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August 4, 2023

VIA ELECTRONIC FILING

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

Re: Docket No. 20230004-GU
Peoples Gas System, Inc. – Natural Gas Conservation Cost Recovery

Dear Mr. Teitzman:

Enclosed for filing in the above docket is Peoples Gas System, Inc.'s 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 2024.

Thank you for your assistance in connection with this matter.

Sincerely,

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

Virginia Ponder

VLP/ne
Attachment

cc: All parties of record (w/att.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20230004-GU
FILED: August 4, 2023

PETITION OF PEOPLES GAS SYSTEM

Peoples Gas System, Inc. ("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 2024. In support thereof, the company says:

1. The name and address of the petitioner are:

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

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

Jeff Wahlen
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Conservation Cost Recovery

1. During the period January through December 2022, Peoples incurred actual net conservation costs of \$22,801,408. The amount collected in the ECCR clause was \$24,935,073. The conservation revenue applicable to this period was \$22,124,295, which includes the \$24,810,398 amount collected in the ECCR clause, applicable regulatory assessment fees of \$124,675, and the prior period true-up under-recovery of \$2,810,778. The true-up amount for January through December 2022 was an over-recovery of \$1,571,783, including interest. (See Exhibit No. CTM-1; Schedule CT-1, Page 1 of 1 and CT-2, Page 1 of 3, filed May 2, 2022).

2. During the period January through December 2023, the company anticipates incurring expenses of \$31,664,593. For the period, the total net true-up under-recovery is estimated to be \$12,431,477, including interest. (See Exhibit No. CTM-2; Schedule C-3, page 3 of 5).

3. For the forthcoming cost recovery period January through December 2024, Peoples projects its total incremental conservation costs to be \$32,323,597. Peoples' total true-up and projected expenditures for the projection period are estimated to be \$44,755,077, including true-up estimates for January through December 2023. 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	\$0.21579
SGS	\$0.12933
GS-1 & CS-SG & CS-GHP	\$0.06667
GS-2	\$0.05036
GS-3	\$0.04243
GS-4	\$0.03134

GS-5	\$0.02183
CSLS	\$0.04347

(See Exhibit No. CTM-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, Inc., 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, 2024, through December 31, 2024.

DATED this 4th day of August 2023.

Respectfully submitted,



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ATTORNEYS FOR PEOPLES GAS SYSTEM, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition, together with copies of the Direct Testimony of Charles T. Morgan II and Exhibit CTM-2, filed on behalf of Peoples Gas System, Inc., has been furnished by electronic mail this 4th day of August 2023, to the following:

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ATTORNEY



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20220004-GU
IN RE: NATURAL GAS CONSERVATION
COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT
OF
CHARLES T. MORGAN II

FILED: AUGUST 4, 2023

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **CHARLES T. MORGAN II**

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 Charles T. Morgan II. My business address is
10 702 North Franklin Street, Tampa, Florida 33602. I am
11 employed by Peoples Gas System, Inc. ("Peoples" or "the
12 Company"), as a Senior Regulatory Analyst, in the
13 Regulatory Affairs Department.

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

17
18 **A.** I graduated from Florida State University in 2009 with a
19 Bachelor of Science degree in Social Science. My work
20 experience includes six years of utility regulatory
21 experience, including three years with the Florida Public
22 Service Commission ("Commission") as a Public Utility
23 Analyst and one year as a Regulatory Analyst with Peoples
24 before beginning my current role in 2021. In my current
25 position, I am responsible for Peoples' Natural Gas

1 Conservation Cost Recovery ("NGCCR") Clause and other
2 Conservation and demand-side management ("DSM") activities.
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 2022, the actual/estimated period
9 January to December 2023, and the projected period January
10 through December 2024. The projected 2024 NGCCR factors
11 have been calculated based on the currently approved
12 allocation methodology.
13

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

15
16 **A.** Yes, I am sponsoring Exhibit No. CTM-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 that supports the development of the
20 natural gas conservation cost recovery factors to be
21 applied to customer bills during the period January 2024
22 through December 2024.
23

24 **Q.** Does Exhibit No. CTM-2 meet the requirements of Rule 25-
25 17.015, Florida Administrative Code, which requires the

1 projection filing to include the annual estimated/actual
2 true-up 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 use in developing its 2023 annual
8 actual/estimated true-up filing?
9

