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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20230023-GU

Petition for rate increase by Peoples
Gas Systems, Inc.

_____/_____
DOCKET NO. 20220219-GU

Petition for approval of 2022 depreciation
study by Peoples Gas Systems, Inc.

_____/_____
DOCKET NO. 20220212-GU

Petition for approval of depreciation rate
and subaccount for renewable natural gas
facilities leased to others by Peoples
Gas Systems, Inc.

VOLUME 5 - PAGES 774 - 841

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN ANDREW GILES FAY
COMMISSIONER ART GRAHAM
COMMISSIONER GARY F. CLARK
COMMISSIONER MIKE LA ROSA
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Wednesday, September 13, 2023

TIME: Commenced: 9:00 a.m.
Concluded: 6:35 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter

APPEARANCES: (As heretofore noted.)

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I N D E X

WITNESS:	PAGE
TIMOTHY O'CONNOR	
Prefiled Rebuttal Testimony inserted Examination by Mr. Rehwinkel	779 808

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EXHIBITS CONTINUED

NUMBER:		ID	ADMITTED
187	Richard Late File Exhibit 21, WAM Benefits Realization Metrics 2022 Update	816	

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P R O C E E D I N G S

(Transcript follows in sequence from Volume

4.)

1 (Whereupon, prefiled rebuttal testimony of
2 Timothy O'Connor was inserted.)

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20230023-GU

PETITION FOR RATE INCREASE
BY PEOPLES GAS SYSTEM, INC.

REBUTTAL TESTIMONY AND EXHIBIT
OF
TIMOTHY O'CONNOR

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **REBUTTAL TESTIMONY**

3 **OF**

4 **TIMOTHY O'CONNOR**

5

6 **Q.** Please state your name, address, occupation and employer.

7

8 **A.** My name is Timothy O'Connor. My business address is 702 North
9 Franklin Street, Tampa, Florida 33602. I am employed by
10 Peoples Gas System, Inc. ("Peoples" or the "company") as Vice
11 President, Operations, Sustainability and External Affairs.

12

13 **Q.** Are you the same Timothy O'Connor who filed direct testimony
14 in this proceeding?

15

16 **A.** Yes, I am.

17

18 **Q.** What is the purpose of your rebuttal testimony?

19

20 **A.** The purpose of my rebuttal testimony is to address arguments
21 made by the Office of Public Counsel's witness Lane Kollen in
22 his direct testimony. Specifically, the purpose of my
23 rebuttal testimony is to address misconceptions and
24 inaccurate conclusions drawn by witness Kollen regarding the
25 company's projected test year staffing and payroll expenses.

1 Q. Have you prepared an exhibit supporting your rebuttal
2 testimony?

3
4 A. Yes, Exhibit TO-2, entitled "Rebuttal Exhibit of Timothy
5 O'Connor," was prepared under my direction and supervision,
6 and accompanies my rebuttal testimony.

7
8 Q. Please summarize your areas of disagreement with witness
9 Kollen's testimony.

10
11 A. In his direct testimony, witness Kollen argues that Peoples
12 has overstated the need for additional employees in the
13 projected test year for three main reasons: (1) the addition
14 of employees is discretionary; (2) the company is already
15 staffed for continued growth; and (3) the company did not
16 reduce contractor expense by an amount that justifies the
17 increase in new employees. As I will explain in my rebuttal
18 testimony, each of these conclusions is incorrect. Instead,
19 Peoples faces an increasing workload that cannot safely be
20 met by the company's existing workforce.

21
22 Q. In your direct testimony, you explained that you oversee gas
23 operations. Generally speaking, what work activities are
24 included in gas operations?

25

1 **A.** As I explained in my direct testimony, the main functions in
2 gas operations are service, distribution maintenance, damage
3 prevention and emergency response including locates, and
4 compliance.

5
6 **Q.** For the work activities in gas operations, how discretionary
7 are the work requirements?
8

9 **A.** The majority of work activities in gas operations are not
10 discretionary. As a natural gas LDC and an essential service
11 provider, Peoples must meet all safety and compliance
12 requirements as regulated by the PSC and PHMSA, and
13 requirements of Peoples' tariff, which means all activities
14 that include safety, compliance, maintenance, emergency
15 response and locate requirements must be completed within
16 defined time frames and appropriate quality levels.
17

18 **Q.** Please provide some examples of different work activities and
19 the nondiscretionary requirements for completion.
20

21 **A.** Service activities include jobs such as installation of new
22 meter sets, meter reads, "why no gas" calls and other jobs
23 related to serving our current and new customers. For any
24 job where a customer is calling about an issue with gas
25 service, including a leak report, Peoples must respond

1 promptly to ensure safe service with appropriately trained
2 technicians and therefore these activities are not
3 discretionary.

4
5 Compliance and maintenance activities include jobs such as
6 atmospheric inspections and main and service line leak
7 surveying. These activities are governed and regulated and
8 have specific time requirements for completion. For example,
9 atmospheric inspection of our meters is on a 3-year cycle
10 where Peoples must inspect each meter to meet our compliance
11 obligation. Therefore, these work activities are not
12 discretionary.

13
14 Locates are jobs whereby Peoples must locate our existing
15 infrastructure related to any construction and excavation
16 activities throughout Florida by marking the ground with
17 paint or flags. Through the Sunshine 811 system, Peoples
18 must locate our infrastructure within 2 business days of
19 receiving a locate ticket. Peoples must accurately complete
20 locate ticket requests to ensure public safety and the
21 protection of our infrastructure and therefore these
22 activities are not discretionary.

23
24 Leak and damage response are activities whereby Peoples must
25 respond to an emergency call for a damaged line or a call for

1 a potential leak. Safety of our customers, the public, first
2 responders and emergency personnel and our team members is
3 paramount. Responses to such calls are immediate and require
4 Peoples to stop any other activity in progress and travel to
5 the site impacted. Given the vast distribution of our
6 pipeline system across the state, our resourcing must also
7 ensure staff availability within the vicinity to respond on
8 a timely basis. There is absolutely nothing discretionary
9 about Peoples' response in a leak, damaged line or storm
10 event.

11
12 **Q.** How do the proposed headcount additions support the
13 increasing levels of nondiscretionary work activities?

14
15 **A.** The proposed staffing additions in gas operations are
16 intended to ensure timely responses to non-discretionary
17 activities. Peoples' industry experience and commitment to
18 safety drives the proposed gas operations staffing needs
19 within this base rate request. With the addition of these
20 resources, Peoples will be positioned to continue to meet new
21 customer demand, meet compliance requirements, adequately
22 respond to potentially hazardous conditions and serve
23 customers in the manner our customers deserve. Based on our
24 JD Power results and Peoples' customer complaint record shown
25 in witness Helen J. Wesley's rebuttal testimony, we believe

1 it is clear that Peoples is serving our customers in an
2 exemplary fashion and we intend on maintaining that
3 performance.

4
5 **Q.** Are some work activities within gas operations discretionary?

6
7 **A.** For some work activities, Peoples has some discretion in the
8 timing of when to complete certain jobs. Activities such as
9 a new meter set or a move in / move out job to serve our
10 customers can be scheduled for convenience with the customer
11 and with consideration of operational work loads. However,
12 high customer satisfaction with natural gas and with Peoples
13 is a priority and Peoples strives to be as responsive and
14 customer-oriented as possible to meet homeowner and business
15 needs. With high growth in our customer base, there is also
16 high demand to perform these activities.

17
18 **Q.** Witness Kollen argues that the addition of employees is
19 discretionary. Do you agree?

20
21 **A.** No. The largely nondiscretionary nature of the work
22 activities performed by gas operations, as I have described,
23 requires adequate and trained internal and external resources
24 to complete this work. Peoples has grown significantly over
25 the past years and forecasts continued growth that will drive

1 the volume of nondiscretionary work activities in gas
2 operations higher. This will require more employees to
3 continue to provide safe, reliable natural gas service with
4 the continued and proven excellent customer service record.
5 The highly technical nature of much of our work means our
6 staffing levels plan for routine attrition for such things as
7 retirements or job movement.

8
9 **Q.** How has the level of activity in each of the gas operations
10 functional areas changed over the last several years?

11
12 **A.** My Exhibit TO-2 includes the main functional work activities
13 performed by gas operations since 2020 and the company's
14 projections to 2024. There are two main drivers to the
15 increasing level of work activities: 1) customer growth, and
16 2) Florida's growth.

