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August 6, 2021

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. 20210004-GU – Natural gas conservation cost recovery

Dear Mr. Teitzman:

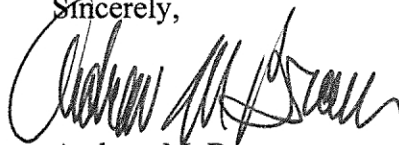
Attached for electronic filing in the above docket on behalf of Peoples Gas System, please find the following:

- Petition of Peoples Gas System for Approval of True-Up Amount and the Cost Recovery Factors Proposed for Use During the Period January through December 2022;
- Direct Testimony of Karen L. Bramley; and
- Exhibit Conservation Costs Projected (KLB-2), consisting of the Schedules C-1, C-2, C-3 and C-5.

The enclosed testimony and exhibits will be offered by Peoples at the hearing in this docket scheduled to commence on November 2, 2021.

Your assistance in this matter is greatly appreciated.

Sincerely,



Andrew M. Brown

AB/plb
Attachments

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. 20210004-GU

FILED: August 6, 2021

PETITION OF PEOPLES GAS SYSTEM

Peoples Gas System ("Peoples" or "the Company"), by and through its undersigned counsel files this Petition 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 2022. In support thereof, the Company says:

1. The name and address of the petitioner are:

Peoples Gas System
702 N. Franklin Street
Tampa, Florida 33602

2. The persons to whom notices, orders and pleadings in this docket should be addressed are:

Andrew M. Brown, Esquire
Thomas R. Farior, Esquire
Macfarlane Ferguson & McMullen
Post Office Box 1531
Tampa, Florida 33601-1531

Paula K. Brown
Manager, Regulatory Coordination
Peoples Gas System
Post Office Box 111
Tampa, Florida 33601-0111

Kandi Floyd
Director, Regulatory Affairs
Peoples Gas System
Post Office Box 111
Tampa, Florida 33601-0111

Conservation Cost Recovery

1. During the period January through December 2020, Peoples incurred actual net conservation costs of \$17,031,280. The amount collected in the ECCR clause was \$18,164,615. The conservation revenue applicable to this period was \$15,315,497, which includes the \$18,164,615

amount collected in the ECCR clause, applicable regulatory assessment fees of \$90,371 and the prior period true-up under-recovery of \$2,758,747. The true-up amount for January through December 2020 was an under-recovery of \$1,883,202, including interest. (See Exhibit No. KLB-1; Schedule CT-1, Page 1 of 1 and CT-2, Page 1 of 3, filed May 3, 2021).

2. During the period January through December 2021, the Company anticipates incurring expenses of \$19,277,040. For the period, the total net true-up under-recovery is estimated to be \$2,810,778, including interest. (See Exhibit No. KLB-2; Schedule C-3, page 3 of 5).

3. For the forthcoming cost recovery period January through December 2022, Peoples projects its total incremental conservation costs to be \$23,201,070. Peoples' total true-up and projected expenditures for the projection period are estimated to be \$26,011,848, including true-up estimates for January through December 2022. 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	\$0.13116
SGS	\$0.08094
GS-1 & CS-SG & CS-GHP	\$0.04107
GS-2	\$0.03100
GS-3	\$0.02617
GS-4	\$0.01901
GS-5	\$0.01329
CSLS	\$0.02660

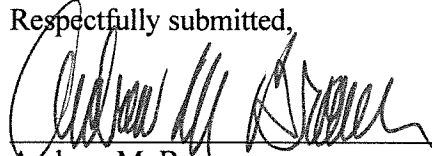
(See Exhibit No. KLB-2; Schedule C-1, Page 1 of 1)

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, 2022 through December 31, 2022.

DATED this 6th day of August 2021.