10 **A.** Peoples developed its 2023 annual actual/estimated true-up
11 filing showing actual and projected common costs,
12 individual program costs, and any revenues collected based
13 on six months of actuals and six months of estimates.
14

15 **Q.** Please describe the conservation program costs projected by
16 Peoples during the period January through December 2022.
17

18 **A.** For the period January through December 2022, the company
19 projected conservation program costs to be \$21,192,680.
20 The Commission authorized collections to recover these
21 expenses in Order No. PSC-2022-0423-FOF-GU, issued December
22 14, 2022, in Docket No. 20220004-GU.
23

24 **Q.** For the period January through December 2022, what were
25 Peoples' conservation costs, and what was recovered through

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the NGCCR clause?

A. For the period January through December 2022, Peoples incurred actual net conservation costs of \$22,801,408. The amount collected in the NGCCR clause was \$24,935,073. The conservation revenue applicable to this period was \$22,124,295, which includes the \$24,810,398 amount collected in the NGCCR clause, applicable regulatory assessment fees of \$124,675, and the prior period true-up under-recovery of \$2,810,778.

Q. What is the true-up amount for Peoples for the period January through December 2022?

A. Peoples' true-up amount for the period January through December 2022 was an over-recovery of \$1,571,783, including interest, as detailed on Schedule CT-1 of Exhibit No. CTM-1.

Q. Please describe the conservation program costs projected to be incurred by Peoples during the period January through December 2023?

A. The actual costs incurred by Peoples through June 2023 and projected for July through December 2023 are

1 \$31,664,593, as shown on Schedule C-3, Page 1 of 4. For
2 the period, Peoples anticipates an under-recovery in the
3 NGCCR Clause of \$12,431,477 which includes the 2022 true-
4 up and interest. A summary of these costs and estimates
5 are fully detailed in Exhibit No. CTM-2, Estimated
6 Conservation Program Costs Per Program, pages 12 through
7 15.

8
9 **Q.** Please summarize the reasons for the under-recovery.

10
11 **A.** The under-recovery is primarily a result of
12 actual/estimated expenses exceeding projections in three
13 programs: (i) Residential New Construction; (ii)
14 Commercial New Construction; and (iii) Commercial
15 Retention. The actual/estimated costs for each program
16 are detailed on Schedule C-3, Page 1 of 4.

17
18 **Q.** Has Peoples initiated any projects in its Conservation
19 Research and Development Program?

20
21 **A.** No, Peoples has not begun any Research and Development
22 projects. The company expects to identify and contribute
23 to a research and development project in 2024.

24
25 **Q.** Has Peoples implemented its Commercial Walkthrough Energy

1 Audit Program?

2

3 **A.** Yes, Peoples began marketing the program to eligible
4 customers in May 2023. The first audit was conducted under
5 the program on June 14, 2023. Currently, five additional
6 customers are scheduled to receive audits.

7

8 **Q.** Please explain Peoples' process for selecting a vendor to
9 perform the audit.

10

11 **A.** Peoples issued a Request for Proposal ("RFP") in May 2022,
12 seeking a vendor to provide commercial energy audits in
13 the Tampa Bay Area for two years. The company narrowed
14 the eligible territory to the Tampa Bay Area in 2021 (see
15 Peoples' Amended petition for approval of demand-side
16 management plan, filed February 26, 2021, in Docket No.
17 20190210-EG), after it received feedback that it would be
18 difficult to cover its entire territory at a reasonable
19 cost.

20

21 Upon receipt of four proposals to provide the audit,
22 Peoples reviewed the bids and ranked them based on cost
23 per audit, vendor personnel qualifications, scheduling
24 limitations, and the ability of the vendor to provide as
25 many audits as requested. A recommendation was presented

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to Peoples' management for final approval, and in December 2022, Peoples signed a contract with the recommended vendor. The chosen vendor offered the lowest cost per audit and satisfied the other criteria listed above.

Peoples chose to pursue a two-year contract to gauge interest in the audit before acquiring either a permanent resource to perform audits or entering into a long-term contract with a vendor. At the end of the two-year contract, Peoples plans to evaluate the program and determine whether to extend the contract, issue another RFP, or acquire an internal resource to perform the audits.