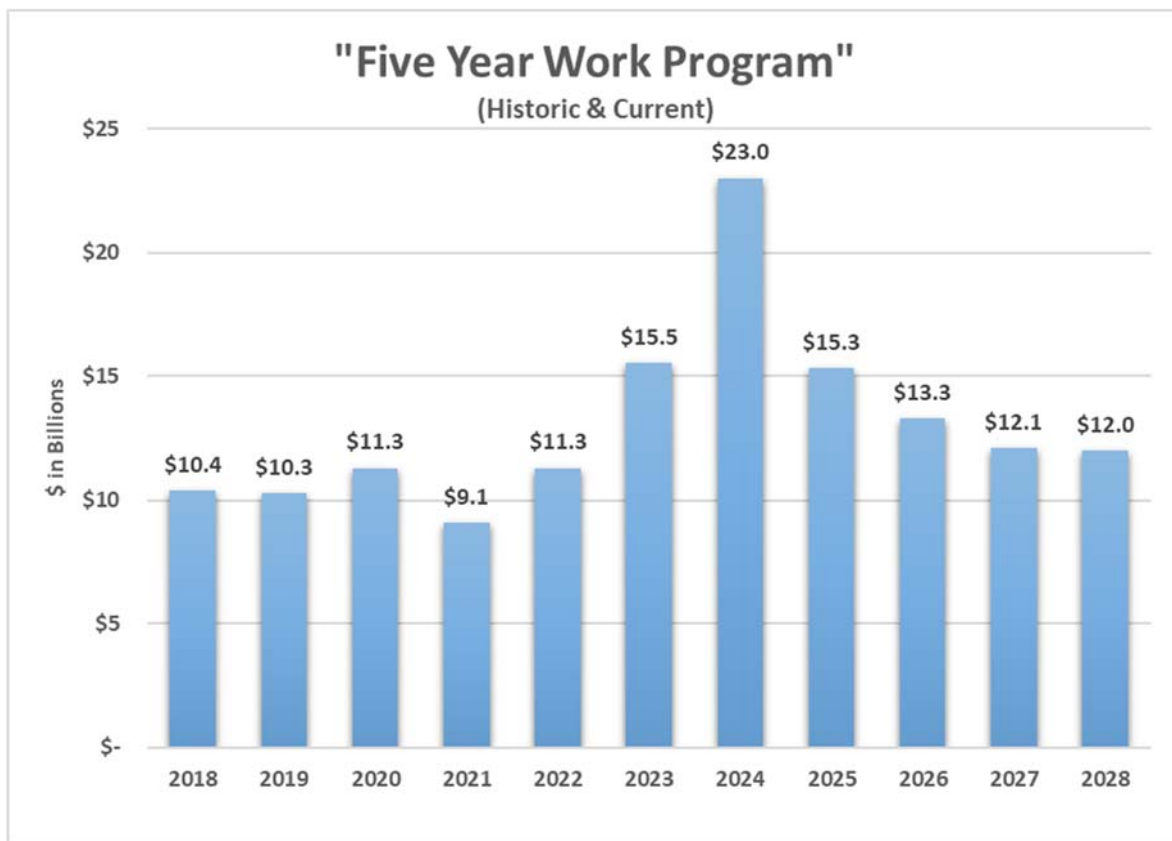
17
18 Due to Peoples' strong customer growth in all fourteen service
19 areas, the operational work requirements are also growing.
20 Simply, as we have more customers and a larger system, we
21 have more customer service, compliance and maintenance, meter
22 reading and other such activities. Florida's overall strong
23 economic and population growth are also driving a high level
24 of construction and excavation, which in turn drives higher
25 damage prevention, relocation or expansion of facilities,

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locate and emergency response activities for Peoples. Particularly with locates, these volumes are growing faster than the rate of new customers. This increase in locate volume is not due to customer activity, but instead is the result of construction activity across all of Florida. In 2022, Peoples received over 618,000 locate tickets and had approximately 1,800 damaged lines. The high volume of locate tickets and damages to our system are a result of Florida's robust construction and development.

Florida's economic and population growth are also driving higher damage prevention and relocation or expansion of facilities work levels. This is illustrated in Graph 1, included below, which depicts the anticipated increase in funding for Florida Department of Transportation ("FDOT" road projects, which will potentially lead to higher locate requests and higher damages to our system.

1 **Graph 1: FDOT Five Year Work Program (Current and Historic)**



15 Source: <https://fdotewpl.dot.state.fl.us/fmsupportapps/workprogram/WorkProgram.aspx>

16

17 **Q.** How does Peoples use workload forecasts for resource
18 planning?

19

20 **A.** Peoples estimates workload levels for service, compliance,
21 locates and meter reading for each service area. Each service
22 area evaluates internal resources for their capacity to meet
23 expected workload levels which factors in that team's
24 experience and training. External resources are utilized if
25 the internal resources potentially can't meet the full

1 workload, if special skills or expertise are required, or if
2 an outside resource offers a good option for cost or
3 availability. Because the nature of our work activity is
4 largely nondiscretionary, Peoples supplements our team with
5 outside services to ensure all work activity is completed
6 while we increase internal staffing and train our team
7 members. As indicated in my original testimony, a new
8 apprentice can take approximately 18 months to be fully
9 trained and therefore overlap with outside services can
10 occur.

11
12 **Q.** What are the growth forecasts for work activities in gas
13 operations?

14
15 **A.** For customer service related work activities, Peoples
16 forecasts a 6 percent annual growth rate. For compliance and
17 maintenance activities, Peoples forecasts a 0 to 1 percent
18 annual growth rate. For locate activities, Peoples forecasts
19 a 6 percent annual growth rate. For meter reading activities,
20 Peoples forecasts a 4 percent annual growth rate. These
21 forecasted annual growth rates are included on page 14 of my
22 Exhibit TO-2.

23
24 **Q.** In your direct testimony, you explained that the gas
25 operations team is divided into 14 service areas. Are work

1 levels increasing in all 14 service areas?
2

3 **A.** Yes, work levels are increasing in all service areas due to
4 the aforementioned customer growth and the overall economic
5 and population growth in Florida. Each service area has its
6 own profile, but I believe Jacksonville is a good example of
7 our approach to resource planning for expected work levels.
8 As I mentioned previously, my Exhibit TO-2 sets out the
9 company's work levels in all services areas, including
10 Jacksonville.

11
12 **Q.** How is Peoples' operations workload changing in the
13 Jacksonville service area?
14

15 **A.** Like the rest of Florida, Jacksonville is experiencing strong
16 economic growth throughout its entire region. Our
17 Jacksonville system covers portions of seven counties,
18 including Duval, Clay, Baker, St. Johns, Putnam, Union and
19 Bradford. For context, these seven counties combined are
20 roughly twice the square miles of the state of Delaware.
21 Strong customer growth and high levels of overall
22 construction, municipal relocations, and other development in
23 Jacksonville are driving higher locate volumes. The region's
24 expanding geographic footprint is also increasing overall
25 workload and requiring additional resources.

1 This growth is reflected in the increasing workload faced by
2 Peoples in the Jacksonville service area. Between 2020 and
3 2022, Jacksonville has experienced double digit percentage
4 growth in work volumes for service, compliance, locates and
5 meter reading, which are all job types performed by the
6 operations team. Peoples forecasts that this double digit
7 growth will continue for 2023 and 2024 and beyond. These
8 trends are included on page 1 of my Exhibit TO-2. This
9 increasing work activity reflects a robust economic growth
10 profile for northeast Florida, which is a great outcome and
11 story for Jacksonville and Florida.

12

13 **Q.** How is Peoples planning to meet this increasing workload?

14

15 **A.** To meet these growing needs, the Jacksonville service area is
16 planning for 51 total headcount, an increase of 7 from 2022.
17 This increase is set out on page 1 of my Exhibit TO-2. The
18 company also plans to use outside services when necessary.

19

20 **Q.** Has this increased workload translated into higher O&M
21 expense to perform the required work in Jacksonville?

22

23 **A.** Yes. In evaluating these O&M costs, it is useful to examine
24 the total labor expense due to internal headcount and the
25 total outside service expense due to contractors performing

1 operational work activity for Peoples. This is not the total
2 O&M for Jacksonville but just the internal labor and outside
3 services. As shown on page 1 of my Exhibit TO-2, this total
4 O&M (internal labor and outside services) was \$3.4 million in
5 2020 and is projected to increase to \$4.7 million in 2024.
6 Both internal labor expense related to new headcount and
7 external outside service expense increased due to the higher
8 required work volumes and inflation. This increase is
9 expected and justified due to the growth in Jacksonville.

10
11 However, while the total workload and projected O&M expense
12 for Jacksonville are increasing, the company is still able to
13 find efficiencies. To illustrate, page 1 of my Exhibit TO-2
14 shows that the total O&M per team member has decreased, from
15 \$101,000 per operations team member in 2020 to \$91,000 per
16 team member projected in 2024. This is an indicative metric
17 used for comparative purposes that highlights how Peoples is
18 reducing the impact of its labor costs required to complete
19 work volumes on a team member basis. This reduction is
20 especially meaningful when considering broader market
21 conditions, inflation and other factors that drove increased
22 O&M expense in the 2020 to 2024 timeframe.