Respectfully submitted,



Andrew M. Brown

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Thomas R. Farrior

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Macfarlane Ferguson & McMullen

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Tampa, Florida 33601-1531

Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been furnished via electronic mail, this 6th day of August 2021, to the following:

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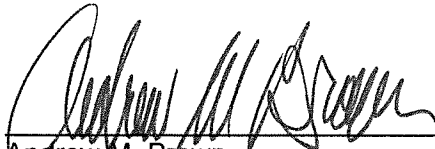
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dstitt@stjoegas.com



Andrew M. Brown



**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20210004-GU
IN RE: NATURAL GAS CONSERVATION
COST RECOVERY CLAUSE**

**TESTIMONY AND EXHIBIT
OF
KAREN L. BRAMLEY**

FILED: AUGUST 6, 2021

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 employed
11 by Peoples Gas System ("Peoples") as Manager, Regulatory
12 Affairs, 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 2020, the actual/estimated period
9 January to December 2021, and the projected period January
10 through December 2022. The projected 2022 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 2022
22 through December 2022.
23

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

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

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

7 **Q.** What timeframe did Peoples Gas System use to develop its
8 2021 annual estimated/actual true-up filing?
9

10 **A.** Peoples Gas System developed its 2021 annual
11 actual/estimated 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 2020.
18

19 **A.** For the period January through December 2020, Peoples
20 projected conservation program costs to be \$16,693,643.
21 The Commission authorized collections to recover these
22 expenses in Docket No. 20200004-GU, by Order No. PSC-2020-
23 0436-FOF-GU, issued November 16, 2020.
24

25 **Q.** For the period January through December 2020, what were

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

3
4 **A.** For the period January through December 2020, Peoples
5 incurred actual net conservation costs of \$17,031,280. The
6 amount collected in the ECCR clause was \$18,164,615. The
7 conservation revenue applicable to this period was
8 \$15,315,497 which includes the \$18,164,615 amount collected
9 in the ECCR clause, applicable regulatory assessment fees
10 of \$90,371 and the prior period true-up under-recovery of
11 \$2,758,747.

12
13 **Q.** What is the true-up amount for Peoples for the period
14 January through December 2020?

15
16 **A.** Peoples' true-up amount for the period January through
17 December 2020 was an under-recovery of \$1,883,202,
18 including interest, as detailed on Schedule CT-1 of
19 Exhibit 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 2021?

24
25 **A.** The actual costs incurred by Peoples through June 2021

1 and projected for July through December 2021 are
2 \$19,277,040. For the period, Peoples anticipates an
3 under-recovery in the ECCR Clause of \$2,810,778, which
4 includes the 2020 true-up and interest. A summary of these
5 costs and estimates are fully detailed in Exhibit No.
6 KLB-2, Estimated Conservation Program Costs Per Program,
7 pages 12 through 15.

8
9 **Q.** Has Peoples implemented the Commercial Walkthrough Audit,
10 as approved by the Commission in Docket No. 20180186-GU,
11 by Order No. PSC-2019-0361-PAA-GU, issued August 26, 2019?

12
13 **A.** No, Peoples developed guidelines for this program, but it
14 has not been implemented due to safety concerns related
15 to COVID-19. Peoples has issued a request for proposal
16 and plans to implement the audit in late 2021.

17
18 **Q.** Does this filing reflect the implementation of Peoples'
19 2019-2028 DSM Plan, as approved by the Commission in
20 Docket No. 20190210-EG, by Order No. PSC-2021-0242-PAA-
21 EG, issued July 27, 2021?

22
23 **A.** Yes, Peoples factored the new rebate amounts into its
24 projected expenses in this filing. Peoples did not reflect
25 program name and structure changes in this filing due to

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the short amount of time between the Consummating Order and this filing's due date. Those changes will appear in Peoples' ECCR filings going forward.

Q. Please summarize the proposed conservation costs for the period January through December 2022 and the annualized recovery factors applicable for the period January through December 2022?