Q. Does Peoples plan to expand the Commercial Audit outside the Tampa Bay Area?

A. Peoples is currently in discussions with its contracted vendor to expand the program into more of the company's service territory. The main obstacle to a full expansion of the program is the size of the company's territory and the accompanying travel time and expense required to offer the audit to all Peoples' customers. Multiple vendors and/or higher costs per audit may be required.

1 Q. Please summarize the proposed conservation costs for the
2 period January through December 2024 and the annualized
3 recovery factors applicable for the period January through
4 December 2024.

5
6 A. Peoples has estimated that the total conservation costs
7 (less program revenues) during the period will be
8 \$32,323,597, plus true-up. Including true-up estimates,
9 the January through December 2024 conservation cost
10 recovery factors for retail rate classes are as follows:

	Cost Recovery Factors
<u>Rate Schedule</u>	<u>(Dollars per Therm)</u>
14 RS & RS-SG & RS-GHP	\$0.21579
15 SGS	\$0.12933
16 GS-1 & CS-SG & CS-GHP	\$0.06667
17 GS-2	\$0.05036
18 GS-3	\$0.04243
19 GS-4	\$0.03134
20 GS-5	\$0.02183
21 CSLS	\$0.04347

22
23 Exhibit No. CTM-2, Schedule C-1, Page 1 of 1, Energy
24 Conservation Adjustment, Summary of Cost Recovery Clause
25 Calculation, contains the Commission-prescribed form which

1 details these estimates.

2

3 **Q.** Does this conclude your testimony?

4

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

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ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: January 2024 through December 2024

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	32,323,597
2. TRUE-UP (SCHEDULE C-3, PAGE 3, LINE 11)	12,431,477
3. TOTAL (LINE 1 AND LINE 2)	44,755,074

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	5,357,372	92,452,163	101,307,905	24,972,254	126,280,159	19,850,947	15.71977%	0.21472	1.00503	0.21579
SGS	154,754	11,021,645	4,735,472	4,287,089	9,022,561	1,418,326	15.71977%	0.12869	1.00503	0.12933
GS-1 & CS-SG & CS-GHIP	258,652	105,693,852	11,639,340	32,965,912	44,605,252	7,011,842	15.71977%	0.06634	1.00503	0.06667
GS-2	95,425	149,267,749	7,824,850	39,751,494	47,576,344	7,478,891	15.71977%	0.05010	1.00503	0.05036
GS-3	10,242	84,705,082	4,301,640	18,449,614	22,751,254	3,576,444	15.71977%	0.04222	1.00503	0.04243
GS-4	1,704	55,651,416	1,141,680	9,897,604	11,039,284	1,735,350	15.71977%	0.03118	1.00503	0.03134
GS-5	2,364	168,533,148	3,262,320	20,021,738	23,284,058	3,660,200	15.71977%	0.02172	1.00503	0.02183
NGVS	0	0	0	0	0	0	15.71977%	0.00000	1.00503	0.00000
CSLS	0	533,532	0	146,791	146,791	23,075	15.71977%	0.04325	1.00503	0.04347
TOTAL	5,880,513	667,858,587	134,213,207	150,492,496	284,705,703	44,755,074				

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ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
January 2024 through December 2024

	PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1	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
2	RESIDENTIAL NEW CONSTRUCTION	1,430,710	1,430,710	1,430,710	1,430,710	1,430,710	1,430,710	1,430,710	1,430,710	1,430,710	1,430,710	1,430,710	1,430,710	\$17,168,516
3	RESIDENTIAL RETROFIT	43,721	43,721	43,721	43,721	43,721	43,721	43,721	43,721	43,721	43,721	43,721	43,721	\$524,650
4	RESIDENTIAL RETENTION	295,426	295,426	295,426	295,426	295,426	295,426	295,426	295,426	295,426	295,426	295,426	295,426	\$3,545,108
5	COMMERCIAL WALKTHROUGH AUDIT	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	\$52,957
6	COMMERCIAL NEW CONSTRUCTION	187,207	187,207	187,207	187,207	187,207	187,207	187,207	187,207	187,207	187,207	187,207	187,207	\$2,246,483
7	COMMERCIAL RETROFIT	93,663	93,663	93,663	93,663	93,663	93,663	93,663	93,663	93,663	93,663	93,663	93,663	\$1,123,953
8	COMMERCIAL RETROFIT CHP	0	0	0	0	0	0	0	0	0	0	0	0	\$0
9	COMMERCIAL RETROFIT ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
10	COMMERCIAL RETENTION	438,248	438,248	438,248	438,248	438,248	438,248	438,248	438,248	438,248	438,248	438,248	438,248	\$5,258,974
11	CONSERVATION R&D	417	417	417	417	417	417	417	417	417	417	417	417	\$5,000
12	COMMON COSTS	189,413	189,413	189,413	189,413	189,413	189,413	189,413	189,413	189,413	189,413	189,413	189,413	\$2,272,956
13	OIL HEAT REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	TOTAL ALL PROGRAMS	\$2,693,633	\$2,693,633	\$2,693,633	\$2,693,633	\$2,693,633	\$2,693,633	\$2,693,633	\$2,693,633	\$2,693,633	\$2,693,633	\$2,693,633	\$2,693,633	\$32,323,597