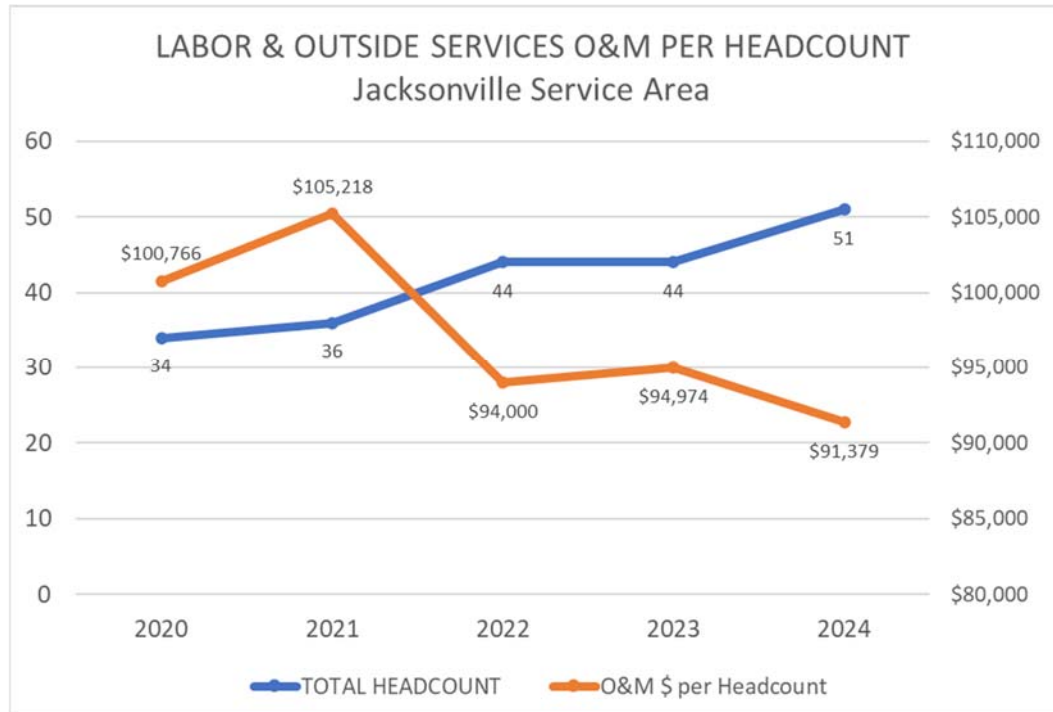
23
24 The O&M labor totals referenced above also show a decreasing
25 cost profile for O&M labor per work activity in the

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Jacksonville service area. In 2020, total O&M per work activity was \$5.71. This means Jacksonville spent \$5.71 on average to complete each work activity, regardless of type. In 2024, this total decreased to \$4.91. This trend is illustrated on page 1 of my Exhibit TO-2. Again, this is an indicative metric used for comparative purposes that identifies increasing efficiency and capacity to complete the work required.

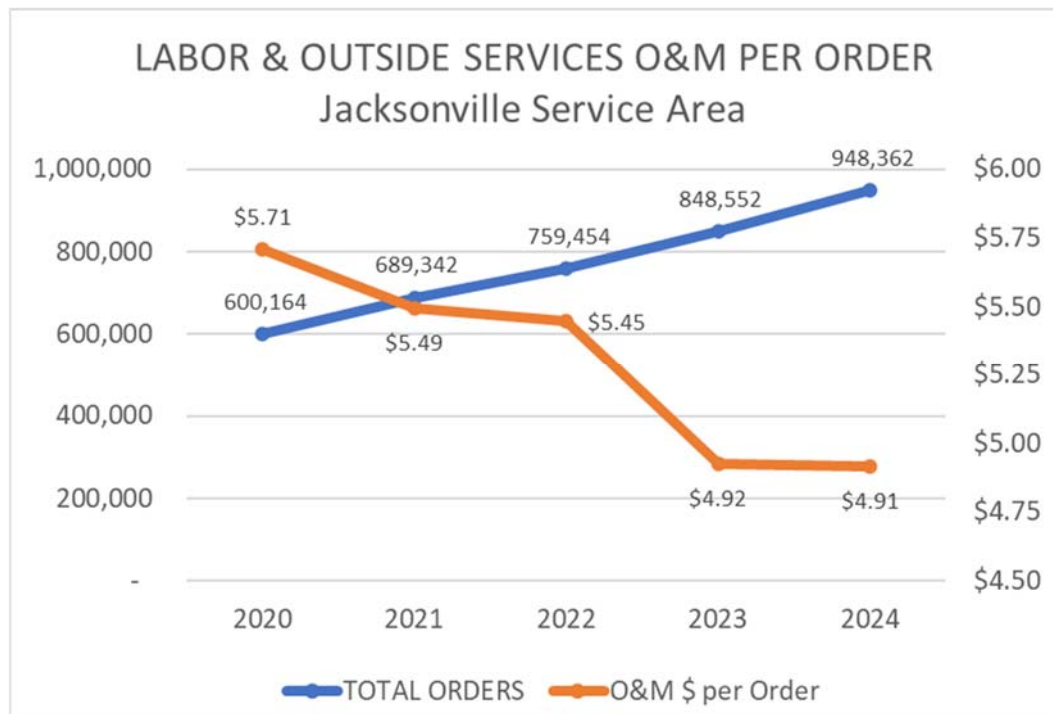
The following graphs illustrate these trends. Graph 2 shows the FTE increases in the Jacksonville service area with the declining labor and outside services expense by headcount. Graph 3 shows the work activity increase in the Jacksonville service area with the declining labor and outside services expense per work activity.

1 **Graph 2: Headcount Compared to Labor and Outside Services O&M**



13

14 **Graph 3: Workload Compared With O&M Per Headcount**



1 Q. How do the other service areas compare to Jacksonville?

2

3 A. Jacksonville is a good example of how increasing work activity
4 requires additional resources to ensure safe and reliable
5 performance of all operational requirements. While our
6 analysis shows that each of our service areas is unique,
7 Peoples still utilizes the same general approach for resource
8 planning as the one described in Jacksonville.

9

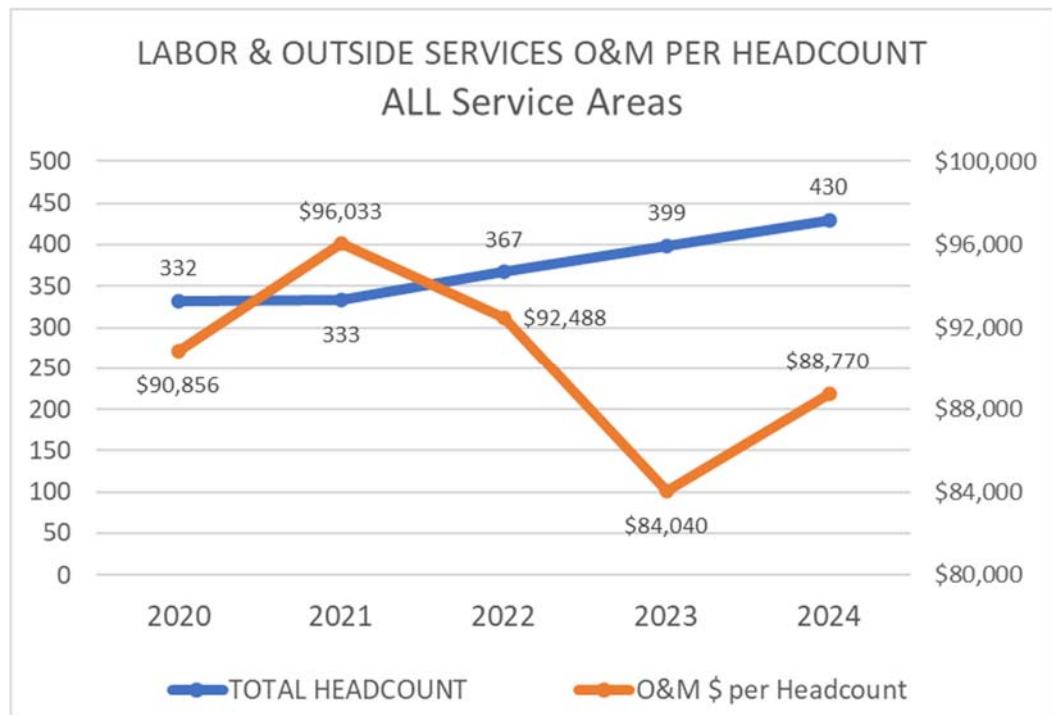
10 Our analysis, which is set out on page 14 of Exhibit TO-2,
11 includes an aggregate summary for all fourteen service areas.
12 This summary shows the headcount additions for 2023 and 2024
13 and the related labor O&M and outside services expense. In
14 2020, gas operations had O&M per team member of approximately
15 \$91,000. In 2024, O&M per team member decreased slightly to
16 approximately \$89,000. Peoples was able to achieve this
17 decrease in O&M per team member even though the company has
18 also faced increasing compensation rates, inflation and other
19 factors for 2020 to 2024. In this same timeframe, O&M per
20 work order increased from \$4.87 in 2020 to \$5.07 in 2024.
21 Although this trend shows a slight increase, this is justified
22 given broader market conditions.

