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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. 20230023-GU; Petition for Rate Increase by Peoples Gas System, Inc.

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

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

Dear Mr. Teitzman:

Attached for filing in the above docket on behalf of Peoples Gas System, Inc. is its second revised pages of Christian C. Richard rebuttal testimony (pages 9, 13 and 14).

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Jeffrey Wahlen', with a long horizontal flourish extending to the right.

J. Jeffrey Wahlen

JJW/ne

Attachment

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing second revised pages of Christian C. Richard rebuttal testimony, filed on behalf of Peoples Gas System, Inc., has been furnished by electronic mail on this 4th day of August, 2023 to the following:

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ATTORNEY

Staffing for Construction

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Q. Do you agree with witness Kollen that the company is adequately staffed for continued growth in customers and related infrastructure?

A. No. The Peoples natural gas system is growing in size and complexity and requires additional resources to ensure safe and reliable service. Peoples plans to hire 41 employees in the ECT area in 2023 and 2024 and will go from 150 full-time equivalents in 2022 to 191 in 2024. Of the 41 employees to be hired, 17 are replacements (vacancies at the end of December 2022) and 24 are new. The 17 replacements are part of the ongoing employee vacancies created from promotions, retirements and attrition. Of the 24 new positions, five are Supply Chain (FERC Account "Admin and General Salaries"), four are Gas Control and Measurement and Regulation (FERC Account "Other Exp"), seven are in support of improved capital management, while the balance (8) are to support design, engineering and construction (FERC Account "Operations, Supervision and Engineering"). It is worth noting the majority of the costs associated with the new ECT positions are in support of Peoples' capital plan and are charged to capital.

1 capital management group is a common utility best
2 practice but is not yet in place at Peoples. The new
3 team will help find more efficiency and value in capital
4 management, including formalizing the process and
5 building an annual Integrated Resource Plan with a 10-
6 year horizon, ensuring that plan is reflected in the 5-
7 year Forecast and annual budgets. The team will also
8 implement and continuously improve the capital
9 governance process and work to ensure efficient capital
10 execution, resource planning, execution monitoring and
11 management. Driven by growth, Peoples' average annual
12 capital budget has grown in recent years and this team
13 will ensure that capital continues to be optimized to
14 provide value to customers. The company's improved
15 capital governance may also mitigate the need for future
16 base rate increases by achieving greater efficiencies in
17 capital investments.

18
19 **Q.** Why are the other 5 support positions necessary?

20
21 **A.** Of the remaining 8 new positions, 5 support increased
22 workload related to residential and commercial customer
23 growth throughout the state and RRE projects, including
24 municipal improvement projects. There has been a
25 particularly noticeable increase in Municipal

1 Improvement projects driven by the Inflation Reduction
2 Act. Local and state governments are taking advantage
3 of this funding to improve transportation
4 infrastructure, which in turn requires Peoples to
5 relocate some of its assets. Some areas of the state
6 also have new, more strict permitting requirements.
7 These new permitting requirements impact design and
8 require more oversight, including more stringent
9 restoration requirements after construction, additional
10 asphalt work, and additional well pointing. The
11 additional resources are not only targeted in areas with
12 increased permitting requirements, they are also
13 targeted in areas of the state with higher growth rates
14 such as Jacksonville, Ocala, and Fort Myers where local
15 design and construction oversight is performed. These
16 areas of higher growth of residential and commercial
17 customers typically also includes higher municipal
18 improvement relocation projects. The positions required
19 to support the increased workload includes four Gas
20 Design Technicians, four Construction Inspectors, two
21 administrative positions, and one Gas Design Supervisor.

22
23 The remaining three new positions (of the 8) includes
24 one GIS position, one engineer for large project
25 engineering design and project management and one