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
January 2024 through December 2024

	PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1	RESIDENTIAL CUSTOMER ASSISTED AUDIT	0	0	0	0	0	125,000	0	0	\$125,000
2	RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	17,168,516	0	0	0	\$17,168,516
3	RESIDENTIAL RETROFIT	0	0	0	0	524,650	0	0	0	\$524,650
4	RESIDENTIAL RETENTION	0	0	0	0	3,545,108	0	0	0	\$3,545,108
5	COMMERCIAL WALKTHROUGH AUDIT	0	0	0	10,000	0	42,957	0	0	\$52,957
6	COMMERCIAL NEW CONSTRUCTION	0	0	0	0	2,246,483	0	0	0	\$2,246,483
7	COMMERCIAL RETROFIT	0	0	0	0	1,123,953	0	0	0	\$1,123,953
8	COMMERCIAL RETROFIT CHP	0	0	0	0	0	0	0	0	\$0
9	COMMERCIAL RETROFIT ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	\$0
10	COMMERCIAL RETENTION	0	0	0	0	5,258,974	0	0	0	\$5,258,974
11	CONSERVATION R&D	0	0	0	0	0	5,000	0	0	\$5,000
12	COMMON COSTS	0	648,157	0	1,230,000	0	322,862	728	71,209	\$2,272,956
13	OIL HEAT REPLACEMENT	0	0	0	0	0	0	0	0	\$0
	PROGRAM COSTS	\$0	\$648,157	\$0	\$1,240,000	\$29,867,684	\$495,819	\$728	\$71,209	\$32,323,597

SCHEDULE C - 3
 PAGE 1 OF 4

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

Estimated For Months July 2023 through December 2023

PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 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
2 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	8,767,050	0	0	0	8,767,050
B. ESTIMATED	0	0	0	0	7,895,588	0	0	0	7,895,588
C. TOTAL	0	0	0	0	16,662,638	0	0	0	16,662,638
3 RESIDENTIAL RETROFIT									
A. ACTUAL	0	0	0	0	274,825	0	0	0	274,825
B. ESTIMATED	0	0	0	0	277,438	0	0	0	277,438
C. TOTAL	0	0	0	0	552,263	0	0	0	552,263
4 RESIDENTIAL RETENTION									
A. ACTUAL	0	0	0	0	2,058,088	0	0	0	2,058,088
B. ESTIMATED	0	0	0	0	1,770,554	0	0	0	1,770,554
C. TOTAL	0	0	0	0	3,828,642	0	0	0	3,828,642
5 COMMERCIAL WALKTHROUGH AUDIT									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	2,500	0	22,521	0	0	25,021
C. TOTAL	0	0	0	2,500	0	22,521	0	0	25,021
6 COMMERCIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	1,163,192	0	0	0	1,163,192
B. ESTIMATED	0	0	0	0	1,046,873	0	0	0	1,046,873
C. TOTAL	0	0	0	0	2,210,065	0	0	0	2,210,065
7. COMMERCIAL RETROFIT									
A. ACTUAL	0	0	0	0	579,955	0	0	0	579,955
B. ESTIMATED	0	0	0	0	521,960	0	0	0	521,960
C. TOTAL	0	0	0	0	1,101,915	0	0	0	1,101,915
8. COMMERCIAL RETROFIT CHP									
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. COMMERCIAL RETROFIT ELECTRIC REPLACEMENT									
A. ACTUAL	0	0	0	0	10,000	0	0	0	10,000
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	10,000	0	0	0	10,000
10. COMMERCIAL RETENTION									
A. ACTUAL	0	0	0	0	2,713,609	0	0	0	2,713,609
B. ESTIMATED	0	0	0	0	2,442,248	0	0	0	2,442,248
C. TOTAL	0	0	0	0	5,155,857	0	0	0	5,155,857
11. CONSERVATION R&D									
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
12 COMMON COSTS									
A. ACTUAL	0	269,790	0	430,729	0	19,240	364	70,486	790,609
B. ESTIMATED	0	297,557	0	738,197	0	165,659	728	442	1,202,583
C. TOTAL	0	567,347	0	1,168,926	0	184,899	1,092	70,928	1,993,192
13 OIL HEAT 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
TOTAL	0	567,347	0	1,171,426	29,521,380	332,420	1,092	70,928	31,664,593