23

24 The following graphs illustrate these trends. Graph 4 shows
25 the FTE increases in all service areas with the declining

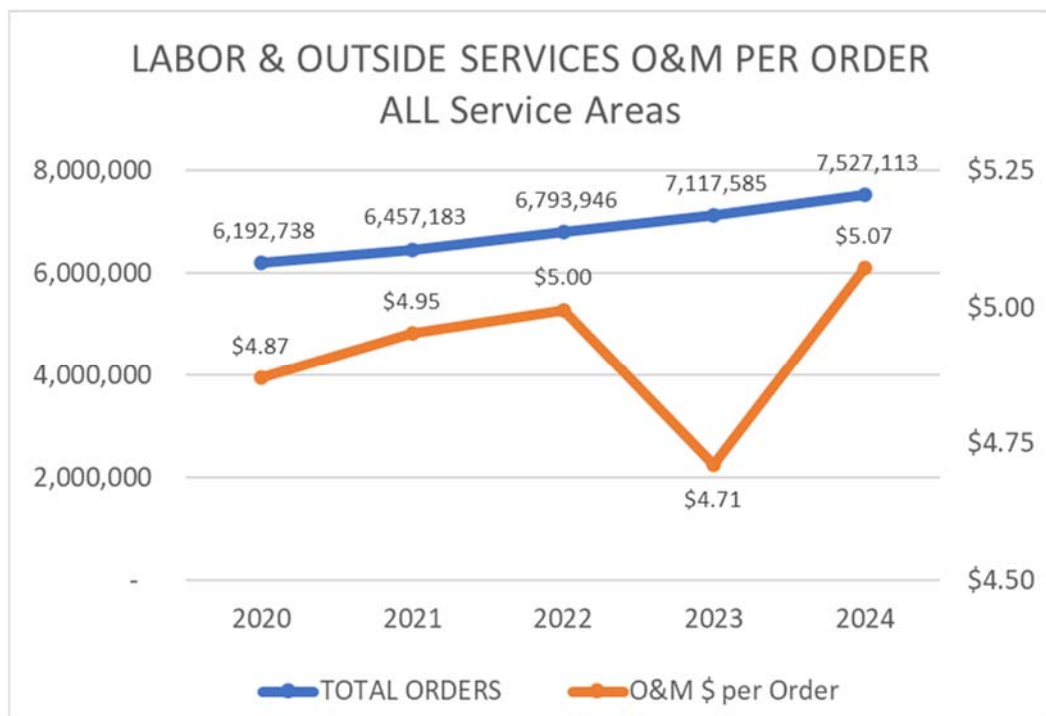
1 labor and outside services expense by headcount. Graph 5
2 shows the work activity increase in all service areas with
3 the labor and outside services expense per work activity
4

5 **Graph 4: Headcount Compared to Labor and Outside Services O&M**



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1 **Graph 5: Workload Compared With O&M Per Headcount**



14 **Q.** Does your Exhibit TO-2 support the headcount additions and
15 outside service expense projections for gas operations?

16

17 **A.** Yes. This supports our O&M increase included in the 2024
18 test year and demonstrates a thoughtful and deliberate method
19 to determining resource needs. Our resource planning
20 provides supporting information that justifies the 32
21 headcount additions in 2023 and the 30 planned headcount
22 additions in 2024 for operations.

23

24 **Q.** Do you expect this level of increased gas operations work
25 activity to continue in the future?

1 **A.** Yes. Peoples has forecasted continued customer growth, which
2 will continue to drive operational requirements for customer
3 service, compliance and maintenance, meter reading and damage
4 prevention activities. Florida's strong economic development
5 and population growth is expected to continue to drive
6 construction throughout the state which will result in high
7 volumes of locate ticket requests.

8
9 **Q.** On page 29 of his direct testimony, witness Kollen states
10 that the addition of employees is directionary and that
11 Peoples is already sufficiently staffed for future work
12 needs. Do you agree?

13
14 **A.** No. While it is true that Peoples constrained hiring in 2022
15 and 2023 in an effort to manage expenses, this approach is
16 not sustainable moving forward. As I explained above, the
17 required work levels in gas operations to safely respond to
18 growing customer service demands, compliance, locates and
19 damage prevention and meter reading have increased over time
20 and we expect them to continue to increase in the future.

21
22 These increasing work levels require more team members.
23 Simply, if we do not increase headcount, locators will be
24 required to perform more locates each day which could
25 sacrifice quality and safety. Without added headcount,

1 higher compliance work volumes would be completed by team
2 members working overtime potentially causing burn-out or poor
3 performance. Peoples has managed headcount and outside
4 services as much as reasonably possible but the requested
5 headcount are needed to maintain our performance levels in
6 the future.

7
8 Further, we have summarized our forecasted work activity in
9 support of our planned headcount additions by service area in
10 Exhibit TO-2. Witness Kollen's argument that employee
11 additions are discretionary and that we are already
12 sufficiently staffed to meet future work needs is too
13 generalized to the point it is neither useful nor
14 constructive. Each service area must be considered
15 multidimensionally to evaluate its ability to meet projected
16 workload requirements now and into the future. These
17 considerations must include the experience and expertise of
18 the current workforce, succession planning, training
19 requirements, geographical coverage needs related to response
20 times, and safety in addition to customer and population
21 growth. Our ability to retain talent in a tight talent market
22 with higher paying, less physically taxing jobs available is
23 also a key consideration in managing our workforce.

24
25 Q. Witness Kollen asserts that Peoples has not reduced

1 contractor expense by an amount that justifies this increase
2 in new employees. Do you agree?

3
4 **A.** No, I do not. Witness Kollen's argument is incorrect in two
5 areas. First, outside services expense for gas operations
6 has decreased from past years. As shown on page 14 of my
7 Exhibit TO-2, field operations outside services O&M in 2020
8 was \$6.3 million, increased to \$9.0 million in 2022 and is
9 projected to decline to \$7.9 million in 2024. This decrease
10 is related to the planned headcount additions for 2023 and
11 2024. Again, high work activity and inflation are driving
12 increasing O&M costs to meet all requirements, and this
13 favorable trend in field operations outside services expense
14 shows that Peoples is managing the balance between internal
15 and external labor.

16
17 Second, witness Kollen's argument ignores the practical and
18 commercial realities of replacing outside contractors. More
19 specifically, as Peoples adds to its headcount, there is not
20 an immediate one-for-one offset with an outside contractor.
21 If an apprentice is hired today, Peoples would maintain an
22 outside contractor while that new apprentice is trained. It
23 would be irresponsible to the public and our team members to
24 deploy new employees without proper training and operator
25 qualification. Because of this, there must be overlap with

1 new hires and existing outside services.

2 **Q.** Do you expect that these additional hires will ultimately
3 result in a reduction in contractor expenses?

4
5 **A.** Yes, but not immediately. As Peoples adds headcount to our
6 operating service areas, evaluation of outside contractor
7 expense is completed. We will continue to seek opportunities
8 to reduce costs overall with new headcount additions. This
9 transition will extend beyond 2024. The mix of labor and
10 contracted services embedded in this base rate request is
11 necessary to properly manage that transition while
12 maintaining safety, reliability and customer service levels
13 of operating our growing system and customer base.

14
15 **Q.** In addition to outside services expense, does Peoples seek
16 other cost savings for gas operations?

17
18 **A.** Yes. As set out on page 14 of Exhibit TO-2, Peoples has
19 estimated a reduction in overtime labor costs due to the
20 planned headcount additions. In 2020, total overtime was
21 \$3.6 million, in 2022 it was \$4.0 million, but in 2024,
22 Peoples projects a reduction to \$3.0 million. This reflects
23 lower planned overtime amounts due to the higher headcount.
24 This not only demonstrates an efficiency but an appropriate
25 balance of workload. The allocation of work activities by

1 team member is an important element of safely and reliably
2 managing the responsibilities of our resources. With the
3 growth experienced by Peoples, the projected expansion of
4 resources is intended to ensure that the forecasted
5 workload is adequately balanced across our 14 divisional
6 operation areas.

7
8 **Q.** On page 30 of his testimony, witness Kollen states that
9 Peoples' position is that the WAM system will not result in
10 any cost savings in the 2024 test year. Is that Peoples'
11 position?

12
13 **A.** Yes. Due to the timing of the project implementation in 2023,
14 cost savings are not projected in 2024, nor were they ever
15 expected. It is important to note that this is entirely
16 normal for a project of this nature. The WAM system is an
17 investment to drive future efficiency and productivity in the
18 way in which we perform our work. With a system
19 implementation like this, the first twelve to twenty four
20 months involve team members working to become proficient in
21 its use, for the data collected to be utilized and optimized,
22 and for the business to fully integrate its features into all
23 functions. It is reasonable not to project immediate cost
24 savings following such an implementation. However, there are
25 other benefits beyond cost savings from a system like this

1 the Peoples expects to realize in the early years.

2

3 **SUMMARY**

4 **Q.** Please summarize your rebuttal testimony.

5

6 **A.** Witness Kollen's testimony argued that headcount additions
7 were discretionary. This testimony provides supporting data
8 that describes the nondiscretionary nature of safely
9 performing gas operations work activities and at the level of
10 quality our customers expect. Witness Kollen's testimony
11 argued that Peoples is already staffed for growth. This
12 testimony provides supporting data that shows expected work
13 levels for service, compliance, locates and meter reading to
14 2024 that is reflective of the high customer demand for
15 natural gas and the overall construction and growth of
16 Florida. Additional resources are required to meet the
17 expected growth at Peoples and within Florida. Witness
18 Kollen's testimony argued that outside contractor costs were
19 not reduced given headcount additions. This testimony
20 corrects witness Kollen in that outside contractor expenses
21 have decreased from 2022 to 2024. Furthermore, witness Kollen
22 wrongly assumes outside contractor expenses should be reduced
23 because of additional headcount. This testimony explains the
24 realities of balancing the use of outside contractors while
25 training and developing new employees in a responsible and

1 safe manner.

2

3 Peoples has a strong record of demonstrated safe and reliable
4 operations based on prudent and responsible resource planning
5 and management. The requested headcount and related labor
6 expenses within the rate request for 2024 seeks to maintain
7 our high-quality customer service through the safe and
8 reliable operations to our customers and the public.