A. Peoples has estimated that the total conservation costs (less program revenues) during the period will be \$23,201,070, plus true-up. Including true-up estimates, the January through December 2022 conservation cost recovery factors for retail rate classes are as follows:

<u>Rate Schedule</u>	<u>Cost Recovery Factors</u> <u>(Dollars per Therm)</u>
RS & RS-SG & RS-GHP	\$0.13116
SGS	\$0.08094
GS-1 & CS-SG & CS-GHP	\$0.04107
GS-2	\$0.03100
GS-3	\$0.02617
GS-4	\$0.01901
GS-5	\$0.01329
CSLS	\$0.02660

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

Q. Does this conclude your testimony?

A. Yes, it does.

CONSERVATION COSTS
PROJECTED

INDEX

<u>SCHEDULE</u>	<u>TITLE</u>	<u>PAGE</u>
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C-2	Estimated Conservation Program Costs by Program by Month	10
C-3	Estimated Conservation Program Costs per Program	12
C-5	Program Description and Progress	16

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2022 through December 2022

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	23,201,070
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	2,810,778
3. TOTAL (LINE 1 AND LINE 2)	26,011,848

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	4,905,687	87,405,310	94,974,100	23,609,048	118,583,148	11,406,630	9.61910%	0.13050	1.00503	0.13116
SGS	137,643	9,396,257	4,211,876	3,654,862	7,866,738	758,709	9.61910%	0.08053	1.00503	0.08094
GS-1 & CS-SG & CS-GHIP	244,169	97,314,665	10,987,605	30,352,444	41,340,049	3,978,540	9.61910%	0.04086	1.00503	0.04107
GS-2	97,491	147,073,355	7,994,262	39,167,105	47,161,367	4,536,498	9.61910%	0.03085	1.00503	0.03100
GS-3	10,375	82,433,732	4,357,500	17,954,891	22,312,391	2,146,251	9.61910%	0.02604	1.00503	0.02617
GS-4	2,088	74,307,840	1,398,960	13,215,814.00	14,614,574	1,405,790	9.61910%	0.01882	1.00503	0.01901
GS-5	1,812	133,875,419	2,500,560	15,904,400	18,404,960	1,770,391	9.61910%	0.01322	1.00503	0.01329
NGVS	0	0	0	0	0	0	9.61910%	0.00000	1.00503	0.00000
CSLS	336	492,675	0	135,550	135,550	13,039	9.61910%	0.02647	1.00503	0.02660
TOTAL	5,399,801	632,289,053	126,424,863	143,993,914	270,418,777	26,011,848				

6

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
January 2022 through December 2022

	PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1	NEW RESIDENTIAL CONSTRUCTION	1,116,881	1,116,881	1,116,881	1,116,881	1,116,881	1,116,881	1,116,881	1,116,881	1,116,881	1,116,881	1,116,881	1,116,881	\$13,402,575
2	RESIDENTIAL APPLIANCE RETENTION	395,252	395,252	395,252	395,252	395,252	395,252	395,252	395,252	395,252	395,252	395,252	395,252	\$4,743,026
3	RESIDENTIAL APPLIANCE REPLACEMENT	69,606	69,606	69,606	69,606	69,606	69,606	69,606	69,606	69,606	69,606	69,606	69,606	\$835,267
4	COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
5	GAS SPACE CONDITIONING	2,688	2,688	2,688	2,688	2,688	2,688	2,688	2,688	2,688	2,688	2,688	2,688	\$32,250
6	SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0	0	0	0	0	\$0
7	COMMON COSTS	152,362	152,362	152,362	152,362	152,362	152,362	152,362	152,362	152,362	152,362	152,362	152,362	\$1,828,345
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	26,170	26,170	26,170	26,170	26,170	26,170	26,170	26,170	26,170	26,170	26,170	26,170	\$314,035
12	COMMERCIAL RETENTION	50,798	50,798	50,798	50,798	50,798	50,798	50,798	50,798	50,798	50,798	50,798	50,798	\$609,575
13	COMMERCIAL REPLACEMENT	103,833	103,833	103,833	103,833	103,833	103,833	103,833	103,833	103,833	103,833	103,833	103,833	\$1,245,997
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	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	\$65,000
	TOTAL ALL PROGRAMS	\$1,933,423	\$1,933,423	\$1,933,423	\$1,933,423	\$1,933,423	\$1,933,423	\$1,933,423	\$1,933,423	\$1,933,423	\$1,933,423	\$1,933,423	\$1,933,423	\$23,201,070