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED

Estimated For Months July 2023 through December 2023

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RESIDENTIAL CUSTOMER ASSISTED AUDIT	0	0	0	0	125,000	0	0	0	0	0	0	0	\$125,000
RESIDENTIAL NEW CONSTRUCTION	885,600	1,398,950	962,300	1,789,600	1,048,900	2,681,700	1,315,931	1,315,931	1,315,931	1,315,931	1,315,931	1,315,931	\$16,662,638
RESIDENTIAL RETROFIT	57,600	52,675	50,800	29,650	49,400	34,700	46,240	46,240	46,240	46,240	46,240	46,240	\$552,263
RESIDENTIAL RETENTION	524,400	328,500	335,745	263,993	328,850	276,600	295,092	295,092	295,092	295,092	295,092	295,092	\$3,828,642
COMMERCIAL WALKTHROUGH AUDIT	0	0	0	0	0	0	4,170	4,170	4,170	4,170	4,170	4,170	\$25,021
COMMERCIAL NEW CONSTRUCTION	135,532	130,698	314,020	146,469	183,726	252,746	174,479	174,479	174,479	174,479	174,479	174,479	\$2,210,065
COMMERCIAL RETROFIT	70,205	128,001	107,912	112,554	76,500	84,783	86,993	86,993	86,993	86,993	86,993	86,993	\$1,101,915
COMMERCIAL RETROFIT CHP	0	0	0	0	0	0	0	0	0	0	0	0	\$0
COMMERCIAL RETROFIT ELECTRIC REPLACEME	0	10,000	0	0	0	0	0	0	0	0	0	0	\$10,000
COMMERCIAL RETENTION	549,109	358,500	308,250	623,250	309,500	565,000	407,041	407,041	407,041	407,041	407,041	407,041	\$5,155,857
CONSERVATION R&D	0	0	0	0	0	0	0	0	0	0	0	0	\$0
COMMON COSTS	49,700	110,794	157,107	262,851	156,449	53,707	200,431	200,431	200,431	200,431	200,431	200,431	\$1,993,192
OIL HEAT REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
TOTAL ALL PROGRAMS	\$2,272,147	\$2,518,118	\$2,236,135	\$3,228,367	\$2,278,325	\$3,949,237	\$2,530,378	\$2,530,378	\$2,530,378	\$2,530,378	\$2,530,378	\$2,530,378	\$31,664,593

