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August 7, 2020

VIA E-PORTAL FILING

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

Re: Docket No. 20200004-GU – Natural gas conservation cost recovery

Dear Mr. Teitzman:

Attached for electronic filing in the above docket on behalf of Peoples Gas System, please find the following:

- Petition of Peoples Gas System for Approval of True-Up Amount and the Cost Recovery Factors Proposed for Use During the Period for Use During the Period January through December 2021;
- Direct Testimony of Karen L. Bramley; and;
- Exhibit Conservation Costs Projected (KLB-2), consisting of Schedules C-1, C-2, C-3 and C-5.

The enclosed testimony and exhibit will be offered by Peoples at the hearing in this docket scheduled to commence on November 3, 2020.

Your assistance in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb
Attachment

cc: Parties of Record
Ms. Kandi M. Floyd
Ms. Karen Bramley

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation Cost)
Recovery.)
_____)

DOCKET NO. 20200004-GU

FILED: August 7, 2020

PETITION OF PEOPLES GAS SYSTEM

Peoples Gas System ("Peoples" or "the Company"), hereby petitions the Commission for approval of the Company's conservation cost recovery true-up and the cost recovery factors proposed for use during the period January through December 2021. In support thereof, the Company says:

Conservation Cost Recovery

1. During the period January through December 2019, Peoples incurred actual net conservation costs of \$16,619,336. The amount collected in the ECCR clause was \$17,992,451. The conservation revenue applicable to this period was \$16,468,265 which includes the \$17,992,451 amount collected in the ECCR clause, applicable regulatory assessment fees of \$89,515 and the prior period true-up under-recovery of \$1,434,671. The true-up amount for January through December 2019 was an under-recovery of \$3,101,867 including interest. (See Exhibit No. KLB-1; Schedule CT-1, Page 1 of 1 and CT-2, Page 1 of 3, filed May 1, 2020).

2. During the period January through December 2020, the Company anticipates incurring expenses of \$16,693,643. For the period, the total net true-up under-recovery is estimated to be \$1,150,698 including interest. (See Exhibit No. KLB-2; Schedule C-3, page 3 of 5).

3. For the forthcoming cost recovery period January through December 2021, Peoples projects its total incremental conservation costs to be \$17,631,506. Peoples' total true-up and projected expenditures for the projection period are estimated to be \$18,782,204 including true-up

estimates for January through December 2021. Utilizing the rate design and cost allocation methodology approved by the Commission, the required conservation cost recovery factors are as follows:

<u>Rate Schedule</u>	<u>Cost Recovery Factors (Dollars per Therm)</u>
RS & RS-SG & RS-GHP	\$0.09591
SGS	\$0.06210
GS-1 & CS-SG & CS-GHP	\$0.03043
GS-2	\$0.02224
GS-3	\$0.01840
GS-4	\$0.01353
GS-5	\$0.00996
NGVS	\$0.01957
CSLS	\$0.01603

(See Exhibit No. KLB-2; Schedule C-1, Page 1 of 1)

4. Peoples is not aware of any disputed issues of material fact relating to the matters addressed or the relief requested in this petition.

WHEREFORE, Peoples Gas System requests the Commission's approval of the Company's prior period conservation cost recovery true-up calculations and projected conservation cost recovery charges to be collected during the period January 1, 2021 through December 31, 2021.

DATED this 7th day of August 2020.

Respectfully submitted,

/s/ Andrew M. Brown, Esq.

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Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition, together with copies of the Direct Testimony of Karen L. Bramley and Exhibit KLB-2, filed on behalf of Peoples Gas System, has been furnished by electronic mail this 7th day of August 2020, to the following:

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/s/ Andrew M. Brown, Esq.
Andrew M. Brown
Thomas R. Farrior



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20200004-GU
IN RE: NATURAL GAS CONSERVATION
COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT
OF
KAREN L. BRAMLEY

FILED: AUGUST 7, 2020

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **KAREN L. BRAMLEY**

5
6 **Q.** Please state your name, business address, by whom you are
7 employed, and in what capacity?

8
9 **A.** My name is Karen L. Bramley. My business address is 702
10 North Franklin Street, Tampa, Florida 33602. I am
11 employed by Peoples Gas System ("Peoples") as Gas
12 Regulatory Manager, in the Regulatory Affairs Department.

13
14 **Q.** Please describe your educational and employment
15 background.

16
17 **A.** I graduated from the University of South Florida in 1990
18 with a Bachelor of Arts degree in Political Science and
19 from University of South Florida in 1993 with a Master's
20 degree in Public Administration. My work experience
21 includes twenty-four years of gas and electric utility
22 experience. My utility work has included various positions
23 in Legal, Customer Service, Fuels Management and
24 Regulatory. In my current position, I am responsible for
25 Peoples Gas System's Natural Gas Conservation Cost Recovery

1 ("NGCCR") Clause and Purchased Gas Adjustment("PGA") Clause
2 as well as various other regulatory activities for Peoples.
3

4 **Q.** What is the purpose of your testimony in this docket?

5
6 **A.** The purpose of my testimony is to support Peoples' actual
7 conservation costs incurred during the period January
8 through December 2019, the actual/projected period
9 January to December 2020, and the projected period January
10 through December 2021. The projected 2021 ECCR factors
11 have been calculated based on the current approved
12 allocation methodology.
13

14 **Q.** Are you sponsoring any exhibits with your testimony?

15
16 **A.** Yes, I am sponsoring Exhibit No. KLB-2 prepared under my
17 direction and supervision. This document consists of
18 Schedules C-1 through C-5 and associated data which
19 contain information which support the development of the
20 natural gas conservation cost recovery factors to be
21 applied to customer' bills during the period January 2021
22 through December 2021.
23

24 **Q.** Does the Exhibit No. KLB-2 meet the requirements of Florida
25 Statute Rule 25-17.015 which requires the projection filing

1 to include the annual estimated/actual true-up filing
2 showing actual and projected common costs, individual
3 program costs, and any revenues collected?
4

5 **A.** Yes, it does.
6

7 **Q.** What timeframe did Peoples Gas System develop its 2020
8 annual estimated/actual true-up filing?
9

10 **A.** Peoples Gas System developed its 2020 annual
11 estimated/actual true-up filing showing actual and
12 projected common costs, individual program costs, and any
13 revenues collected based upon six months of actuals and six
14 months of estimates.
15

16 **Q.** Please describe the conservation program costs projected by
17 Peoples during the period January through December 2019.
18

19 **A.** For the period January through December 2019, Peoples
20 projected conservation program costs to be \$16,819,205.
21 The Commission authorized collections to recover these
22 expenses in Docket No. 20190004-GU, Order No. PSC-2019-
23 0499-FOF-GU, issued November 22, 2019.
24

25 **Q.** For the period January through December 2019, what were

1 Peoples' conservation costs and what was recovered through
2 the ECCR clause?

3

4 **A.** For the period January through December 2019, Peoples
5 incurred actual net conservation costs of \$16,619,336. The
6 amount collected in the ECCR clause was \$17,992,451. The
7 conservation revenue applicable to this period was
8 \$16,468,265 which includes the \$17,992,451 amount collected
9 in the ECCR clause, applicable regulatory assessment fees
10 of \$89,515 and the prior period true-up under-recovery of
11 \$1,434,671.

12

13 **Q.** What is the true-up amount for Peoples' for the period
14 January through December 2019?

15

16 **A.** Peoples' true-up amount for the period January through
17 December 2019 was an under-recovery of \$3,101,867
18 including interest as detailed on Schedule CT-1 of Exhibit
19 No. KLB-1.