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2022 through December 2022

	PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1	NEW RESIDENTIAL CONSTRUCTION	0	0	0	0	13,402,575	0	0	0	\$13,402,575
2	RESIDENTIAL APPLIANCE RETENTION	0	0	0	0	4,743,026	0	0	0	\$4,743,026
3	RESIDENTIAL APPLIANCE REPLACEMENT	0	0	0	0	835,267	0	0	0	\$835,267
4	COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	\$0
5	GAS SPACE CONDITIONING	0	0	0	0	32,250	0	0	0	\$32,250
6	SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0	\$0
7	COMMON COSTS	0	591,461	0	1,100,000	0	66,000	0	70,884	\$1,828,345
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	314,035	0	0	0	\$314,035
12	COMMERCIAL RETENTION	0	0	0	0	609,575	0	0	0	\$609,575
13	COMMERCIAL REPLACEMENT	0	0	0	0	1,245,997	0	0	0	\$1,245,997
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	65,000	0	0	\$65,000
	PROGRAM COSTS	\$0	\$591,461	\$0	\$1,100,000	\$21,182,725	\$256,000	\$0	\$70,884	\$23,201,070

DOCKET NO. 20210004-GU
 NGCCR 2022 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 2021 through December 2021

PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 NEW RESIDENTIAL CONSTRUCTION									
A. ACTUAL	0	0	0	0	4,437,400	0	0	0	4,437,400
B. ESTIMATED	0	0	0	0	6,005,200	0	0	0	6,005,200
C. TOTAL	0	0	0	0	10,442,600	0	0	0	10,442,600
2 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	0	0	0	0	2,343,149	0	0	0	2,343,149
B. ESTIMATED	0	0	0	0	2,359,578	0	0	0	2,359,578
C. TOTAL	0	0	0	0	4,702,727	0	0	0	4,702,727
3 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	0	0	0	0	356,982	0	0	0	356,982
B. ESTIMATED	0	0	0	0	387,816	0	0	0	387,816
C. TOTAL	0	0	0	0	744,898	0	0	0	744,898
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	3,450	0	0	0	3,450
B. ESTIMATED	0	0	0	0	15,000	0	0	0	15,000
C. TOTAL	0	0	0	0	18,450	0	0	0	18,450
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	263,005	876	328,866	0	24,727	0	64,536	682,010
B. ESTIMATED	0	296,957	0	796,434	0	52,020	0	2,000	1,147,411
C. TOTAL	0	559,962	876	1,125,300	0	76,747	0	66,536	1,829,421
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	63,000	0	0	0	63,000
B. ESTIMATED	0	0	0	0	90,272	0	0	0	90,272
C. TOTAL	0	0	0	0	153,272	0	0	0	153,272
12 COMMERCIAL RETENTION									
A. ACTUAL	0	0	0	0	217,500	0	0	0	217,500
B. ESTIMATED	0	0	0	0	244,092	0	0	0	244,092
C. TOTAL	0	0	0	0	461,592	0	0	0	461,592
13 COMMERCIAL REPLACEMENT									
A. ACTUAL	0	0	0	0	332,966	0	0	0	332,966
B. ESTIMATED	0	0	0	0	440,784	0	0	0	440,784
C. TOTAL	0	0	0	0	773,750	0	0	0	773,750
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	25,000	0	0	25,000
C. TOTAL	0	0	0	0	0	25,000	0	0	25,000
TOTAL	0	559,962	876	1,125,300	17,297,619	226,747	0	66,536	19,277,040