ENERGY CONSERVATION ADJUSTMENT

January 2023 through December 2023

CONSERVATION REVS.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RCS AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
a. OTHER PROG. REV.	(2,184,994)	(1,782,003)	(1,647,417)	(1,623,314)	(1,351,939)	(1,265,216)	(1,340,756)	(1,340,756)	(1,340,756)	(1,340,756)	(1,340,756)	(1,340,756)	(17,899,419)
b. CONSERV. ADJ. REV.	-	-	-	-	-	-	-	-	-	-	-	-	-
c.	-	-	-	-	-	-	-	-	-	-	-	-	-
CONSERV. ADJ REV. (NET OF REV. TAXES)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	(2,184,994)	(1,782,003)	(1,647,417)	(1,623,314)	(1,351,939)	(1,265,216)	(1,340,756)	(1,340,756)	(1,340,756)	(1,340,756)	(1,340,756)	(1,340,756)	(17,899,419)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,212)	(3,542,588)
CONSERVATION REVS. APPLIC. TO PERIOD	(2,480,210)	(2,077,219)	(1,942,633)	(1,918,530)	(1,647,155)	(1,560,432)	(1,635,972)	(1,635,972)	(1,635,972)	(1,635,972)	(1,635,972)	(1,635,968)	(21,442,007)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	2,272,147	2,518,118	2,236,135	3,228,367	2,278,325	3,949,237	2,530,378	2,530,378	2,530,378	2,530,378	2,530,378	2,530,378	31,664,593
TRUE-UP THIS PERIOD	(208,063)	440,899	293,501	1,309,837	631,170	2,388,805	894,406	894,406	894,406	894,406	894,406	894,410	10,222,587
REGULATORY ADJUSTMENTS													-
INTEREST THIS PERIOD (C-3,PAGE 5)	(5,715)	(4,332)	(1,848)	2,567	7,938	15,888	24,218	29,407	34,618	39,852	45,108	50,386	238,089
TRUE-UP & INT. BEG. OF MONTH	(1,571,783)	(1,490,345)	(758,562)	(171,693)	1,435,927	2,370,251	5,070,160	6,283,999	7,503,027	8,727,267	9,956,740	11,191,469	(1,571,783)
PRIOR TRUE-UP COLLECT. (REFUND.)	295,216	295,216	295,216	295,216	295,216	295,216	295,216	295,216	295,216	295,216	295,216	295,212	3,542,588
END OF PERIOD TOTAL NET TRUE-UP	(1,490,345)	(758,562)	(171,693)	1,435,927	2,370,251	5,070,160	6,283,999	7,503,027	8,727,267	9,956,740	11,191,469	12,431,477	12,431,477

CALCULATION OF TRUE-UP AND INTEREST PROVISION

January 2023 through December 2023

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	-1,571,783	-1,490,345	-758,562	-171,693	1,435,927	2,370,251	5,070,160	6,283,999	7,503,027	8,727,267	9,956,740	11,191,469	12,431,477
END. T-UP BEFORE INT.	-1,484,630	-754,230	-169,845	1,433,360	2,362,313	5,054,272	6,259,782	7,473,621	8,692,649	9,916,889	11,146,362	12,381,091	12,193,392
TOT. BEG. & END. T-UP	-3,056,413	-2,244,575	-928,407	1,261,667	3,798,240	7,424,523	11,329,942	13,757,620	16,195,676	18,644,156	21,103,102	23,572,560	24,624,869
AVERAGE TRUE-UP	-1,528,207	-1,122,288	-464,204	630,834	1,899,120	3,712,262	5,664,971	6,878,810	8,097,838	9,322,078	10,551,551	11,786,280	12,312,434
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	4.3700%	4.6100%	4.6600%	4.8800%	4.8900%	5.1400%	5.1300%	5.1300%	5.1300%	5.1300%	5.1300%	5.1300%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	4.6100%	4.6600%	4.8800%	4.8900%	5.1400%	5.1300%	5.1300%	5.1300%	5.1300%	5.1300%	5.1300%	5.1300%	
TOTAL	8.9800%	9.2700%	9.5400%	9.7700%	10.0300%	10.2700%	10.2600%	10.2600%	10.2600%	10.2600%	10.2600%	10.2600%	
AVG INTEREST RATE	4.4900%	4.6350%	4.7700%	4.8850%	5.0150%	5.1350%	5.1300%	5.1300%	5.1300%	5.1300%	5.1300%	5.1300%	
MONTHLY AVG. RATE	0.37400%	0.3860%	0.3980%	0.4070%	0.4180%	0.4280%	0.4275%	0.4275%	0.4275%	0.4275%	0.4275%	0.4275%	
INTEREST PROVISION	-\$5,715	-\$4,332	-\$1,848	\$2,567	\$7,938	\$15,888	\$24,218	\$29,407	\$34,618	\$39,852	\$45,108	\$50,386	\$238,089

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 to December 31, 2023

During this period, there are 13,000 customers projected to participate.

January 1 to December 31, 2024

During this period, there are 14,300 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1 to December 31, 2023

Expenditures are estimated to be \$125,000.