9

10 **Q.** Does this conclude your rebuttal testimony?

11

12 **A.** Yes, it does.

13

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1 BY MR. MEANS:

2 Q Mr. O'Connor, did you also prepare and cause
3 to be filed with your direct testimony exhibits marked
4 TO-1 consisting of four documents?

5 A Yes.

6 Q And did you also prepare and cause to be filed
7 with your rebuttal testimony and exhibit marked TO-2,
8 consisting of one document?

9 A Yes.

10 MR. MEANS: Mr. Chairman, Peoples would note
11 for the record that Exhibits TO-1 and 2 have been
12 identified on the comprehensive exhibit list as
13 Exhibits 14 and 27.

14 CHAIRMAN FAY: Okay.

15 BY MR. MEANS:

16 Q Mr. O'Connor, would you please summarize your
17 prepared direct and rebuttal testimony?

18 A Yes. Thank you.

19 Good afternoon, Commissioners.

20 My testimony describes the company's gas
21 operations, sustainability and external affairs teams,
22 and includes pipeline safety. It describes how the
23 company invests capital in gas operations to provide
24 safe, efficient and reliable service to our customers.
25 My testimony also demonstrates that the company's

1 proposed levels of operations and maintenance expense
2 for the 2024 test year are reasonable and prudent.

3 Peoples serves over 470,000 customers across
4 39 counties in Florida. The company's workload is
5 increasing due to high customer demand for natural gas
6 and robust population growth in our state.

7 This story of more people wanting natural gas
8 for their homes and businesses, and of our state growing
9 overall is a wonderful story. But this growth requires
10 Peoples to grow our people and resources to maintain
11 safe and reliable service to our customers and to the
12 public.

13 To illustrate this growth, in 2022, Peoples
14 had over 618,000 locate tickets submitted through the
15 Sunshine 811 Call Before you Dig system. This was an
16 increase of 31,000 tickets from the prior year. The
17 618,000 tickets require response from Peoples within two
18 business days.

19 This volume represents nearly 2,400 locate
20 tickets in a business day. 2,400 in a day. Some of
21 these tickets are directly related to gas service to
22 customers. However, some of these tickets have nothing
23 to do with new gas service, but are required to support
24 Florida's growth as our state's population grows.

25 This growth across Florida in the form of new

1 construction, road widenings or relocations, other
2 excavation and development drive higher locate requests
3 that Peoples must complete to protect our system. This
4 is just an illustration of this increasing workload that
5 highlights the need for increased staffing and resources
6 to maintain safe and reliable service.

7 My rebuttal testimony shows data from each of
8 our 14 service areas for our planned team member
9 additions, expected internal and external labor costs
10 and work type activity projections. This data supports
11 the company's request for additional team members in the
12 2024 test year, and demonstrates how Peoples uses
13 thoughtful and deliberate resource planning to meet the
14 demands of our customers and the state of Florida.

15 In closing we are so proud of our ability to
16 safely and reliably deliver natural gas service to our
17 customers and to ensure our teams are adequately
18 resourced to do so.

19 Thank you.

20 MR. MEANS: Mr. Chairman, we tender Mr.
21 O'Connor for cross.

22 CHAIRMAN FAY: Okay. Mr. Rehwinkel.

23 MR. REHWINKEL: Thank you, Mr. Chairman. And
24 as a preliminary matter, we earlier distributed
25 Exhibit 164, which is this big, I think with Ms.

1 Wesley, and I don't know if that document is still
2 up at the witness stand.

3 CHAIRMAN FAY: I imagine it's probably not,
4 Mr. Rehwinkel. Do we have another copy that we can
5 provide him?

6 MR. REHWINKEL: I have one out of my book that
7 I can give him, if it's okay with counsel.

8 CHAIRMAN FAY: Well, do you -- yeah, well --

9 MR. REHWINKEL: Thanks.

10 CHAIRMAN FAY: Is that the only one you will
11 be referring back to, Mr. Rehwinkel? Is that the
12 only exhibit you will be referring back to of our
13 previous ones, or do we need to make sure he has --

14 MR. REHWINKEL: I believe so. Yeah.

15 CHAIRMAN FAY: We will go ahead, and if we get
16 to it, then we will address it then.

17 MR. REHWINKEL: Okay. He has the confidential
18 book, so if we have anything out of that we can go
19 with that.

20 Thank you Mr. Chairman.

21 EXAMINATION

22 BY MR. REHWINKEL:

23 Q And, good evening, Mr. O'Connor.

24 A Good evening.

25 Q Good to see you again. And I want to start

1 off -- I am going to ask you some questions about your
2 testimony on Issues 19, 41, 42 and 49, and those are
3 issues you addressed, are they not?

4 A I believe so.

5 Q Okay. Issue 19 is related to the WAM, or Work
6 and Asset Management Project, have I said that right?

7 A Yes.

8 Q And my questions on 41, 42 and 49 are related
9 to the proposed additions to the workforce for which you
10 testify and support, do you understand that?

11 A Yes.

12 Q Okay. Now, in your rebuttal testimony, you
13 present in what I think has been identified as Exhibit
14 27 your TO-2 rebuttal exhibit. You present that as
15 evidence to rebut the Public Counsel on witness Kollen's
16 position that PGS staffing request is excessive, do you
17 not?

18 A Yes, I do.

19 Q Okay. Before exploring the merits of this
20 exhibit in rebuttal, I would like to understand the
21 methodology that you used to determine the precise
22 number of employees that you propose for determining the
23 revenue requirement in this case.

24 Isn't it true that you provided no evidence in
25 this case demonstrating an objective methodology that

1 yielded the number of employees that you are asking for
2 be approved?

3 A No, I don't --

4 Q Let me withdraw that question and restate it.

5 Isn't it true that you provided no
6 quantification, or metrics, regarding the number of
7 employees that you are seeking for the Commission to
8 approve through the revenue requirement?

9 A Yes, that is true.

10 Q And that -- I think a corollary to that is
11 there are no objective metrics that were applied to
12 yield the employee count that you support in your
13 testimony, is that fair?

14 A Yes, that's fair.

15 Q Okay. So now we can look at what's been
16 identified as Exhibit 164, which is the Interrogatory 13
17 response. Are you familiar with that document?

18 A Yes.

19 Q Okay. In this exhibit, you were shown as
20 being responsible for supporting the addition of 42 new
21 employees, is that right?

22 A I don't think 42 is the correct number.

23 Q 42 replacement employees, is that right?

24 A In 2023?

25 Q Well, let me see if I got this right. I think

1 I said 42, and I mean 32 -- 32 replacement employees in
2 2023, is that right?

3 A I believe my direct testimony has 38 total
4 employees in 2023.

5 Q Okay. So when I am looking on this document
6 here, we see Mr. Richard has the first tranche, and then
7 starting in Tampa with an apprentice -- with three
8 apprentices, all the way down to Southwest Florida
9 Supervisor, do you see that?

10 A Yes, I do.

11 Q Okay. So in that, I counted 32. Did I
12 miscount?

13 A Well, I see even more below that? If you go
14 down, you will see Orlando crew Coordinator And Sarasota
15 Apprentice near the bottom.

16 Q Okay.

17 A And then there was a vacancy allowance in
18 there. So, again, I believe the total number net of
19 vacancy was 33.

20 Q Okay. 33 --

21 A I am sorry --

22 Q 38?

23 A -- 38.

24 Q Okay. Does that include the four vacancies --
25 I mean, the four vacancy allowance positions?

1 A There were two vacancy allowance positions in
2 2023 and two in 2024. So as it relates to the 38 in
3 2023, there were two vacancy allowances --

4 **Q Okay.**

5 A -- included in that.

6 **Q So 36 positions that you expect to fill in**
7 **2023?**

8 A If you will just give me a moment --

9 **Q Yes, sir.**

10 A -- I am going to pull up my direct testimony
11 so I am --

12 **Q Okay.**

13 A -- on this. So, yes, total net of the vacancy
14 was 38.

15 **Q Okay. And I apologize, I was -- I had this**
16 **backwards. You have 42 new employees that you are**
17 **supporting, is that right, not vacancies, but**
18 **incremental additional employees between the two years?**

19 A That is correct.

20 **Q Okay. And as you said, 36 vacancies plus the**
21 **two vacancy allowance positions, which brings you to 38,**
22 **is that right?**

23 A 40 total positions minus two for the vacancies
24 got us to 38.

25 **Q Okay. All right. Now, tell me what your**

1 understanding, or what the Commission is supposed to
2 understand as far as the vacancy allowance positions.
3 There is four of those between the two years, is that
4 right?

5 A Yes.

6 Q So how do you characterize those? Will those
7 be filled or are they slots that you expect to go
8 unfilled but they may be filled at some point in time?

9 A We did our best to look back at a historical
10 vacancy rate. We have a descent amount of turnover
11 within our ranks, you know, general employee movement
12 kind of things. And as we submitted our request, we
13 felt it appropriate to net two positions to account for
14 that level of ongoing open positions, and that's
15 approximately a five-percent vacancy rate assumption.

16 Q Okay. And would the Commission be providing
17 funds -- if they approved all of your revenue
18 requirement associated with these vacancy fillings,
19 would they be providing revenue for those -- for that
20 five-percent vacancy allowance?