20

21 **Q.** Please describe the conservation program costs projected
22 to be incurred by Peoples during the period January
23 through December 2020?

24

25 **A.** The actual costs incurred by Peoples through June 2020

1 and projected for July through December 2020 are
2 \$16,693,643. For the period, Peoples anticipates an
3 under-recovery in the ECCR Clause of \$1,150,698 which
4 includes the 2019 true-up and interest. A summary of
5 these costs and estimates are fully detailed in Exhibit
6 No. KLB-2, Estimated Conservation Program Costs Per
7 Program, pages 12 through 15.

8
9 **Q.** Has Peoples implemented the Residential Customer Assisted
10 Energy Audit, as approved by the Commission in Docket No.
11 20180186-GU, Order No. 2019-0361-PAA-GU, issued on August
12 26, 2019?

13
14 **A.** Yes, Peoples began offering the Residential Customer
15 Assisted Energy Audit ("Online Energy Audit") in April
16 2020. As of July 31, 2020, 2,415 customers have
17 participated in the Online Audit.

18
19 **Q.** Has Peoples implemented the Commercial Walkthrough Audit,
20 as approved by the Commission in Docket No. 20180186-GU,
21 Order No. 2019-0361-PAA-GU, issued on August 26, 2019?

22
23 **A.** No, Peoples developed guidelines for this program, but it
24 has not been implemented due to contractor concerns with
25 performing Commercial Walk-Through Energy Audits at a

1 customer premise, due to safety and personal protective
2 equipment concerns related to COVID-19. Peoples continues
3 to work with contractors and plans to implement the audit
4 once conditions improve. Peoples has projected 2021 costs
5 for the Commercial Audit using data from the Company's
6 DSM plan.

7
8 **Q.** Has Peoples reflected the adjustment related to the over-
9 recovery identified in Docket No. 20190109-GU, Petition
10 for recovery of cost associated with Hurricane Michael
11 and replenishment of storm reserve, by Peoples Gas System,
12 and as approved by Order No. PSC-2020-0103-PAA-GU issued
13 on April 14, 2020?

14
15 **A.** Yes, Peoples has fulfilled the requirements of the Order
16 by reflecting the over-recovery in the amount of \$186,149.
17 This adjustment is included on the "Regulatory
18 Adjustments" line of Page 3 of Schedule C-3.

19
20 **Q.** Please summarize the proposed conservation costs for the
21 period January through December 2021 and the annualized
22 recovery factors applicable for the period January through
23 December 2021?

24
25 **A.** Peoples has estimated that the total conservation costs

1 (less program revenues) during the period will be
2 \$17,631,506 plus true-up. Including true-up estimates,
3 the January through December 2021 conservation cost
4 recovery factors for retail rate classes are as follows:

<u>Rate Schedule</u>	Cost Recovery Factors <u>(Dollars per Therm)</u>
RS & RS-SG & RS-GHP	\$0.09591
SGS	\$0.06210
GS-1 & CS-SG & CS-GHP	\$0.03043
GS-2	\$0.02224
GS-3	\$0.01840
GS-4	\$0.01353
GS-5	\$0.00996
NGVS	\$0.01957
CSLS	\$0.01603

17
18 Exhibit No. KLB-2, Schedule C-1, Page 1 of 1, Energy
19 Conservation Adjustment, Summary of Cost Recovery Clause
20 Calculation, contains the Commission-prescribed form which
21 details these estimates.

22
23 **Q.** Does this conclude your testimony?

24
25 **A.** Yes, it does.

CONSERVATION COSTS
PROJECTED

INDEX

<u>SCHEDULE</u>	<u>TITLE</u>	<u>PAGE</u>
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ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2021 through December 2021

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	17,631,506
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	1,150,698
3. TOTAL (LINE 1 AND LINE 2)	18,782,204

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RS & RS-SG & RS-GHP	4,715,484	85,918,098	70,213,557	21,896,227	92,109,784	8,198,884	8.90121%	0.09543	1.00503	0.09591
SGS	141,695	9,048,017	3,366,673	2,914,004	6,280,677	559,056	8.90121%	0.06179	1.00503	0.06210
GS-1 & CS-SG & CS-GHIP	233,676	90,890,536	7,772,051	23,148,002	30,920,053	2,752,258	8.90121%	0.03028	1.00503	0.03043
GS-2	99,094	145,317,010	4,708,964	31,410,272	36,119,236	3,215,048	8.90121%	0.02212	1.00503	0.02224
GS-3	11,428	87,021,862	1,629,061	16,266,126	17,895,187	1,592,888	8.90121%	0.01830	1.00503	0.01840
GS-4	2,016	71,639,159	478,961	10,358,306.00	10,837,267	964,648	8.90121%	0.01347	1.00503	0.01353
GS-5	1,980	150,361,273	564,478	16,177,069	16,741,547	1,490,200	8.90121%	0.00991	1.00503	0.00996
NGVS	48	46,668	2,052	8,157	10,209	909	8.90121%	0.01947	1.00503	0.01957
CSLS	0	521,118	0	93,395	93,395	8,313	8.90121%	0.01595	1.00503	0.01603
TOTAL	5,205,421	640,763,740	88,735,797	122,271,558	211,007,355	18,782,204				

6

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
January 2021 through December 2021

	PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1	NEW RESIDENTIAL CONSTRUCTION	667,547	667,547	667,547	667,547	667,547	667,547	667,547	667,547	667,547	667,547	667,547	667,547	\$8,010,560
2	RESIDENTIAL APPLIANCE RETENTION	401,716	401,716	401,716	401,716	401,716	401,716	401,716	401,716	401,716	401,716	401,716	401,716	\$4,820,593
3	RESIDENTIAL APPLIANCE REPLACEMENT	90,818	90,818	90,818	90,818	90,818	90,818	90,818	90,818	90,818	90,818	90,818	90,818	\$1,089,818
4	COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
5	GAS SPACE CONDITIONING	7,225	7,225	7,225	7,225	7,225	7,225	7,225	7,225	7,225	7,225	7,225	7,225	\$86,700
6	SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0	0	0	0	0	\$0
7	COMMON COSTS	164,575	164,575	164,575	164,575	164,575	164,575	164,575	164,575	164,575	164,575	164,575	164,575	\$1,974,895
8	MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
9	OIL HEAT REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
10	CONSERVATION DEMONSTRATION DEVELOPMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
11	COMMERCIAL NEW CONSTRUCTION	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	\$199,125
12	COMMERCIAL RETENTION	36,431	36,431	36,431	36,431	36,431	36,431	36,431	36,431	36,431	36,431	36,431	36,431	\$437,175
13	COMMERCIAL REPLACEMENT	63,470	63,470	63,470	63,470	63,470	63,470	63,470	63,470	63,470	63,470	63,470	63,470	\$761,640
14	RESIDENTIAL CUSTOMER ASSISTED AUDIT	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	\$125,000
15	COMMERCIAL WALK THROUGH ENERGY AUDIT	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	\$126,000
	TOTAL ALL PROGRAMS	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$17,631,506