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED

Estimated For Months July 2021 through December 2021

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
NEW RESIDENTIAL CONSTRUCTION	648,600	914,400	928,550	645,350	625,300	677,200	738,750	738,750	1,132,925	1,132,925	1,132,925	1,132,925	\$10,442,600
RESIDENTIAL APPLIANCE RETENTION	401,135	436,525	393,300	423,500	363,650	325,038	387,313	387,313	396,238	396,238	396,238	396,238	\$4,702,727
RESIDENTIAL APPLIANCE REPLACEMENT	52,350	51,783	59,699	68,625	72,100	52,425	59,120	59,120	67,419	67,419	67,419	67,419	\$744,898
COMMERCIAL ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
GAS SPACE CONDITIONING	0	2,250	0	1,200	0	0	0	0	0	7,500	0	7,500	\$18,450
SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0	0	0	0	0	\$0
COMMON COSTS	110,517	197,090	55,135	129,954	132,708	56,606	211,036	187,275	187,275	187,275	187,275	187,275	\$1,829,421
MONITORING AND RESEARCH	0	0	0	0	0	0	0	0	0	0	0	0	\$0
OIL HEAT REPLACEMENT	0	0	0	0	0	330	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	10,000	11,900	19,500	15,500	6,100	0	11,468	11,468	16,834	16,834	16,834	16,834	\$153,272
COMMERCIAL RETENTION	21,000	35,402	55,693	56,000	25,000	24,405	37,290	37,290	42,378	42,378	42,378	42,378	\$461,592
COMMERCIAL REPLACEMENT	32,000	24,137	57,889	102,313	58,872	57,755	57,750	57,750	81,321	81,321	81,321	81,321	\$773,750
RESIDENTIAL CUSTOMER ASSISTED AUDIT	0	125,000	0	0	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	25,000	0	\$25,000
TOTAL ALL PROGRAMS	\$1,275,802	\$1,798,487	\$1,567,766	\$1,442,442	\$1,283,730	\$1,193,760	\$1,500,727	\$1,476,866	\$1,924,390	\$1,931,890	\$1,949,390	\$1,931,890	\$19,277,040

13

ENERGY CONSERVATION ADJUSTMENT

January 2021 through December 2021

CONSERVATION REVS.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RCS AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
a. OTHER PROG. REV.	(2,271,145)	(2,037,721)	(1,735,252)	(1,728,972)	(1,389,625)	(1,277,426)	(1,318,340)	(1,318,340)	(1,318,340)	(1,318,340)	(1,318,340)	(1,318,340)	(18,350,184)
b. CONSERV. ADJ. REV.	-	-	-	-	-	-	-	-	-	-	-	-	-
c.	-	-	-	-	-	-	-	-	-	-	-	-	-
CONSERV. ADJ REV. (NET OF REV. TAXES)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	(2,271,145)	(2,037,721)	(1,735,252)	(1,728,972)	(1,389,625)	(1,277,426)	(1,318,340)	(1,318,340)	(1,318,340)	(1,318,340)	(1,318,340)	(1,318,340)	(18,350,184)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	95,892	95,892	95,892	95,892	95,892	95,892	95,892	95,892	95,892	95,892	95,892	95,886	1,150,698
CONSERVATION REVS. APPLIC. TO PERIOD	(2,175,253)	(1,941,829)	(1,639,360)	(1,633,080)	(1,293,733)	(1,181,534)	(1,222,448)	(1,222,448)	(1,222,448)	(1,222,448)	(1,222,448)	(1,222,454)	(17,199,485)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	1,275,602	1,798,487	1,567,766	1,442,442	1,283,730	1,193,760	1,500,727	1,476,966	1,924,390	1,931,890	1,949,390	1,931,890	19,277,040
TRUE-UP THIS PERIOD	(899,651)	(143,342)	(71,594)	(190,638)	(10,003)	12,226	278,279	254,518	701,942	709,442	726,942	709,436	2,077,555
REGULATORY ADJUSTMENTS													-
INTEREST THIS PERIOD (C-3,PAGE 5)	125	69	45	27	7	2	6	18	43	84	125	167	720
TRUE-UP & INT. BEG. OF MONTH	1,883,202	887,784	648,619	481,178	194,675	88,787	5,123	187,516	346,159	952,252	1,565,886	2,197,061	1,883,202
PRIOR TRUE-UP COLLECT.(REFUND.)	(95,892)	(95,892)	(95,892)	(95,892)	(95,892)	(95,892)	(95,892)	(95,892)	(95,892)	(95,892)	(95,892)	(95,886)	(1,150,698)
END OF PERIOD TOTAL NET TRUE-UP	887,784	648,619	481,178	194,675	88,787	5,123	187,516	346,159	952,252	1,565,886	2,197,061	2,810,778	2,810,778