21 A For our revenue requirement calculation, we
22 netted the cost of those two positions from overall
23 employee cost for new position.

24 Q Okay. So you are saying there would not be
25 money provided for those two positions in those two

1 years, is that --

2 A Correct.

3 Q Okay. All right. Now, most of the proposed
4 employees would, if hired, provide support for the work
5 that is needed to add and service the accounts of the
6 thousands of new employees -- new customers that you
7 forecast to be Peoples' customers in 2023 and 2024, in
8 your shop?

9 A Yes. These added team members would perform
10 operations work as required for customers, compliance,
11 safety, damage prevention and emergency response.

12 Q Okay. In your Exhibit TO-2 that we will get
13 to in a minute, but you basically give the Commission a
14 summary of what I am going to call the tasks that these
15 employees would perform, or they have historically
16 performed and they would perform in '23 and '24, is that
17 right?

18 A Yes, I do.

19 Q Okay. On the Work and Asset Management issue,
20 your familiar with the Work and Asset Management, or
21 WAM, we can call it WAM, right?

22 A Yes.

23 Q It's easier. For WAM, you understand how WAM
24 is supposed to change the organization over time?

25 A Yes, I do.

1 **Q Okay. Could you give the Commission just a**
2 **quick overview of what you think WAM is supposed to do**
3 **to your organization?**

4 A Okay. So the Work and Asset Management system
5 is a new platform that will allow us to manage our work
6 and operations at a much higher level than we currently
7 can today. It is a must have for us in gas operations,
8 given the size that Peoples has grown to. Currently, we
9 have multiple systems that we utilize for locates, for
10 leak management, customer service, compliance
11 activities. Some of those systems are not sustainable.

12 By moving to WAM, we will have a single
13 platform for all of this activity that will provide a
14 number of benefits to Peoples. Having a single platform
15 allows for much better coordination of work activities,
16 the scheduling and dispatch of our work, planned
17 optimization of that work as we dispatch our crews out
18 into the field to make the most of their time in a day.
19 It also will provide significant improvements in terms
20 of data collection and aggregation that will inform
21 better decision-making into the future, allow for a
22 higher level of data analytics around all aspects of gas
23 operations. This is a system right now that we are
24 right in the middle of implementing. It will take us
25 some time to digest it and become quite proficient in

1 it.

2 As this room learned a little bit even this
3 week. Whenever you put a new system in place, there is
4 some good days and bad days, and we are experiencing
5 that right now at Peoples as we bring this system fully
6 -- fully on board and try our best to make -- to fully
7 utilize it.

8 **Q Thank you.**

9 MR. REHWINKEL: And, Mr. Chairman, I would
10 like to pass out an exhibit at this time, what we
11 designate as OPC 67, but it is -- this would be
12 187?

13 CHAIRMAN FAY: Yes. Correct.

14 (Whereupon, Exhibit No. 187 was marked for
15 identification.)

16 BY MR. REHWINKEL:

17 **Q This is a document entitled WAM Benefits**
18 **Realization Metrics, 2022 Update. Mr. O'Connor, are you**
19 **familiar with this document?**

20 A Yes, I am somewhat familiar with this.

21 **Q Okay. This is a document that was prepared**
22 **for either the TECO or Emera -- or Tampa Electric or**
23 **Emera board, is at that right, in seeking their approval**
24 **for the WAM funding? If you know.**

25 A Yes, I believe -- I believe this was a

1 supporting document --

2 Q Okay.

3 A -- for support for the overall WAM project.

4 Q All right. And this document, I think you are
5 familiar with, it was provided as a late-filed exhibit
6 to Mr. Richard's first deposition, right?

7 A Yes.

8 Q Is it your understanding that this document is
9 intended to quantify the types of benefits that WAM
10 should provide throughout the various departments of
11 Peoples Gas?

12 A Yes.

13 Q When I look at this document, there is a --
14 there is a little bit of description in the upper
15 left-hand area of the document. It says: The document
16 below was originally created in support of the WAM
17 approval in November 2020. The document was updated in
18 March '22 -- 2022, and is a supporting schedule
19 analyzing the potential value benefits potential of the
20 WAM project. Did I read that right?

21 A Yes.

22 Q Okay. And in the next line, the next -- the
23 sentence that follows the one that follows that, says:
24 This is not considered a final document or an up-to-date
25 evaluation of WAM's benefits as the actual

1 implementation schedule was altered subsequent to this
2 update which impacts the availability of the expected
3 timings -- timing of savings. Do you see that?

4 A Yes.

5 Q Okay. And that did happen?

6 A Yes.

7 Q Okay. And then finally, the last sentence
8 there says: As the system matures, Peoples anticipates
9 realizing these benefits in the form of cost sav-- cost
10 avoidance through process efficiency. Do you see that?

11 A Yes.

12 Q Now, is it your understanding with respect to
13 gas operations that cost avoidance there could take the
14 form of avoided hirings of team members?

15 A Yes, it could.

16 Q It could take the form of avoided contracting
17 of contractor services?

18 A Yes, potentially.

19 Q And it could take the form of avoided capital
20 costs, but that wouldn't really be your area, right?

21 A Correct. It would be more in the engineering
22 and construction side that's covered by witness Richard.

23 Q Okay. In the third column over here, under
24 department, we see on line one, engineering and
25 construction, that's Mr. Richard's area, right?

1 A Yes, it is.

2 Q And then we go down to operations, on line
3 nine, line 12, 14, 15, 16, 17, 18 and 20 on this page.
4 Do you see that?

5 A Yes.

6 Q Okay. And then those are your
7 responsibilities?

8 A Yes, it is.

9 Q Okay. Now, when I look at over two-thirds of
10 the way over to the right, there are columns for O&M and
11 capital, right?

12 A Yes.

13 Q Okay. And we see that for the lines that I
14 just mentioned, we see there are O&M dollars, starting
15 on line 12, that are identified potential savings, do
16 you see that?

17 A Yes, I do.

18 Q And you would agree that the O&M savings for
19 WAM are primarily concentrated in gas operations, right?

20 A Yes.

21 Q And then if we go to the second page of this
22 document, there is a summarization of savings, and I
23 guess we could kind of line them up, but the -- there
24 are potential O&M savings that were, in 2020, identified
25 under original O&M, and then there was a year that those

1 savings could potentially be recognized, right?

2 A Correct.

3 Q Then under this document, there was a revised
4 O&M amount that you see in the blue?

5 A Yes.

6 Q Okay. Now, as I understand it, the company's
7 position is, is that even from 2022, the revised O&M
8 numbers, those numbers have shifted out in time as far
9 as potential O&M savings, right?

10 A Yes.

11 Q Is it your testimony, or your understanding,
12 that the O&M savings that are shown associated with the
13 operation rows that we looked at there, are those the
14 best information that we know today as far as the
15 possible savings, or have those been updated?

16 A I believe these are the most recent estimates
17 at this time.

18 Q Let's go back to -- we can kind of put this --

19 MR. REHWINKEL: Did we give this a number, Mr.
20 Chairman? If we did, I --

21 CHAIRMAN FAY: 187, Mr. Rehwinkel.

22 MR. REHWINKEL: Thank you.

23 BY MR. REHWINKEL:

24 Q So if we go back to 164, which is the big
25 Peoples spreadsheet, employee spreadsheet. The unfilled

1 positions that I struggled to get on the right track
2 with, if we look here, what we see is we show, on the
3 left-hand side, the district and the type of employee
4 that would be in gas operations associated with the
5 O'Connor name here, right?

6 A Correct.

7 Q And then the number that you intend to hire
8 for these vacancy replacements in '23 and '24. And then
9 all of those have an N by them, which show they are not
10 new positions, they are -- they are vacancies to be
11 filled?

12 A Correct.

13 Q And we see those Ns in both years. Then we
14 see an unfilled explanation at the top. And could you
15 read the explanation that's associated with the Tampa
16 Apprentice?

17 A Due to customer growth, higher work activity
18 to serve existing and new customers, and to PGS's
19 distribution expansion, filling vacant apprentice up to
20 utility type positions is needed, primary tasks will be
21 locates, turn-ons, turn-offs, leak survey inspections,
22 emergency response and other service items.

23 Q Okay. Would you agree with me, that same
24 explanation is associated with each of those vacancy to
25 be filled under gas operations?

1 A Yes.

2 Q These positions are in the budget but not
3 filled, is that a correct characterization?

4 A No. These positions are in the budget for
5 2023, and a large majority of them have been filled as
6 of mid-August.

7 Q All right. I asked that sloppily.
8 At the time you filed your testimony, these
9 positions were in the budget but not filled, right?

10 A I believe that's true.

11 Q Okay. Now, what is your understanding of the
12 status of these specific positions in your organization,
13 these 36?

14 A I am sorry, are you asking are they filled or
15 not?

16 Q Yes.

17 A Of the overall total, a large majority have
18 been filled as of mid-August.

19 Q So what does large majority mean?

20 A Approximately 34 positions have been filled.

21 Q Of the 36, or of the --

22 A So, yes. So remember, total of 40, net of a
23 vacancy assumption of minus two is 38.

24 Q 38, okay.

25 A 34 of those are these replacement positions.

1 Six are new, okay. I am just giving you that breakdown.
2 I am sorry, 33 of those have been filled through
3 mid-August.