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2021 through December 2021

	PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1	NEW RESIDENTIAL CONSTRUCTION	0	0	0	0	8,010,560	0	0	0	\$8,010,560
2	RESIDENTIAL APPLIANCE RETENTION	0	0	0	0	4,820,593	0	0	0	\$4,820,593
3	RESIDENTIAL APPLIANCE REPLACEMENT	0	0	0	0	1,089,818	0	0	0	\$1,089,818
4	COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	\$0
5	GAS SPACE CONDITIONING	0	0	0	0	86,700	0	0	0	\$86,700
6	SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0	\$0
7	COMMON COSTS	0	605,091	0	1,200,000	0	106,000	0	63,804	\$1,974,895
8	MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	\$0
9	OIL HEAT REPLACEMENT	0	0	0	0	0	0	0	0	\$0
10	CONSERVATION DEMONSTRATION DEVELOPMENT	0	0	0	0	0	0	0	0	\$0
11	COMMERCIAL NEW CONSTRUCTION	0	0	0	0	199,125	0	0	0	\$199,125
12	COMMERCIAL RETENTION	0	0	0	0	437,175	0	0	0	\$437,175
13	COMMERCIAL REPLACEMENT	0	0	0	0	761,640	0	0	0	\$761,640
14	RESIDENTIAL CUSTOMER ASSISTED AUDIT	0	0	0	0	0	125,000	0	0	\$125,000
15	COMMERCIAL WALK THROUGH ENERGY AUDIT	0	0	0	0	0	126,000	0	0	\$126,000
	PROGRAM COSTS	\$0	\$605,091	\$0	\$1,200,000	\$15,405,611	\$357,000	\$0	\$63,804	\$17,631,506

DOCKET NO. 20200004-GU
 NGCCR 2021 PROJECTION
 EXHIBIT KLB-2, SCHEDULE C-3, PAGE 1 OF 4

SCHEDULE C - 3
 PAGE 1 OF 4

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

Estimated For Months July 2020 through December 2020

PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION									
A. ACTUAL	0	0	0	0	3,773,900	0	0	0	3,773,900
B. ESTIMATED	0	0	0	0	3,908,750	0	0	0	3,908,750
C. TOTAL	0	0	0	0	7,682,650	0	0	0	7,682,650
2 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	0	0	0	0	2,278,827	0	0	0	2,278,827
B. ESTIMATED	0	0	0	0	2,310,927	0	0	0	2,310,927
C. TOTAL	0	0	0	0	4,589,754	0	0	0	4,589,754
3 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	0	0	0	0	522,624	0	0	0	522,624
B. ESTIMATED	0	0	0	0	522,264	0	0	0	522,264
C. TOTAL	0	0	0	0	1,044,888	0	0	0	1,044,888
4 COMMERCIAL ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
5 GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
6 SMALL PACKAGE COGEN									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
7. COMMON COSTS									
A. ACTUAL	0	295,526	0	310,749	0	51,950	0	65,323	723,549
B. ESTIMATED	0	295,240	0	889,251	0	46,200	0	0	1,230,691
C. TOTAL	0	590,766	0	1,200,000	0	98,150	0	65,323	1,954,240
8. MONITORING AND RESEARCH									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
9. OIL HEAT REPLACEMENT									
A. ACTUAL	0	0	0	0	330	0	0	0	330
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	330	0	0	0	330
10. CONSERVATION DEMONSTRATION DEVELOPMENT									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
11. COMMERCIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	96,500	0	0	0	96,500
B. ESTIMATED	0	0	0	0	88,500	0	0	0	88,500
C. TOTAL	0	0	0	0	185,000	0	0	0	185,000
12 COMMERCIAL RETENTION									
A. ACTUAL	0	0	0	0	195,800	0	0	0	195,800
B. ESTIMATED	0	0	0	0	194,300	0	0	0	194,300
C. TOTAL	0	0	0	0	390,100	0	0	0	390,100
13 COMMERCIAL REPLACEMENT									
A. ACTUAL	0	0	0	0	383,175	0	0	0	383,175
B. ESTIMATED	0	0	0	0	338,507	0	0	0	338,507
C. TOTAL	0	0	0	0	721,682	0	0	0	721,682
14 RESIDENTIAL CUSTOMER ASSISTED AUDIT									
A. ACTUAL	0	0	0	0	0	125,000	0	0	125,000
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	125,000	0	0	125,000
15 COMMERCIAL WALK THROUGH ENERGY AUDIT									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	0	590,766	0	1,200,000	14,614,403	223,150	0	65,323	16,693,643

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED

Estimated For Months July 2020 through December 2020

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
NEW RESIDENTIAL CONSTRUCTION	1,028,450	443,700	329,300	604,000	711,800	656,650	651,458	651,458	651,458	651,458	651,458	651,458	\$7,682,650
RESIDENTIAL APPLIANCE RETENTION	290,000	389,250	407,400	397,526	381,550	413,100	385,155	385,155	385,155	385,155	385,155	385,155	\$4,589,754
RESIDENTIAL APPLIANCE REPLACEMENT	38,576	105,300	85,900	168,325	60,775	63,748	87,044	87,044	87,044	87,044	87,044	87,044	\$1,044,888
COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0	\$0
SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0	0	0	0	0	\$0
COMMON COSTS	201,241	151,809	106,321	55,790	155,611	52,777	201,948	205,748	205,748	205,748	205,748	205,748	\$1,954,240
MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
OIL HEAT REPLACEMENT	0	0	330	0	0	0	0	0	0	0	0	0	\$330
CONSERVATION DEMONSTRATION DEVELOPME	0	0	0	0	0	0	0	0	0	0	0	0	\$0
COMMERCIAL NEW CONSTRUCTION	11,000	40,500	19,500	19,500	0	6,000	14,750	14,750	14,750	14,750	14,750	14,750	\$185,000
COMMERCIAL RETENTION	33,500	18,700	30,000	55,100	24,000	34,500	32,383	32,383	32,383	32,383	32,383	32,383	\$390,100
COMMERCIAL REPLACEMENT	29,876	4,000	107,592	81,631	10,500	149,577	56,418	56,418	56,418	56,418	56,418	56,418	\$721,682
RESIDENTIAL CUSTOMER ASSISTED AUDIT	0	0	0	125,000	0	0	0	0	0	0	0	0	\$125,000
COMMERCIAL WALK THROUGH ENERGY AUDIT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
TOTAL ALL PROGRAMS	\$1,632,643	\$1,153,259	\$1,086,343	\$1,506,872	\$1,344,236	\$1,376,351	\$1,429,156	\$1,432,956	\$1,432,956	\$1,432,956	\$1,432,956	\$1,432,956	\$16,693,643

ENERGY CONSERVATION ADJUSTMENT

January 2020 through December 2020

CONSERVATION REVS.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RCS AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
a. OTHER PROG. REV.	(2,104,825)	(2,074,223)	(1,925,868)	(1,475,824)	(1,319,818)	(1,290,795)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(18,470,018)
b. CONSERV. ADJ. REV.	-	-	-	-	-	-	-	-	-	-	-	-	-
c.	-	-	-	-	-	-	-	-	-	-	-	-	-
CONSERV. ADJ REV. (NET OF REV. TAXES)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	(2,104,825)	(2,074,223)	(1,925,868)	(1,475,824)	(1,319,818)	(1,290,795)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(18,470,018)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	229,896	229,896	229,896	229,896	229,896	229,896	229,896	229,896	229,896	229,896	229,896	229,891	2,758,747
CONSERVATION REVS. APPLIC. TO PERIOD	(1,874,929)	(1,844,327)	(1,695,972)	(1,245,928)	(1,089,922)	(1,060,899)	(1,149,881)	(1,149,881)	(1,149,881)	(1,149,881)	(1,149,881)	(1,149,886)	(15,711,270)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	1,632,643	1,153,259	1,086,343	1,506,872	1,344,235	1,376,351	1,429,156	1,432,956	1,432,956	1,432,956	1,432,956	1,432,956	16,693,642
TRUE-UP THIS PERIOD	(242,286)	(691,068)	(609,629)	260,944	254,313	315,452	279,275	283,075	283,075	283,075	283,075	283,070	982,372
REGULATORY ADJUSTMENTS			(186,149)										(186,149)
INTEREST THIS PERIOD (C-3,PAGE 5)	4,012	2,890	1,888	672	44	63	175	288	305	322	339	356	11,355
TRUE-UP & INT. BEG. OF MONTH	3,101,867	2,633,697	1,715,623	691,837	723,557	748,018	833,637	883,191	936,659	990,143	1,043,644	1,097,162	3,101,867
PRIOR TRUE-UP COLLECT./(REFUND.)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,891)	(2,758,747)
END OF PERIOD TOTAL NET TRUE-UP	2,633,697	1,715,623	691,837	723,557	748,018	833,637	883,191	936,659	990,143	1,043,644	1,097,162	1,150,697	1,150,698