January 1 to December 31, 2024

Expenditures are estimated to be \$125,000.

**Program Progress
Summary:**

As of December 31, 2022, there have been 25,695 participants in this program since its inception.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: RESIDENTIAL NEW CONSTRUCTION

Program Description: The Residential New Construction Program is designed to encourage builders and developers to construct new single family and multi-family homes with the installation of energy efficient natural gas appliances to help reduce the new customer's energy consumption and conserve energy resources. The rebates offered to builders and developers under this program are designed to assist in defraying the added cost of gas piping and venting. The goal is to offer customer rebates for installing new energy efficient natural gas equipment.

Program Projections: January 1 to December 31, 2023

During this period, there are 14,548 customers projected to participate.

January 1 to December 31, 2024

During this period, there are 14,985 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1 to December 31, 2023

Expenditures are estimated to be \$16,662,638.

January 1 to December 31, 2024

Expenditures are estimated to be \$17,168,516.

**Program Progress
Summary:**

As of December 31, 2022, there have been 205,337 participants in this program since its inception.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: RESIDENTIAL RETROFIT

Program Description: The Residential Retrofit Program is designed to encourage current and new natural gas customers to make cost-effective improvements to existing residences with the installation of energy efficient natural gas appliances to help reduce their energy consumption and conserve energy resources. The goal is to offer customer rebates for installing new energy efficient natural gas equipment.

Program Projections: January 1 to December 31, 2023

During this period, there are 1,127 customers projected to participate.

January 1 to December 31, 2024

During this period, there are 1,071 customers projected to participate.

Program Fiscal Expenditures:

January 1 to December 31, 2023

Expenditures are estimated to be \$552,263.

January 1 to December 31, 2024

Expenditures are estimated to be \$524,650.

Program Progress Summary:

As of December 31, 2022, there have been 32,263 participants in the Residential Retrofit program since its inception.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: RESIDENTIAL RETENTION

Program Description: The Residential Retention Program is designed to encourage current and new natural gas customers to make cost-effective improvements to existing residences with the installation of energy efficient natural gas appliances to help reduce their energy consumption and conserve energy resources. The goal is to offer customer rebates for installing new energy efficient natural gas equipment.

Program Projections: January 1 to December 31, 2023

During this period, there are 9,512 customers projected to participate.

January 1 to December 31, 2024

During this period, there are 8,797 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1 to December 31, 2023

Expenditures are estimated to be \$3,828,642.

January 1 to December 31, 2024

Expenditures are estimated at \$3,541,108.

**Program Progress
Summary:**

As of December 31, 2022, there have been 225,665 participants in the Residential Retention program since its inception.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL WALKTHROUGH ENERGY AUDIT

Program Description: A conservation program designed to reduce demand and energy consumption of commercial/industrial facilities by increasing customer awareness of the energy use in their facilities. The savings are dependent upon the customer's implementation of conservation measures and practices recommended. Recommendations are tailored to the specific commercial or industrial facility based upon the replacement of less efficient equipment and systems or modifications to operations to enhance the customer's overall efficiency.

Program Projections: January 1 to December 31, 2023

During this period, there are 25 customers projected to participate.

January 1 to December 31, 2024

During this period, there are 50 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1 to December 31, 2023

Expenditures are estimated to be \$25,021.

January 1 to December 31, 2024

Expenditures are estimated to be \$52,957.

**Program Progress
Summary:**

As of this filing, 1 customer has participated in this program.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL NEW CONSTRUCTION

Program Description: The Commercial New Construction Program is designed to encourage builders and developers to construct commercial and industrial facilities with the installation of energy efficient natural gas equipment to help reduce the new customer's energy consumption and conserve energy resources. The rebates offered to builders and developers under this program are designed to assist in defraying the added cost of gas piping and venting. The goal is to offer customer rebates for installing new energy-efficient natural gas equipment.

Program Projections: January 1 to December 31, 2023

During this period, there are 760 customers projected to participate.

January 1 to December 31, 2024

During this period, there are 775 customers projected to participate.

Program Fiscal Expenditures:

January 1 to December 31, 2023

Expenditures are estimated to be \$2,210,065.

January 1 to December 31, 2024

Expenditures are estimated to be \$2,246,483.

