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August 25, 2023

VIA ELECTRONIC TRANSMISSION

Ryan Sandy, Esquire
Office of General Counsel
Florida Public Service Commission
Room 390L – Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
rsandy@psc.state.fl.us

Re: Docket No. 20230023-GU; Petition for Rate Increase by Peoples Gas System, Inc.

Docket No. 20220219-GU; Peoples Gas System's Petition for Rate Approval of 2022 Depreciation Study

Docket No. 20220212-GU; Peoples Gas System's Petition for Approval of Depreciation Rate and Subaccount for Renewable Natural Gas Facilities Leased to Others

Dear Mr. Sandy:

Please find attached Peoples Gas System, Inc.'s revised response to Staff's Fourteenth Set of Interrogatories (Nos. 172-173), served via email on August 4, 2023.

Thank you for your assistance in connection with this matter.

Sincerely,

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

Virginia Ponder

VLP/ne

Attachment

cc: All parties of record

**PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20230023-GU
STAFF'S FOURTEENTH SET OF
INTERROGATORIES
INTERROGATORY NO. 172
BATES PAGE(S): 36 - 37
FILED: AUGUST 14, 2023
REVISED: AUGUST 25, 2023**

172. Please refer to MFR schedule G2-19b, line 8. Please distinguish the functions of the new employee positions from those provided by TECO Partners Inc.?

A. TECO Partners has provided sales and marketing communications services through its contract with Peoples since 2008. However, over the last several years, Peoples' business needs have significantly evolved, and the company has experienced significant growth with our customer base increasing from roughly 330,000 to over 470,000 customers today. Instead of renegotiating the compensation due to TPI under the agreement, Peoples decided to bring more of the marketing function into Peoples, which offset costs experienced by TPI as it grew its sales force due to customer growth. Therefore, the compensation remained the same as the 2008 agreement and only adjusted with CPI.

In addition, Peoples has likewise grown to meet the demands of our growing customer base. As a result, our marketing and communications needs (both internal and external) have expanded beyond what TPI's limited capabilities can provide. Digital communication requirements have become increasingly important, such as social media, digital advertising, and website functionality, as our customers' and team members' communication expectations have changed. Therefore, Peoples determined that building an in-house dedicated marketing and communications team was the best course to meet these requirements.

Apart from one marketing and communications team member, TPI's team has shifted its main focus to sales. Their responsibilities include direct interactions with existing and potential customers, coordination of service delivery to new residential developments, execution of gas service agreements, customer relationship management, and coordination with gas equipment distributors. This team is customer-facing and focused on providing natural gas solutions to our customers.

The resources that will be added to the company's marketing and communications team are unique and will not overlap with any existing function. Adding these resources will greatly benefit Peoples' customers as they will improve communication regarding natural gas safety, conservation, and service delivery. In addition, we plan for enhanced communication to all team members about the many facets of our business including strategy, safety, and human resources.

Lastly, the additional resources planned for the SMC team cover strategy, process improvement, and data analytics and will support the existing functions of the team.

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It is important to note that the roles of these areas are independent of TPI and the marketing and communications teams. The purpose of these additional resources is to enhance the strategic planning and data analytics capabilities of Peoples.

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STAFF'S FOURTEENTH SET OF
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INTERROGATORY NO. 173
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- 173.** Please explain why PGS is unable to complete the functions supported by TPI given current PGS marketing staff and the new employees being requested.
- A.** As described in the response to Interrogatory Response Number 172, the TPI sales functions have evolved into primarily customer-facing sales activities and the majority of the marketing and communication activities reside within Peoples. So, the company is largely “completing” the marketing functions supported by TPI and the new employees being requested will assist the marketing and communications team as it meets the growing demand for its services.