14

CALCULATION OF TRUE-UP AND INTEREST PROVISION

January 2020 through December 2020

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	3,101,867	2,633,697	1,715,623	691,837	723,557	748,018	833,637	883,191	936,659	990,143	1,043,644	1,097,162	1,150,697
END. T-UP BEFORE INT.	2,629,685	1,712,733	689,949	722,885	747,974	833,574	883,016	936,370	989,838	1,043,322	1,096,823	1,150,341	1,325,492
TOT. BEG. & END. T-UP	5,731,552	4,346,430	2,405,572	1,414,722	1,471,531	1,581,592	1,716,653	1,819,562	1,926,496	2,033,464	2,140,466	2,247,502	2,476,189
AVERAGE TRUE-UP	2,865,776	2,173,215	1,202,786	707,361	735,766	790,796	858,327	909,781	963,248	1,016,732	1,070,233	1,123,751	1,238,094
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.7100%	1.6400%	1.5600%	2.2100%	0.0600%	0.0800%	0.1100%	0.3800%	0.3800%	0.3800%	0.3800%	0.3800%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	1.6400%	1.5600%	2.2100%	0.0600%	0.0800%	0.1100%	0.3800%	0.3800%	0.3800%	0.3800%	0.3800%	0.3800%	
TOTAL	3.3500%	3.2000%	3.7700%	2.2700%	0.1400%	0.1900%	0.4900%	0.7600%	0.7600%	0.7600%	0.7600%	0.7600%	
AVG INTEREST RATE	1.6750%	1.6000%	1.8850%	1.1350%	0.0700%	0.0950%	0.2450%	0.3800%	0.3800%	0.3800%	0.3800%	0.3800%	
MONTHLY AVG. RATE	0.14000%	0.13330%	0.1570%	0.0950%	0.0060%	0.0080%	0.0204%	0.0317%	0.0317%	0.0317%	0.0317%	0.0317%	
INTEREST PROVISION	\$4,012	\$2,890	\$1,888	\$672	\$44	\$63	\$175	\$288	\$305	\$322	\$339	\$356	\$11,355

PROGRAM DESCRIPTION AND PROGRESS

Program Title: NEW RESIDENTIAL CONSTRUCTION

Program Description: This program is designed to increase the number of high priority natural gas customers in the new residential construction market. The program offers incentives to builders for the installation of natural gas appliances in order to defray the initial higher cost associated with piping and venting when installing natural gas appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 9,736 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 10,155 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$7,682,650.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$8,010,560.

Program Progress

Summary: Through December 31, 2019, the New Residential Construction participant totals are 169,863.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: RESIDENTIAL APPLIANCE RETENTION

Program Description: This program is designed to encourage current natural gas customers to replace existing natural gas appliances with energy efficient natural gas appliances. The program offers allowances to assist in defraying the cost of more expensive energy efficient appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 10,756 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 11,219 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$4,589,754.

January 1, 2021 to December 31, 2021

Expenditures are estimated at \$4,820,593.

**Program Progress
Summary:**

Through December 31, 2019, the Residential Appliance Retention participant totals are 194,773.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: RESIDENTIAL APPLIANCE REPLACEMENT

Program Description: This program was designed to encourage the replacement of electric resistance appliances with energy efficient natural gas appliances by offering incentives to defray the initial higher cost associated with piping and venting for natural gas appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 1,510 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 1,575 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$1,044,888.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$1,089,818.

Program Progress Summary:

Through December 31, 2019, the Residential Appliance Replacement participant totals are 27,862.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL ELECTRIC REPLACEMENT

Program Description: This program is designed to encourage the replacement of electric resistance equipment in commercial establishments by offering piping and venting allowances to defray the additional cost of installing more energy efficient equipment.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are zero customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are zero customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$0.

January 1, 2021 to December 31, 2021

Expenditures are estimated at \$0.

**Program Progress
Summary:**

Through December 31, 2019, the Commercial Electric Replacement participant totals are 60,481.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: GAS SPACE CONDITIONING

Program Description: This Program is designed to convert on-main customers from electric space conditioning equipment to energy efficient gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of kWh / kWD consumption.

Program Projections: January 1, 2020 to December 31, 2020.

During this period, there are zero customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 8 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$0.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$86,700.

Program Progress Summary:

Through December 31, 2019, the Gas Space Conditioning participant totals are 7,478 Tons installed.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: SMALL PACKAGE COGENERATION

Program Description: This program was designed to promote the direct use of natural gas to generate on-site power and utilize the waste heat for on-site heating, cooling and water heating requirements for commercial and industrial applications. For commercial and industrial customers that are interested, workshops and a feasibility audit will be made available upon request.

Program Projections: January 1, 2020 to December 31, 2020.

During this period, there are zero customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are zero customers projected to participate.

Program Fiscal Expenditures:

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$0.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

Program Progress Summary:

Through December 31, 2019, the Small Package Cogeneration participant totals are 7.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMON EXPENSES

Program Description: These are expenses related to the support, delivery, and advertising of all Peoples Gas System's conservation programs.

Program Projections: N/A

Program Fiscal Expenditures: January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$1,954,240.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$1,974,895.

Program Progress Summary: N/A

PROGRAM DESCRIPTION AND PROGRESS

Program Title: MONITORING AND RESEARCH

Program Description: This program will be used to monitor and evaluate Peoples Gas System existing conservation programs and demonstrate prototype technologies emerging in the marketplace.

Program Projections: See Program Progress Summary.

Program Fiscal Expenditures: January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$0.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

Program Progress Summary: Currently, Peoples Gas System has no active Monitoring and Research programs. The company continues to review possible programs to research and develop.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: OIL HEAT REPLACEMENT

Program Description: This program is designed to encourage customers to convert their existing oil heating system to more energy efficient natural gas heating. Peoples Gas System offers piping and venting allowances to defray the higher cost of installation of natural gas systems in hopes of preventing the customer from putting in less costly electric resistance strip heat.

Program Projections: January 1, 2020 to December 31, 2020.

During this period, there is 1 customer projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are zero customers projected to participate.

Program Fiscal Expenditures:

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$330.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

Program Progress Summary:

Through December 31, 2019, the Oil Heat Replacement participant totals are 374.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: CONSERVATION DEMONSTRATION AND DEVELOPMENT

Program Description: The Conservation Demonstration and Development program allows local distribution companies to pursue opportunities for individual and joint research including testing of technologies to develop new energy conservation programs.

Program Projections: See Program Progress Summary.

