Data Request. Participation for 2023, while increasing 9 percent from 2022, is still 32 percent lower than participation in 2020. Peoples has not identified any other specific drivers for the 9 percent increase in 2023 when compared to 2022.

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- 8.** On page 8 of the Report, information about the company's Commercial New Construction program indicates that the actual number of program participants (shown in Column g) increased in 2023 (776), compared to the number from 2022 (322). Please identify the most significant factors that contributed to the increase in participation for this program. If possible, relate the Company's response to the Company's response to Question 3.
 - A.** Peoples saw its highest percentage of new commercial customers apply for Conservation rebates in 2023. The company attributes the increased participation to more awareness of its Conservation rebates among its customers and increased promotion of its rebates by its commercial account managers and field personnel.

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- 9.** 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.
 - a. Please identify the most significant factors that contributed to the large increase in participation for this program. If possible, relate the Company's response to the Company's response to Question 2.
 - b. Please provide, in an Excel spreadsheet with formulas available, the calculations of the metrics at the bottom of Page 12, including the utility incentive cost per installation, total incentive program costs, and net benefit of measures installed during the reporting period.

- A.**
 - a. The primary factor for the increase in participants is that Peoples saw an increase in rebate applications for "low-cost" fryer models in 2023. Most of the models receiving these rebates have entered the market since Peoples developed its DSM Standards. In this program, in 2023, 1,642 fryer rebates were paid on "low-cost" models alone, compared to 250 fryer rebates total in 2022.
 - b. Please see attached Microsoft Excel file entitled (BS 11) "2023 DSM Annual Report Tables_Net Benefits.xls".