Program Progress Summary:

As of December 31, 2022, there have been 1,066 participants in the Commercial New Construction program since its inception.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL RETROFIT

Program Description: The Commercial Retrofit Program is designed to encourage current and new natural gas customers to make cost-effective improvements to existing commercial/industrial facilities with the installation of energy-efficient natural gas equipment to help reduce their energy consumption and conserve energy resources. The goal is to offer customer rebates for installing new energy-efficient natural gas equipment.

Program Projections: January 1 to December 31, 2023

During this period, there are 321 customers projected to participate.

January 1 to December 31, 2024

During this period, there are 328 customers projected to participate.

**Program Fiscal
Expenditures:**

January 1 to December 31, 2023

Expenditures are estimated to be \$1,101,915.

January 1 to December 31, 2024

Expenditures are estimated to be \$1,123,953.

**Program Progress
Summary:**

As of December 31, 2022, there have been 2,522 participants in the Commercial Retrofit program since its inception.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL RETROFIT COMBINED HEAT AND POWER

Program Description: The Commercial Retrofit Combined Heat and Power Program is designed to encourage current and new natural gas customers to make cost-effective improvements to existing commercial/industrial facilities with the installation of energy efficient natural gas equipment to help reduce their energy consumption and conserve energy resources. The goal is to offer customer rebates for installing new energy-efficient natural gas combined heat and power equipment to utilize waste heat to displace portions of natural gas usage for on-site heating, cooling, and water heating.

Program Projections: January 1 to December 31, 2023

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

January 1 to December 31, 2024

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

Program Fiscal Expenditures:

January 1 to December 31, 2023

Expenditures are estimated to be \$0.

January 1 to December 31, 2024

Expenditures are estimated to be \$0.

Program Progress Summary:

As of December 31, 2022, there have been 7 participants in the Commercial Retrofit Combined Heat and Power program since its inception.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL RETROFIT ELECTRIC REPLACEMENT

Program Description: This Commercial Retrofit Electric Replacement Program is designed to encourage current and new natural gas customers to make cost-effective improvements to existing commercial/industrial facilities with the installation of energy-efficient natural gas equipment to help reduce their energy consumption and conserve energy resources. The goal is to offer customer rebates for installing new energy efficient natural gas equipment.

Program Projections: January 1 to December 31, 2023

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

January 1 to December 31, 2024

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

**Program Fiscal
Expenditures:**

January 1 to December 31, 2023

Expenditures are estimated to be \$10,000.

January 1 to December 31, 2024

Expenditures are estimated at \$0.

**Program Progress
Summary:**

As of December 31, 2022, there have been 60,481 kW displaced in the Commercial Electric Replacement program since its inception.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: COMMERCIAL RETENTION

Program Description: The Commercial Retention Program is designed to encourage current natural gas customers to make cost-effective improvements to existing commercial/industrial facilities with the installation of energy-efficient natural gas equipment to help reduce their energy consumption and conserve energy resources. The goal is to offer customer rebates for installing new energy-efficient natural gas equipment.

Program Projections: January 1 to December 31, 2023

During this period, there are 2,050 customers projected to participate.

January 1 to December 31, 2024

During this period, there are 2,091 customers projected to participate.

Program Fiscal Expenditures:

January 1 to December 31, 2023

Expenditures are estimated to be \$5,155,857.

January 1 to December 31, 2024

Expenditures are estimated to be \$5,258,974.

Program Progress Summary:

As of December 31, 2022, there have been 2,723 participants in the Commercial Retention program since its inception.

PROGRAM DESCRIPTION AND PROGRESS

Program Title: CONSERVATION RESEARCH 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. R&D activity will be conducted on proposed measures to determine the impact to the company and its ratepayers and may occur at customer premises, Peoples Gas System facilities, or at independent test sites.

Program Projections: See Program Progress Summary.

**Program Fiscal
Expenditures:**

January 1 to December 31, 2023

Expenditures are estimated to be \$0.

January 1 to December 31, 2024

Expenditures are estimated to be \$5,000.

**Program Progress
Summary:**

The company continues to review possible programs to research.

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 to December 31, 2023

Expenditures are estimated to be \$1,993,192.

January 1 to December 31, 2024

Expenditures are estimated to be \$2,272,956.

Program Progress Summary: N/A