Program Fiscal Expenditures: January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$0.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

Program Progress Summary: The company continues to review possible programs to research and develop.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL NEW CONSTRUCTION

Program Description: This Program is designed to increase the number of high priority natural gas customers in the new commercial construction market. The company offers incentives to customers for the installation of natural gas appliances in order to defray the initial higher cost associated with piping and venting when installing natural gas appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 38 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 42 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$185,000.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$199,125.

**Program Progress
Summary:**

Through December 31, 2019, the Commercial New Construction participant totals are 572.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL RETENTION

Program Description: This program is designed to encourage current natural gas customers to replace existing natural gas appliances with energy efficient natural gas appliances. The program offers allowances to assist in defraying the cost of more expensive energy efficient appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 110 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 123 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$390,100.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$437,175.

**Program Progress
Summary:**

Through December 31, 2019, the Commercial Retention participant totals are 1,616.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL REPLACEMENT

Program Description: This program was designed to encourage the replacement of electric appliances with energy efficient natural gas appliances by offering incentives to defray the initial higher cost associated with piping and venting for natural gas appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 150 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 167 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$721,682.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$761,640.

Program Progress Summary:

Through December 31, 2019, the Commercial Replacement participant totals are 1,526.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: RESIDENTIAL CUSTOMER ASSISTED ENERGY AUDIT

Program Description: A conservation program designed to save energy by increasing residential customer awareness of natural gas energy use in personal residences. This program allows for residential customers to engage in an online energy audit. Savings are dependent on the customer implementing energy conservation measure and practice recommendations. Recommendations provided to the customer includes an estimated range of energy savings including insightful advice on how to manage their overall energy usage.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 4,770 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 6,360 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$125,000.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$125,000.

Program Progress Summary:

PGS began offering this program in April 2020.



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20200004-GU
IN RE: NATURAL GAS CONSERVATION
COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT
OF
KAREN L. BRAMLEY

FILED: AUGUST 7, 2020

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **KAREN L. BRAMLEY**

5
6 **Q.** Please state your name, business address, by whom you are
7 employed, and in what capacity?

8
9 **A.** My name is Karen L. Bramley. My business address is 702
10 North Franklin Street, Tampa, Florida 33602. I am
11 employed by Peoples Gas System ("Peoples") as Gas
12 Regulatory Manager, in the Regulatory Affairs Department.

13
14 **Q.** Please describe your educational and employment
15 background.

16
17 **A.** I graduated from the University of South Florida in 1990
18 with a Bachelor of Arts degree in Political Science and
19 from University of South Florida in 1993 with a Master's
20 degree in Public Administration. My work experience
21 includes twenty-four years of gas and electric utility
22 experience. My utility work has included various positions
23 in Legal, Customer Service, Fuels Management and
24 Regulatory. In my current position, I am responsible for
25 Peoples Gas System's Natural Gas Conservation Cost Recovery

1 ("NGCCR") Clause and Purchased Gas Adjustment("PGA") Clause
2 as well as various other regulatory activities for Peoples.
3

4 **Q.** What is the purpose of your testimony in this docket?

5
6 **A.** The purpose of my testimony is to support Peoples' actual
7 conservation costs incurred during the period January
8 through December 2019, the actual/projected period
9 January to December 2020, and the projected period January
10 through December 2021. The projected 2021 ECCR factors
11 have been calculated based on the current approved
12 allocation methodology.
13

14 **Q.** Are you sponsoring any exhibits with your testimony?

15
16 **A.** Yes, I am sponsoring Exhibit No. KLB-2 prepared under my
17 direction and supervision. This document consists of
18 Schedules C-1 through C-5 and associated data which
19 contain information which support the development of the
20 natural gas conservation cost recovery factors to be
21 applied to customer' bills during the period January 2021
22 through December 2021.
23

24 **Q.** Does the Exhibit No. KLB-2 meet the requirements of Florida
25 Statute Rule 25-17.015 which requires the projection filing

1 to include the annual estimated/actual true-up filing
2 showing actual and projected common costs, individual
3 program costs, and any revenues collected?
4

5 **A.** Yes, it does.
6

7 **Q.** What timeframe did Peoples Gas System develop its 2020
8 annual estimated/actual true-up filing?
9

10 **A.** Peoples Gas System developed its 2020 annual
11 estimated/actual true-up filing showing actual and
12 projected common costs, individual program costs, and any
13 revenues collected based upon six months of actuals and six
14 months of estimates.
15

16 **Q.** Please describe the conservation program costs projected by
17 Peoples during the period January through December 2019.
18

19 **A.** For the period January through December 2019, Peoples
20 projected conservation program costs to be \$16,819,205.
21 The Commission authorized collections to recover these
22 expenses in Docket No. 20190004-GU, Order No. PSC-2019-
23 0499-FOF-GU, issued November 22, 2019.
24

25 **Q.** For the period January through December 2019, what were

1 Peoples' conservation costs and what was recovered through
2 the ECCR clause?

3

4 **A.** For the period January through December 2019, Peoples
5 incurred actual net conservation costs of \$16,619,336. The
6 amount collected in the ECCR clause was \$17,992,451. The
7 conservation revenue applicable to this period was
8 \$16,468,265 which includes the \$17,992,451 amount collected
9 in the ECCR clause, applicable regulatory assessment fees
10 of \$89,515 and the prior period true-up under-recovery of
11 \$1,434,671.

12

13 **Q.** What is the true-up amount for Peoples' for the period
14 January through December 2019?

15

16 **A.** Peoples' true-up amount for the period January through
17 December 2019 was an under-recovery of \$3,101,867
18 including interest as detailed on Schedule CT-1 of Exhibit
19 No. KLB-1.

20

21 **Q.** Please describe the conservation program costs projected
22 to be incurred by Peoples during the period January
23 through December 2020?

24

25 **A.** The actual costs incurred by Peoples through June 2020

1 and projected for July through December 2020 are
2 \$16,693,643. For the period, Peoples anticipates an
3 under-recovery in the ECCR Clause of \$1,150,698 which
4 includes the 2019 true-up and interest. A summary of
5 these costs and estimates are fully detailed in Exhibit
6 No. KLB-2, Estimated Conservation Program Costs Per
7 Program, pages 12 through 15.

8
9 **Q.** Has Peoples implemented the Residential Customer Assisted
10 Energy Audit, as approved by the Commission in Docket No.
11 20180186-GU, Order No. 2019-0361-PAA-GU, issued on August
12 26, 2019?

13
14 **A.** Yes, Peoples began offering the Residential Customer
15 Assisted Energy Audit ("Online Energy Audit") in April
16 2020. As of July 31, 2020, 2,415 customers have
17 participated in the Online Audit.

18
19 **Q.** Has Peoples implemented the Commercial Walkthrough Audit,
20 as approved by the Commission in Docket No. 20180186-GU,
21 Order No. 2019-0361-PAA-GU, issued on August 26, 2019?

22
23 **A.** No, Peoples developed guidelines for this program, but it
24 has not been implemented due to contractor concerns with
25 performing Commercial Walk-Through Energy Audits at a

1 customer premise, due to safety and personal protective
2 equipment concerns related to COVID-19. Peoples continues
3 to work with contractors and plans to implement the audit
4 once conditions improve. Peoples has projected 2021 costs
5 for the Commercial Audit using data from the Company's
6 DSM plan.

7
8 **Q.** Has Peoples reflected the adjustment related to the over-
9 recovery identified in Docket No. 20190109-GU, Petition
10 for recovery of cost associated with Hurricane Michael
11 and replenishment of storm reserve, by Peoples Gas System,
12 and as approved by Order No. PSC-2020-0103-PAA-GU issued
13 on April 14, 2020?