CALCULATION OF TRUE-UP AND INTEREST PROVISION

January 2021 through December 2021

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	1,883,202	887,784	648,619	481,178	194,675	88,787	5,123	187,516	346,159	952,252	1,565,886	2,197,061	2,810,778
END. T-UP BEFORE INT.	887,659	648,550	481,133	194,648	88,780	5,121	187,510	346,142	952,209	1,565,802	2,196,936	2,810,611	2,810,059
TOT. BEG. & END. T-UP	2,770,861	1,536,334	1,129,752	675,826	283,455	93,908	192,633	533,658	1,298,368	2,518,054	3,762,822	5,007,672	5,620,837
AVERAGE TRUE-UP	1,385,431	768,167	564,876	337,913	141,728	46,954	96,316	266,829	649,184	1,259,027	1,881,411	2,503,836	2,810,418
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	0.1000%	0.1200%	0.0900%	0.1100%	0.0700%	0.0400%	0.0800%	0.0800%	0.0800%	0.0800%	0.0800%	0.0800%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	0.1200%	0.0900%	0.1100%	0.0700%	0.0400%	0.0800%	0.0800%	0.0800%	0.0800%	0.0800%	0.0800%	0.0800%	
TOTAL	0.2200%	0.2100%	0.2000%	0.1800%	0.1100%	0.1200%	0.1600%	0.1600%	0.1600%	0.1600%	0.1600%	0.1600%	
AVG INTEREST RATE	0.1100%	0.1050%	0.1000%	0.0900%	0.0550%	0.0600%	0.0800%	0.0800%	0.0800%	0.0800%	0.0800%	0.0800%	
MONTHLY AVG. RATE	0.00900%	0.0090%	0.0080%	0.0080%	0.0050%	0.0050%	0.0067%	0.0067%	0.0067%	0.0067%	0.0067%	0.0067%	
INTEREST PROVISION	\$125	\$69	\$45	\$27	\$7	\$2	\$6	\$18	\$43	\$84	\$125	\$167	\$720

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 to defray the initial higher cost associated with piping and venting when installing natural gas appliances.

Program Projections: January 1, 2021 to December 31, 2021

During this period, there are 11,490 customers projected to participate.

January 1, 2022 to December 31, 2022

During this period, there are 11,800 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$10,442,600.

January 1, 2022 to December 31, 2022

Expenditures are estimated to be \$13,402,575.

Program Progress Summary:

As of December 31, 2020, there have been 182,208 participants in the New Residential Construction program since its inception.

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, 2021 to December 31, 2021

During this period, there are 11,770 customers projected to participate.

January 1, 2022 to December 31, 2022

During this period, there are 11,892 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$4,702,727.

January 1, 2022 to December 31, 2022

Expenditures are estimated at \$4,743,026.

Program Progress Summary:

As of December 31, 2020, there have been 207,594 participants in the Residential Appliance Retention program since its inception.