4 Q Okay. So the ones we just talked about on the
5 vacancy, 33 of those are filled?

6 A Yes.

7 Q Okay. Is the explanation that you gave that
8 you just read into the record, that applies whether the
9 employee position is an apprentice or a utility
10 technician?

11 A It does, but let me explain it just a little
12 bit.

13 The way in which we bring team members into
14 gas operations at Peoples, there is, as you would
15 expect, a heavy training element to new team members, to
16 make sure that they are qualified to be able to perform
17 the tasks we need them to perform, to make sure that
18 they are doing all of these activities in a safe way, to
19 themselves, to their team members, and to the public.

20 The description I provided and justification
21 was -- is quite general in terms of all of the
22 activities a new hire within gas operations may be
23 expected to perform, but also assumes a level of
24 training that, for a brand new team member, could be
25 somewhere in the range of 18 months before they are

1 fully capable of performing all job tasks. And so the
2 description I provided here was broad intentionally to
3 target all of the possible tasks, but that doesn't mean
4 they are able to do all of those tasks as soon as they
5 are hired.

6 Q Now, the -- on the far left-hand side, there
7 is a geographic distribution of these employees,
8 correct, of Exhibit 164?

9 A I am sorry?

10 Q Along the left there is --

11 A Yes, the left side.

12 Q -- Tampa, St. Pete, Orlando, Ocala, Eustis,
13 Daytona, Sarasota, Southwest Florida -- that's Ft.
14 Myers, right?

15 A Yes.

16 Q And Dade, Daytona, and then back to Sarasota
17 and Southwest Florida, right?

18 A Correct.

19 Q Okay. Those distributions are kind of fixed,
20 and that's how you filled these 33, is for each of these
21 needs in the position -- in the districts?

22 A Yes. These positions are based on each
23 service area's projected workload, the existing
24 workforce, the level of experience within that
25 workforce; as I mentioned, the training expect -- the

1 timing of the training that would take place depending
2 on the type of workers we are hiring. So it is quite
3 dynamic and a little bit specific to each service area.

4 Q So -- and the way the 33 you mentioned, they
5 also were filled by the needs that you show here,
6 right --

7 A Yes.

8 Q -- geographically?

9 A Yes.

10 Q Okay. Putting aside the, kind of the
11 one-size-fits-all explanation that's in this document
12 here, is there some objectivity to the allocation of
13 these vacancy restorals to the particular districts?
14 That's where the vacancy was, so you filled it there?
15 That's what I am looking for.

16 A I think I understand what you are asking.
17 Yes. I mean, I think we have a plan vacancy, and we
18 want to fill that position. We are not locked into that
19 if circumstances change. We could adjust depending on
20 the type of worker that we hire, maybe he or she brings
21 more or less skills than we hope when we originally set
22 this plan. But, yes, I think the plan distribution, as
23 you mentioned by each service area, has largely held
24 from our filing.

25 Q Okay. Well, I guess what I am getting at is

1 that the vacancy fillings -- that's a good term -- are
2 not fungible. They -- they -- you wouldn't move six
3 from one place to another just to get people on board,
4 is that right?

5 A No, we wouldn't do that. And I would say some
6 of my operating teams would be unhappy with me if I just
7 started moving people around like that.

8 Q Okay. So let's go to this -- to the next
9 page. And these are the 29 -- I think there are 29 new
10 positions starting at the top of the page, all the way
11 down to just above Mr. Richard's position. Do you see
12 that, for new?

13 A Yes.

14 Q Okay. And then you have a total of 42 new
15 positions, though, that you are asking the Commission
16 though approve in your operation?

17 A I believe the 42 you are referencing is for
18 2023 and 2024.

19 Q Yes, sir.

20 A Yes.

21 Q Okay. The line between those years, as shown
22 here on this document, that's 42 new positions, right?

23 A Yes.

24 Q Okay. And again, the needs that are shown on
25 this document are specific to the districts that are

1 shown on the document, correct?

2 A Correct.

3 Q And that hasn't changed since you filed your
4 testimony, is that right?

5 A No, I don't think that's changed.

6 Q Okay. And I am not going to make you read it
7 again, but you have an unfilled explanation associated
8 with each of these groups of positions on this page.
9 It's the same for all, at least the first 29, right?

10 A Yes.

11 Q Okay. Now, two of the 29 that I can see on
12 the first half of this -- top half of this document are
13 for '23, and the rest are for '24; is that right?

14 A I am sorry, just to be a little more clear,
15 two --

16 Q As I look at the top, there is, in 2023, for
17 Orlando and Sarasota, there is one each headcount, and
18 then it looks like there is 27 more in that top half of
19 the page that are for 2024.

20 A I am not following your totals --

21 Q Okay.

22 A -- from this, but those numbers sound close,
23 we have a totals of 38 positions in 2024, again, net to
24 off of that down to 36 for vacancy, and of that, 36 --

25 Q So just so I -- let's just start over again on

1 this second page. There are all Ys in the column for
2 the first 29 positions that go down all the way to the
3 Jupiter Apprentice. Do you see that on the left? It
4 goes from Orlando Corrosion Coordinator to Jupiter
5 Apprentice. And then Mr. Richard has some and then you
6 have three -- you have several more.

7 A I am sorry, you are referring --

8 Q Are you following me?

9 A -- '24, right, 2024?

10 Q Yes. Well, we have two in '23, and then I
11 count 27 more in 2024, in the top half of this document.
12 Are you on the second page? The first page has the
13 vacancies, and the second page has the new additions.

14 A I am sorry.

15 CHAIRMAN FAY: Mr. Rehwinkel, I am also having
16 trouble following you. So my second page, it
17 starts with St. Pete Apprentice, is that the top
18 position on your page?

19 MR. REHWINKEL: In my document, the first page
20 is North Distribution Design Gas -- Gas Design.

21 CHAIRMAN FAY: On your second page?

22 MR. REHWINKEL: Oh, maybe this -- this has
23 been -- just give me a second. Let me make sure I
24 have -- we --

25 I apologize to everyone. We have got a slight

1 difference in the two documents.

2 CHAIRMAN FAY: Okay.

3 MR. REHWINKEL: So let me get sorted out. I
4 apologize for --

5 CHAIRMAN FAY: Okay. No problem. I think for
6 the second page, ours starts with the St. Pete
7 Apprentice. Is that the version that you have, Mr.
8 O'Connor?

9 THE WITNESS: Yes, St. Pete Apprentice.

10 CHAIRMAN FAY: Okay.

11 BY MR. REHWINKEL:

12 Q I am on the right page literally and
13 figuratively here, I think. I apologize. My intention
14 was not to make you look like you didn't know what you
15 were doing.

16 So if you -- on the first page, near the
17 bottom, there is a St. Pete -- yeah, Orlando Corrosion
18 Coordinator. That's your first -- that's a 2022 new
19 position hire, is that right?

20 A No. So on the first page here, it's the third
21 one from the bottom I think you are referring to,
22 Orlando Corrosion Coordinator.

23 Q Yes.

24 A That is in the 2023 column.

25 Q And it's new?

1 A Yes.

2 Q Okay. So we are now -- this is where I want
3 to start talking about, from that point forward.

4 A Okay.

5 Q So you have two new hires, a Orlando Corrosion
6 Coordinator and Sarasota Apprentice in 2023, right?

7 A Yes.

8 Q And then Tampa Pipeline Locator begins the
9 2024 hirings. I do have that right? New hires?

10 A Yes. If you are referring to a mine, but just
11 I will point you all the way to the middle of this page,
12 you will see Daytona Apprentice II, that's in 2024 as
13 well, if you are totaling 2024.

14 Q Yeah, I just wanted to start with the -- we've
15 taken care of -- there is two hires that are new in
16 2023, and then after that, all the ones that are listed
17 as new hires for you, all the way down to Jupiter
18 apprentice on the next page, those are 2024 hires?

19 A Yes.

20 Q Okay. I apologize for the confusion.

21 A My fault too, I am sure.

22 Q No.

23 All right. So these -- so now I want to go
24 back to, we talked about you have had certain hires of
25 the vacancy fillings, and now of the new hires, tell me

1 **what the status of these are.**

2 A Of the new hires, they are largely unfilled.
3 They are planned for 2024. We have -- we have not -- we
4 have hired one actually this year, as of mid-August. We
5 needed -- we needed to pull that into this year, but for
6 the most part, it's 2024 planned hirings, and we haven't
7 hired anyone yet.

8 Q Okay. And the two that we talked about here,
9 the 23 hires, Orlando Corrosion Coordinator and Sarasota
10 Apprentice, have those been filled?

11 A I believe the Sarasota Apprentice has been
12 filled. I don't know offhand on the Corrosion
13 Coordinator. I would have to check that.

14 Q Okay. There just was some discussion with Ms.
15 Wesley this morning about an updated status, so I wanted
16 to do that here, and I apologize for doing it so poorly.

17 In 2024, you show 15 apprentice hires, is that
18 right? You accept that subject to check?

19 A That sounds right, yes.

20 Q Okay. Now, these hires would be made
21 throughout the test year of 2024, is that right?

22 A For -- if you are referring just to the
23 apprentice.

24 Q Yes.

25 A We would have budgeted that, an apprentice

1 class in 2024, subject to check, I want to say May of
2 2024, because of our apprentice program, we hire a class
3 of apprentices. We target to hire them all at once, and
4 begin training them through our gas works apprentice
5 program.