14
15 **A.** Yes, Peoples has fulfilled the requirements of the Order
16 by reflecting the over-recovery in the amount of \$186,149.
17 This adjustment is included on the "Regulatory
18 Adjustments" line of Page 3 of Schedule C-3.

19
20 **Q.** Please summarize the proposed conservation costs for the
21 period January through December 2021 and the annualized
22 recovery factors applicable for the period January through
23 December 2021?

24
25 **A.** Peoples has estimated that the total conservation costs

1 (less program revenues) during the period will be
2 \$17,631,506 plus true-up. Including true-up estimates,
3 the January through December 2021 conservation cost
4 recovery factors for retail rate classes are as follows:

<u>Rate Schedule</u>	Cost Recovery Factors <u>(Dollars per Therm)</u>
RS & RS-SG & RS-GHP	\$0.09591
SGS	\$0.06210
GS-1 & CS-SG & CS-GHP	\$0.03043
GS-2	\$0.02224
GS-3	\$0.01840
GS-4	\$0.01353
GS-5	\$0.00996
NGVS	\$0.01957
CSLS	\$0.01603

17
18 Exhibit No. KLB-2, Schedule C-1, Page 1 of 1, Energy
19 Conservation Adjustment, Summary of Cost Recovery Clause
20 Calculation, contains the Commission-prescribed form which
21 details these estimates.

22
23 **Q.** Does this conclude your testimony?

24
25 **A.** Yes, it does.

CONSERVATION COSTS
PROJECTED

INDEX

<u>SCHEDULE</u>	<u>TITLE</u>	<u>PAGE</u>
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ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2021 through December 2021

	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)							17,631,506			
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)							1,150,688			
3. TOTAL (LINE 1 AND LINE 2)							18,782,204			
RS & RS-SG & RS-GHP	4,715,484	85,919,098	70,213,557	21,896,227	92,109,784	8,198,384	8.90121%	0.09543	1.00503	0.09591
SGS	141,695	9,046,017	3,366,673	2,914,004	6,280,677	559,066	8.90121%	0.06179	1.00503	0.06210
GS-1 & CS-SG & CS-GHP	233,676	90,890,536	7,772,051	23,148,002	30,920,053	2,752,268	8.90121%	0.03028	1.00503	0.03043
GS-2	99,094	145,317,010	4,708,964	31,410,272	36,119,236	3,215,048	8.90121%	0.02212	1.00503	0.02224
GS-3	11,428	87,021,862	1,629,061	16,266,126	17,895,187	1,592,888	8.90121%	0.01830	1.00503	0.01840
GS-4	2,016	71,639,159	478,361	10,366,306.00	10,837,267	964,648	8.90121%	0.01347	1.00503	0.01353
GS-5	1,980	150,361,273	564,478	16,177,069	16,741,547	1,490,200	8.90121%	0.00991	1.00503	0.00996
NGVS	48	46,668	2,052	8,157	10,209	909	8.90121%	0.01947	1.00503	0.01957
CSLS	0	521,118	0	93,395	93,395	8,313	8.90121%	0.01595	1.00503	0.01603
TOTAL	5,205,421	640,763,740	88,735,797	122,271,558	211,007,355	18,782,204				

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
January 2021 through December 2021

PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	667,547	667,547	667,547	667,547	667,547	667,547	667,547	667,547	667,547	667,547	667,547	667,547	\$8,010,560
2 RESIDENTIAL APPLIANCE RETENTION	401,716	401,716	401,716	401,716	401,716	401,716	401,716	401,716	401,716	401,716	401,716	401,716	\$4,820,593
3 RESIDENTIAL APPLIANCE REPLACEMENT	90,818	90,818	90,818	90,818	90,818	90,818	90,818	90,818	90,818	90,818	90,818	90,818	\$1,088,818
4 COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
5 GAS SPACE CONDITIONING	7,225	7,225	7,225	7,225	7,225	7,225	7,225	7,225	7,225	7,225	7,225	7,225	\$86,700
6 SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0	0	0	0	0	\$0
7 COMMON COSTS	164,575	164,575	164,575	164,575	164,575	164,575	164,575	164,575	164,575	164,575	164,575	164,575	\$1,974,895
8 MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
9 OIL HEAT REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
10 CONSERVATION DEMONSTRATION DEVELOPMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
11 COMMERCIAL NEW CONSTRUCTION	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	\$199,125
12 COMMERCIAL RETENTION	36,431	36,431	36,431	36,431	36,431	36,431	36,431	36,431	36,431	36,431	36,431	36,431	\$437,175
13 COMMERCIAL REPLACEMENT	63,470	63,470	63,470	63,470	63,470	63,470	63,470	63,470	63,470	63,470	63,470	63,470	\$761,640
14 RESIDENTIAL CUSTOMER ASSISTED AUDIT	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	\$125,000
15 COMMERCIAL WALK THROUGH ENERGY AUDIT	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	\$126,000
TOTAL ALL PROGRAMS	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$1,469,292	\$17,631,506

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2021 through December 2021

PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION	0	0	0	0	8,010,560	0	0	0	\$8,010,560
2 RESIDENTIAL APPLIANCE RETENTION	0	0	0	0	4,820,593	0	0	0	\$4,820,593
3 RESIDENTIAL APPLIANCE REPLACEMENT	0	0	0	0	1,089,818	0	0	0	\$1,089,818
4 COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	\$0
5 GAS SPACE CONDITIONING	0	0	0	0	86,700	0	0	0	\$86,700
6 SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0	\$0
7 COMMON COSTS	0	605,091	0	1,200,000	0	106,000	0	63,804	\$1,974,895
8 MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	\$0
9 OIL HEAT REPLACEMENT	0	0	0	0	0	0	0	0	\$0
10 CONSERVATION DEMONSTRATION DEVELOPMENT	0	0	0	0	0	0	0	0	\$0
11 COMMERCIAL NEW CONSTRUCTION	0	0	0	0	199,125	0	0	0	\$199,125
12 COMMERCIAL RETENTION	0	0	0	0	437,175	0	0	0	\$437,175
13 COMMERCIAL REPLACEMENT	0	0	0	0	761,640	0	0	0	\$761,640
14 RESIDENTIAL CUSTOMER ASSISTED AUDIT	0	0	0	0	0	125,000	0	0	\$125,000
15 COMMERCIAL WALK THROUGH ENERGY AUDIT	0	0	0	0	0	126,000	0	0	\$126,000
PROGRAM COSTS	\$0	\$605,091	\$0	\$1,200,000	\$15,405,611	\$357,000	\$0	\$63,804	\$17,631,506