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, 2021 to December 31, 2021

During this period, there are 1,666 customers projected to participate.

January 1, 2022 to December 31, 2022

During this period, there are 1,675 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$744,898.

January 1, 2022 to December 31, 2022

Expenditures are estimated to be \$835,267.

Program Progress Summary:

As of December 31, 2020, there have been 29,648 participants in the Residential Appliance Replacement program since its inception.

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, 2021 to December 31, 2021

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

January 1, 2022 to December 31, 2022

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

Program Fiscal Expenditures:

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

January 1, 2022 to December 31, 2022

Expenditures are estimated at \$0.

Program Progress Summary:

As of December 31, 2020, there have been 60,491 participants in the Commercial Electric Replacement program since its inception.

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, 2021 to December 31, 2021.

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

January 1, 2022 to December 31, 2022

During this period, there are 5 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$18,450.

January 1, 2022 to December 31, 2022

Expenditures are estimated to be \$32,250.

Program Progress Summary:

As of December 31, 2020, there have been 7,479 tons installed in the Gas Space Conditioning program since its inception.

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, 2021 to December 31, 2021.

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

January 1, 2022 to December 31, 2022

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

Program Fiscal Expenditures:

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

January 1, 2022 to December 31, 2022

Expenditures are estimated to be \$0.

Program Progress Summary:

As of December 31, 2020, there have been 7 participants in the Small Package Cogeneration program since its inception.

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, 2021 to December 31, 2021

Expenditures are estimated to be \$1,829,421.

January 1, 2022 to December 31, 2022

Expenditures are estimated to be \$1,828,345.

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, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

January 1, 2022 to December 31, 2022

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, 2021 to December 31, 2021.

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

January 1, 2022 to December 31, 2022

PGS is closing this program to new participants on 12/31/2021.

Program Fiscal Expenditures:

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$330.

January 1, 2022 to December 31, 2022

Expenditures are estimated to be \$0.

Program Progress Summary:

As of December 31, 2020, there have been 376 participants in the Oil Heat Replacement program since its inception.

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, 2021 to December 31, 2021

Expenditures are estimated to be \$0.

January 1, 2022 to December 31, 2022

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 to defray the initial higher cost associated with piping and venting when installing natural gas appliances.

Program Projections: January 1, 2021 to December 31, 2021

During this period, there are 86 customers projected to participate.

January 1, 2022 to December 31, 2022

During this period, there are 101 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$153,272.

January 1, 2022 to December 31, 2022

Expenditures are estimated to be \$314,035.

Program Progress Summary:

As of December 31, 2020, there have been 657 participants in the Commercial New Construction program since its inception.

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, 2021 to December 31, 2021

During this period, there are 282 customers projected to participate.

January 1, 2022 to December 31, 2022

During this period, there are 303 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$461,592.

January 1, 2022 to December 31, 2022

Expenditures are estimated to be \$609,575.

Program Progress Summary:

As of December 31, 2020, there have been 1,859 participants in the Commercial Retention program since its inception.

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, 2021 to December 31, 2021

During this period, there are 284 customers projected to participate.

January 1, 2022 to December 31, 2022

During this period, there are 361 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$773,750.

January 1, 2022 to December 31, 2022

Expenditures are estimated to be \$1,245,997.

Program Progress Summary:

As of December 31, 2020, there have been 1,896 participants in the Commercial Replacement program since its inception.

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, 2021 to December 31, 2021

During this period, there are 7,565 customers projected to participate.

January 1, 2022 to December 31, 2022

During this period, there are 7,000 customers projected to participate.

Program Fiscal Expenditures:

January 1, 2021 to December 31, 2021

Expenditures are estimated to be \$125,000.

January 1, 2022 to December 31, 2022

Expenditures are estimated to be \$125,000.

Program Progress Summary:

PGS began offering this program in April 2020. 4,878 customers participated in this program in 2020.