6 Q Okay. Now, the hire comes in the middle of
7 the year, so to speak, but the salary amount is for the
8 whole year, right?

9 A No. Our 2024 projection would have -- would
10 take into account the timing of the hire.

11 Q Okay. So if you hired them in May, you will
12 get basically seven months of salary recognition in the
13 test year if the Commission approves these hires?

14 A That's correct.

15 Q Okay. And as you testified to earlier, it
16 takes 18 months for an apprentice to be fully trained to
17 work independently, is that fair?

18 A That's fair.

19 Q Okay. So of these employees, if they stay
20 around and stay on staff, they would be providing the
21 full measure of intended benefits basically after the
22 test year, right? They have got to go through gas
23 works, that takes a significant period of time, does it
24 not?

25 A Yes. Going through gas works takes

1 approximately 18 months for a new apprentice to obtain
2 qualifications to be on call, which is a significant
3 threshold for us in terms of our coverage around damages
4 or leaks to our system.

5 **Q Okay. So let me see if I can push a document**
6 **out. I haven't tried that yet. I am trying to go to**
7 **E2-30. I need to refresh. Okay. Somebody has already**
8 **sent it out.**

9 MR. SCHULTZ: I just sent it so. I wanted to
10 make sure --

11 MR. REHWINKEL: All right. Thank you.

12 It's not showing up on mine either. E2-30.
13 Major got it right.

14 BY MR. REHWINKEL:

15 **Q You have it? Do you see that? No? Okay.**

16 A We are not connected right now.

17 STAFF: There is no internet access to this
18 laptop right now. I am trying to change that.

19 MR. REHWINKEL: Oh, okay.

20 CHAIRMAN FAY: Mr. Rehwinkel, are you
21 referring to his testimony.

22 MR. REHWINKEL: Yes. This is going to be page
23 five of his rebuttal.

24 CHAIRMAN FAY: Okay. I think that will get us
25 there.

1 MR. MEANS: And I think he has it on paper
2 copy, if that will speed things along.

3 MR. REHWINKEL: Yeah.

4 THE WITNESS: I am on page five of my
5 rebuttal.

6 BY MR. REHWINKEL:

7 Q Okay. So I want you to look at lines 12
8 through 25, if you could.

9 Here you ask: How do the proposed headcount
10 additions support the increasing levels of
11 nondiscretionary work activities? Do you see that?

12 A Yes.

13 Q Okay. This is the heart of what you are
14 supporting, is why you need these new positions, right,
15 these nondiscretionary activities?

16 A Yes, it is important.

17 Q On line 19, it says: With the addition of
18 these resources, Peoples will be positioned to continue
19 to meet new customer demand, meet compliance
20 requirements, and adequately respond to potentially
21 hazardous conditions and serve customers in the manner
22 our customers deserve. Do you see that?

23 A Yes.

24 Q Okay. You really are saying -- your answer
25 here to the question is, how do the headcount support

1 the activities, the increasing level of activities, you
2 are really saying -- answering how the activities
3 support the hiring of the new employees, right?

4 A No. I think it goes both ways.

5 When you think about the expected workload for
6 a specific service area, you have to go through an
7 exercise of projecting what that workload looks like,
8 what it entails, but then we also have to look at our
9 available resources. In some service areas, we may have
10 more experienced technicians who are able to do more
11 than a new hire, a new apprentice. We may have some
12 that are closing in on retirement.

13 So we really have to factor in both the
14 workforce as well as the workload, and then begin to
15 draw conclusions around the appropriate resource plan
16 going forward.

17 Q So let's go back to page two of your
18 testimony, which is E2-27. I don't know if your
19 internet is working yet, but you are not -- when I look
20 at lines 17 through 20, you say: As I will explain in
21 my rebuttal testimony, each of these conclusions is
22 incorrect. Instead, Peoples faces an increasing
23 workload that cannot safely be met by the company's
24 existing workforce. Do you see that?

25 A Yes, I do.

1 **Q You are not testifying there that Peoples is**
2 **operating in an unsafe manner at this time, are you?**

3 A No, I am not.

4 CHAIRMAN FAY: Mr. Rehwinkel, I was just going
5 to check in with you real quick for our court
6 reporter, because we are coming up on that two-hour
7 mark. Do you have a general idea of what you have
8 got left?

9 MR. REHWINKEL: I probably have, assuming it
10 goes a little bit more smoothly than the -- than
11 this step with this document here, probably about
12 the same amount of time left.

13 CHAIRMAN FAY: Same amount of time as what you
14 just did?

15 MR. REHWINKEL: Yes.

16 CHAIRMAN FAY: And you estimate that's an
17 hour?

18 MR. REHWINKEL: Yes, sir.

19 CHAIRMAN FAY: Okay. I am thinking, then, if
20 you have a point where you think would be
21 appropriate to stop in your line of questioning,
22 then --

23 MR. REHWINKEL: This is, because I am about to
24 transition to work with an exhibit that will take
25 some time.

1 CHAIRMAN FAY: Okay. Why don't we do that
2 then, because I think -- otherwise we take a break
3 and keep going. So at the pace we are on, I think
4 we should be fine to finish on time.

5 MR. REHWINKEL: Yes.

6 CHAIRMAN FAY: We will -- so let's just do a
7 little housekeeping before we -- so you are good
8 for now and we'll pick up questioning tomorrow.

9 MR. REHWINKEL: Yes.

10 CHAIRMAN FAY: Just for clarity purposes, I
11 know we do have Mr. Garrett tomorrow -- slated for
12 tomorrow morning virtually. Are the parties okay
13 with pausing the questioning with Mr. O'Connor and
14 taking up Mr. Garrett tomorrow morning?

15 MS. CHRISTENSEN: Commissioner, I have spoken
16 to Mr. Garrett. He is able to accommodate, if you
17 want to finish up with Mr. O'Connor first, and then
18 going after that. He does have a call at one
19 o'clock, but he said he could bump that if
20 necessary. And I would think that we would get
21 done with him before one o'clock eastern standard,
22 but if you want to put him on first thing in the
23 morning, we can do that as well.

24 CHAIRMAN FAY: I would actually prefer that,
25 to stay with this witness. I think it would be

1 cleaner, but with recognition that if that wasn't
2 feasible, then --

3 MS. CHRISTENSEN: Yeah, and he said he could
4 move that call if necessary, and I did let him know
5 that. And I will just text him after we close the
6 hearing for tonight, that he will be following Mr.
7 O'Connor when he finishes up, and he will be
8 prepared for that.

9 CHAIRMAN FAY: Okay. And let me just check
10 with staff for purposes of cross on Mr. Garrett.
11 Is that timeline -- so if we finish Mr. O'Connor in
12 the morning and we move to Mr. Garrett --

13 MR. THOMPSON: That will work. Although, I do
14 suggest we go ahead and have him move that call.

15 CHAIRMAN FAY: Yeah, I think that makes sense.
16 And hopefully it's with the California commission,
17 and we will bump them and slate ourselves up there.

18 MS. CHRISTENSEN: Or Hawaii.

19 CHAIRMAN FAY: Or Hawaii. Either one --
20 either one, yeah.

21 Okay. So we will --

22 MR. MEANS: Mr. Chairman, Peoples has one
23 request too. We are totally fine with taking Mr.
24 Garrett after Mr. O'Connor, and I know we are
25 trying to get back on schedule of taking the

1 witnesses in order, but we would like to call Mr.
2 McOnie Tom after Mr. Garrett, take him out of order
3 to accommodate his travel schedule, if that's okay
4 with the rest of the parties.

5 CHAIRMAN FAY: Any issues with taking up
6 McOnie after Garrett?

7 MS. WESSLING: No.

8 MR. MOYLE: FIPUG doesn't have any issues.
9 Whatever is the Chair's preference --

10 MS. CHRISTENSEN: That's fine.

11 MR. MOYLE: -- we are fine with whatever.

12 CHAIRMAN FAY: Okay. Well, you can let him
13 mow that, and so we will plan on taking him up
14 after Mr. Garrett sometime in the early afternoon.

15 MR. MEANS: Thank you. We really appreciate
16 that.

17 CHAIRMAN FAY: Sure.

18 And then we planned on scheduling the day
19 Friday at this point. We will see how cross goes
20 with the rest of our witnesses, but I think we will
21 be able to get everybody out of here at a
22 reasonable hour on that date.

23 Okay. So with that, Commissioners, any
24 comments or questions?

25 Staff, any comments or questions --

1 MR. THOMPSON: Nothing at this time.

2 CHAIRMAN FAY: -- before we adjourn for the
3 night?

4 So we will plan to start again tomorrow at
5 9:00 a.m., and we will see you in the morning.

6 Thank you.

7 (Transcript continues in sequence in Volume
8 6.)

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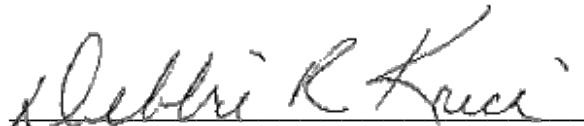
STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 17th day of September, 2023.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH31926
EXPIRES AUGUST 13, 2024