DOCKET NO. 20200004-GU
 NGCCR 2021 PROJECTION
 EXHIBIT KLB-2, SCHEDULE C-3, PAGE 1 OF 4

SCHEDULE C - 3
 PAGE 1 OF 4

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

Estimated For Months July 2020 through December 2020

PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION									
A. ACTUAL	0	0	0	0	3,773,900	0	0	0	3,773,900
B. ESTIMATED	0	0	0	0	3,908,750	0	0	0	3,908,750
C. TOTAL	0	0	0	0	7,682,650	0	0	0	7,682,650
2 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	0	0	0	0	2,278,827	0	0	0	2,278,827
B. ESTIMATED	0	0	0	0	2,310,927	0	0	0	2,310,927
C. TOTAL	0	0	0	0	4,589,754	0	0	0	4,589,754
3 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	0	0	0	0	522,624	0	0	0	522,624
B. ESTIMATED	0	0	0	0	522,264	0	0	0	522,264
C. TOTAL	0	0	0	0	1,044,888	0	0	0	1,044,888
4 COMMERCIAL ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
5 GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
6 SMALL PACKAGE COGEN									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
7. COMMON COSTS									
A. ACTUAL	0	295,526	0	310,749	0	51,950	0	65,323	723,549
B. ESTIMATED	0	295,240	0	889,251	0	46,200	0	0	1,230,691
C. TOTAL	0	590,766	0	1,200,000	0	98,150	0	65,323	1,954,240
8. MONITORING AND RESEARCH									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
9. OIL HEAT REPLACEMENT									
A. ACTUAL	0	0	0	0	330	0	0	0	330
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	330	0	0	0	330
10. CONSERVATION DEMONSTRATION DEVELOPMENT									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
11. COMMERCIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	96,500	0	0	0	96,500
B. ESTIMATED	0	0	0	0	88,500	0	0	0	88,500
C. TOTAL	0	0	0	0	185,000	0	0	0	185,000
12 COMMERCIAL RETENTION									
A. ACTUAL	0	0	0	0	195,800	0	0	0	195,800
B. ESTIMATED	0	0	0	0	194,300	0	0	0	194,300
C. TOTAL	0	0	0	0	390,100	0	0	0	390,100
13 COMMERCIAL REPLACEMENT									
A. ACTUAL	0	0	0	0	383,175	0	0	0	383,175
B. ESTIMATED	0	0	0	0	338,507	0	0	0	338,507
C. TOTAL	0	0	0	0	721,682	0	0	0	721,682
14 RESIDENTIAL CUSTOMER ASSISTED AUDIT									
A. ACTUAL	0	0	0	0	0	125,000	0	0	125,000
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	125,000	0	0	125,000
15 COMMERCIAL WALK THROUGH ENERGY AUDIT									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	0	590,766	0	1,200,000	14,614,403	223,150	0	65,323	16,693,643

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED

Estimated For Months July 2020 through December 2020

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
NEW RESIDENTIAL CONSTRUCTION	1,028,450	443,700	329,300	604,000	711,800	656,650	651,458	651,458	651,458	651,458	651,458	651,458	\$7,682,650
RESIDENTIAL APPLIANCE RETENTION	290,000	389,250	407,400	397,526	381,550	413,100	385,155	385,155	385,155	385,155	385,155	385,155	\$4,589,754
RESIDENTIAL APPLIANCE REPLACEMENT	38,576	105,300	85,900	168,325	60,775	63,748	87,044	87,044	87,044	87,044	87,044	87,044	\$1,044,888
COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0	\$0
SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0	0	0	0	0	\$0
COMMON COSTS	201,241	151,809	106,321	55,790	155,611	52,777	201,948	205,748	205,748	205,748	205,748	205,748	\$1,954,240
MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
OIL HEAT REPLACEMENT	0	0	330	0	0	0	0	0	0	0	0	0	\$330
CONSERVATION DEMONSTRATION DEVELOPME	0	0	0	0	0	0	0	0	0	0	0	0	\$0
COMMERCIAL NEW CONSTRUCTION	11,000	40,500	19,500	19,500	0	6,000	14,750	14,750	14,750	14,750	14,750	14,750	\$185,000
COMMERCIAL RETENTION	33,500	18,700	30,000	55,100	24,000	34,500	32,383	32,383	32,383	32,383	32,383	32,383	\$390,100
COMMERCIAL REPLACEMENT	29,876	4,000	107,582	81,631	10,500	149,577	56,418	56,418	56,418	56,418	56,418	56,418	\$721,682
RESIDENTIAL CUSTOMER ASSISTED AUDIT	0	0	0	125,000	0	0	0	0	0	0	0	0	\$125,000
COMMERCIAL WALK THROUGH ENERGY AUDIT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
TOTAL ALL PROGRAMS	\$1,632,643	\$1,153,259	\$1,086,343	\$1,506,872	\$1,344,236	\$1,376,351	\$1,429,156	\$1,432,956	\$1,432,956	\$1,432,956	\$1,432,956	\$1,432,956	\$16,693,643

ENERGY CONSERVATION ADJUSTMENT

January 2020 through December 2020

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES													
a. OTHER PROG. REV.	(2,104,825)	(2,074,223)	(1,925,868)	(1,475,824)	(1,319,818)	(1,290,795)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(18,470,018)
b. CONSERV. ADJ. REV.	-	-	-	-	-	-	-	-	-	-	-	-	-
c.	-	-	-	-	-	-	-	-	-	-	-	-	-
CONSERV. ADJ. REV. (NET OF REV. TAXES)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	(2,104,825)	(2,074,223)	(1,925,868)	(1,475,824)	(1,319,818)	(1,290,795)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(1,379,777)	(18,470,018)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	229,896	229,896	229,896	229,896	229,896	229,896	229,896	229,896	229,896	229,896	229,896	229,891	2,758,747
CONSERVATION REVS. APPLIC. TO PERIOD	(1,874,929)	(1,844,327)	(1,695,972)	(1,245,928)	(1,089,922)	(1,060,899)	(1,149,881)	(1,149,881)	(1,149,881)	(1,149,881)	(1,149,881)	(1,149,886)	(15,711,270)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	1,632,643	1,153,259	1,086,343	1,506,872	1,344,235	1,376,351	1,429,156	1,432,956	1,432,956	1,432,956	1,432,956	1,432,956	16,693,642
TRUE-UP THIS PERIOD	(242,286)	(691,068)	(609,629)	260,944	254,313	315,452	279,275	283,075	283,075	283,075	283,075	283,070	982,372
REGULATORY ADJUSTMENTS			(186,149)										(186,149)
INTEREST THIS PERIOD (C-3,PAGE 5)	4,012	2,890	1,888	672	44	63	175	288	305	322	339	356	11,355
TRUE-UP & INT. BEG. OF MONTH	3,101,867	2,633,697	1,715,623	891,837	723,557	748,018	833,637	883,191	936,659	990,143	1,043,644	1,097,162	3,101,867
PRIOR TRUE-UP COLLECT.(REFUND.)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,896)	(229,891)	(2,758,747)
END OF PERIOD TOTAL NET TRUE-UP	2,633,697	1,715,623	691,837	723,557	748,018	833,637	883,191	936,659	990,143	1,043,644	1,097,162	1,150,697	1,150,698

CALCULATION OF TRUE-UP AND INTEREST PROVISION

January 2020 through December 2020

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	3,101,867	2,633,697	1,715,623	691,837	723,557	748,018	833,637	883,191	936,659	990,143	1,043,644	1,097,162	1,150,697
END. T-UP BEFORE INT.	2,629,685	1,712,733	689,949	722,885	747,974	833,574	883,016	936,370	989,838	1,043,322	1,096,823	1,150,341	1,325,492
TOT. BEG. & END. T-UP	5,731,552	4,346,430	2,405,572	1,414,722	1,471,531	1,581,592	1,716,653	1,819,562	1,926,496	2,033,464	2,140,466	2,247,502	2,476,189
AVERAGE TRUE-UP	2,865,776	2,173,215	1,202,786	707,361	735,766	790,796	858,327	909,781	963,248	1,016,732	1,070,233	1,123,751	1,238,094
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	1.7100%	1.6400%	1.5600%	2.2100%	0.0600%	0.0800%	0.1100%	0.3800%	0.3800%	0.3800%	0.3800%	0.3800%	0.3800%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	1.6400%	1.5600%	2.2100%	0.0600%	0.0800%	0.1100%	0.3800%	0.3800%	0.3800%	0.3800%	0.3800%	0.3800%	0.3800%
TOTAL	3.3500%	3.2000%	3.7700%	2.2700%	0.1400%	0.1900%	0.4900%	0.7600%	0.7600%	0.7600%	0.7600%	0.7600%	0.7600%
AVG INTEREST RATE	1.6750%	1.6000%	1.8850%	1.1350%	0.0700%	0.0950%	0.2450%	0.3800%	0.3800%	0.3800%	0.3800%	0.3800%	0.3800%
MONTHLY AVG. RATE	0.14000%	0.1330%	0.1570%	0.0950%	0.0060%	0.0080%	0.0204%	0.0317%	0.0317%	0.0317%	0.0317%	0.0317%	0.0317%
INTEREST PROVISION	\$4,012	\$2,890	\$1,888	\$672	\$44	\$63	\$175	\$288	\$305	\$322	\$339	\$356	\$11,355

PROGRAM DESCRIPTION AND PROGRESS

Program Title: NEW RESIDENTIAL CONSTRUCTION

Program Description: This program is designed to increase the number of high priority natural gas customers in the new residential construction market. The program offers incentives to builders for the installation of natural gas appliances in order to defray the initial higher cost associated with piping and venting when installing natural gas appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 9,736 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 10,155 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$7,682,650.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$8,010,560.

Program Progress

Summary:

Through December 31, 2019, the New Residential Construction participant totals are 169,863.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: RESIDENTIAL APPLIANCE RETENTION

Program Description: This program is designed to encourage current natural gas customers to replace existing natural gas appliances with energy efficient natural gas appliances. The program offers allowances to assist in defraying the cost of more expensive energy efficient appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 10,756 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 11,219 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$4,589,754.

January 1, 2021 to December 31, 2021

Expenditures are estimated at \$4,820,593.

**Program Progress
Summary:**

Through December 31, 2019, the Residential Appliance Retention participant totals are 194,773.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: RESIDENTIAL APPLIANCE REPLACEMENT

Program Description: This program was designed to encourage the replacement of electric resistance appliances with energy efficient natural gas appliances by offering incentives to defray the initial higher cost associated with piping and venting for natural gas appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 1,510 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 1,575 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$1,044,888.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$1,089,818.

Program Progress Summary:

Through December 31, 2019, the Residential Appliance Replacement participant totals are 27,862.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL ELECTRIC REPLACEMENT

Program Description: This program is designed to encourage the replacement of electric resistance equipment in commercial establishments by offering piping and venting allowances to defray the additional cost of installing more energy efficient equipment.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are zero customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are zero customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$0.

January 1, 2021 to December 31, 2021

Expenditures are estimated at \$0.

**Program Progress
Summary:**

Through December 31, 2019, the Commercial Electric Replacement participant totals are 60,481.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: GAS SPACE CONDITIONING

Program Description: This Program is designed to convert on-main customers from electric space conditioning equipment to energy efficient gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of kWh / kWD consumption.

Program Projections: January 1, 2020 to December 31, 2020.

During this period, there are zero customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 8 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$0.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$86,700.

Program Progress Summary:

Through December 31, 2019, the Gas Space Conditioning participant totals are 7,478 Tons installed.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: SMALL PACKAGE COGENERATION

Program Description: This program was designed to promote the direct use of natural gas to generate on-site power and utilize the waste heat for on-site heating, cooling and water heating requirements for commercial and industrial applications. For commercial and industrial customers that are interested, workshops and a feasibility audit will be made available upon request.

Program Projections: January 1, 2020 to December 31, 2020.

During this period, there are zero customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are zero customers projected to participate.

Program Fiscal Expenditures:

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$0.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

Program Progress Summary:

Through December 31, 2019, the Small Package Cogeneration participant totals are 7.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMON EXPENSES

Program Description: These are expenses related to the support, delivery, and advertising of all Peoples Gas System's conservation programs.

Program Projections: N/A

Program Fiscal Expenditures: January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$1,954,240.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$1,974,895.

Program Progress Summary: N/A

PROGRAM DESCRIPTION AND PROGRESS

Program Title: MONITORING AND RESEARCH

Program Description: This program will be used to monitor and evaluate Peoples Gas System existing conservation programs and demonstrate prototype technologies emerging in the marketplace.

Program Projections: See Program Progress Summary.

Program Fiscal Expenditures: January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$0.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

Program Progress Summary: Currently, Peoples Gas System has no active Monitoring and Research programs. The company continues to review possible programs to research and develop.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: OIL HEAT REPLACEMENT

Program Description: This program is designed to encourage customers to convert their existing oil heating system to more energy efficient natural gas heating. Peoples Gas System offers piping and venting allowances to defray the higher cost of installation of natural gas systems in hopes of preventing the customer from putting in less costly electric resistance strip heat.

Program Projections: January 1, 2020 to December 31, 2020.

During this period, there is 1 customer projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are zero customers projected to participate.

Program Fiscal Expenditures:

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$330.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

Program Progress Summary:

Through December 31, 2019, the Oil Heat Replacement participant totals are 374.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: CONSERVATION DEMONSTRATION AND DEVELOPMENT

Program Description: The Conservation Demonstration and Development program allows local distribution companies to pursue opportunities for individual and joint research including testing of technologies to develop new energy conservation programs.

Program Projections: See Program Progress Summary.

Program Fiscal Expenditures: January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$0.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

Program Progress Summary: The company continues to review possible programs to research and develop.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL NEW CONSTRUCTION

Program Description: This Program is designed to increase the number of high priority natural gas customers in the new commercial construction market. The company offers incentives to customers for the installation of natural gas appliances in order to defray the initial higher cost associated with piping and venting when installing natural gas appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 38 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 42 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$185,000.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$199,125.

**Program Progress
Summary:**

Through December 31, 2019, the Commercial New Construction participant totals are 572.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL RETENTION

Program Description: This program is designed to encourage current natural gas customers to replace existing natural gas appliances with energy efficient natural gas appliances. The program offers allowances to assist in defraying the cost of more expensive energy efficient appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 110 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 123 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$390,100.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$437,175.

**Program Progress
Summary:**

Through December 31, 2019, the Commercial Retention participant totals are 1,616.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL REPLACEMENT

Program Description: This program was designed to encourage the replacement of electric appliances with energy efficient natural gas appliances by offering incentives to defray the initial higher cost associated with piping and venting for natural gas appliances.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 150 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 167 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$721,682.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$761,640.

**Program Progress
Summary:**

Through December 31, 2019, the Commercial Replacement participant totals are 1,526.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: RESIDENTIAL CUSTOMER ASSISTED ENERGY AUDIT

Program Description: A conservation program designed to save energy by increasing residential customer awareness of natural gas energy use in personal residences. This program allows for residential customers to engage in an online energy audit. Savings are dependent on the customer implementing energy conservation measure and practice recommendations. Recommendations provided to the customer includes an estimated range of energy savings including insightful advice on how to manage their overall energy usage.

Program Projections: January 1, 2020 to December 31, 2020

During this period, there are 4,770 customers projected to participate.

January 1, 2021 to December 31, 2021

During this period, there are 6,360 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1, 2020 to December 31, 2020

Expenditures are estimated to be \$125,000.

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$125,000.

**Program Progress
Summary:**

PGS began offering this program in April 2020.