

**BEFORE THE**

**FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO. 20230023-GU**

**IN RE: PETITION FOR RATE INCREASE**

**BY PEOPLES GAS SYSTEM, INC.**

**PREPARED DIRECT TESTIMONY AND EXHIBIT**

**OF**

**KAREN L. BRAMLEY**

**TABLE OF CONTENTS**

**PREPARED DIRECT TESTIMONY AND EXHIBIT**

**OF**

**KAREN L. BRAMLEY**

[MISCELLANEOUS SERVICE CHARGES 3](#_Toc130455028)

[RATE SCHEDULE MODIFICATIONS 6](#_Toc130455029)

[Current Annual Volume Review 7](#_Toc130455030)

[Residential Annual Volume Review Modification 7](#_Toc130455031)

[Modifications to the Customer Choice Programs 9](#_Toc130455032)

[NON-RATE RELATED TARIFF MODIFICATIONS 10](#_Toc130455033)

[Technical Terms and Abbreviations 10](#_Toc130455034)

[Initiation of Service 11](#_Toc130455035)

[Customer’s Installation 11](#_Toc130455036)

[Continuity of Service 12](#_Toc130455037)

[Minimum Volume Commitment Tariff and Agreement 13](#_Toc130455038)

[Relocation 14](#_Toc130455039)

[Liability and Company Responsibility 14](#_Toc130455040)

[Alternate Fuel Certification 15](#_Toc130455041)

[Gas Transportation Agreement 15](#_Toc130455042)

[MINOR REVISIONS 16](#_Toc130455043)

[SUMMARY 18](#_Toc130455044)

[EXHIBIT 19](#_Toc130455045)

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**PREPARED DIRECT TESTIMONY**

**OF**

**KAREN L. BRAMLEY**

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

**A.** My name is Karen L. Bramley. My business address is 702 North Franklin Street, Tampa, Florida 33602. I am employed by Peoples Gas System, Inc. (“Peoples” or the “company”) as a Manager, Regulatory Affairs.

**Q.** Please describe your duties and responsibilities in that position.

**A.** I am responsible for the company’s Natural Gas Conservation Cost Recovery (“NGCCR”) Clause, Peoples’ Natural Gas Tariff, Federal Energy Regulatory Commission (“FERC”) compliance, as well as various other regulatory activities for Peoples.

**Q**. Please provide a brief outline of your educational background and business experience.

**A.** I graduated from the University of South Florida in 1990 with a Bachelor of Arts degree in Political Science and from the University of South Florida in 1993 with a Master’s degree in Public Administration. I have over twenty-five years of gas and electric utility experience. I began working for our affiliate, Tampa Electric Company, as a legal assistant in 1996. Since that time, I have held many roles in various areas of the company including Customer Service and Fuels Management. In June 2018, I assumed the role of Manager, Regulatory Affairs for Peoples.

**Q.** What are the purposes of your prepared direct testimony in this proceeding?

**A.** The purposes of my testimony are to present and support tariff modifications as part of the company’s request for an increase in base rates in this proceeding. Specifically, I will describe proposed modifications to the: (1) miscellaneous service charges; (2) rate schedules; and (3) non-rate related language within the company’s tariff. Additionally, I will describe other changes to tariff language to make certain minor revisions for editorial purposes or to correct or clarify language.

**Q.** Did you prepare any exhibits in support of your prepared direct testimony?

**A.** Yes. Exhibit No. KLB-1, entitled “Exhibit of Karen L. Bramley” was prepared under my direction and supervision and accompanies my prepared direct testimony. The contents of my exhibit were derived from the business records of the company and are true and correct to the best of my information and belief. It consists of these three documents:

 Document No. 1 List of Minimum Filing Requirement Schedules(“MFR”) Sponsored

 Document No. 2 Proposed Tariff Modifications (Legislative Version)

 Document No. 3 Comparison of Current and Proposed Miscellaneous Charges

**Q.** Are you sponsoring any sections of Peoples’ Minimum Filing

 Requirement (“MFR”) Schedules?

**A.** Yes. I am sponsoring the MFR Schedules shown in Document No. 1 of my exhibit. The data and information on these schedules were taken from the business records of the company and are true and correct to the best of my information and belief.

**MISCELLANEOUS SERVICE CHARGES**

**Q.** Is the company proposing any new miscellaneous service charges?

**A.** No. The company is not proposing any new miscellaneous service charges in this proceeding.

**Q.** Is the company proposing any changes to its current miscellaneous service charges?

**A.** Yes. The company proposes to modify certain miscellaneous service charges as shown on Tariff Sheet Nos. 5.101 and 5.101-1 of the legislative versions of the revised tariff sheets contained in MFR Schedule E-9. The company reviewed its miscellaneous service charges and the cost involved in performing these utility services. The company proposes modifying the following charges based on this cost study:

 (1) Account Opening Charge;

 (2) Meter Turn On / Service Initiation Charge;

 (3) Meter Reconnection / Service Restoration Charge;

 (4) Trip Charge/Collection at Customer Premises; and the

 (5) Temporary Meter Turn-Off Charge.

 The cost associated with each activity is reflected in MFR Schedule E-3. A comparison of the company’s current and proposed miscellaneous service charges may be found in Document No. 3 of my exhibit. The resulting revenue increases are included in the cost of service and accounted for in the company’s final rates as presented in MFR Schedule H.

**Q.** Please describe the methodology used to perform the cost study of each utility service.

**A.** The company performed a time study and cost analysis for each utility service. The time study involved the capture and review of the detailed tasks involved. The tasks included: (1) customer communications; (2) order handling; (3) travel times; and (4) job times. The time study incorporated a review and analysis of the labor and material costs required to complete each activity which were integrated into a per-service cost**.**

**Q.** What labor and material costs were used in developing the cost of each utility service?

**A.** The companyusedpayroll and purchasing data as the basis for the labor and material costs. As detailed in MFR Schedule E-3, the labor and material costs were adjusted to reflect the 2024 projected test year assumptions. Cost adjustments were based upon year-over-year cost projections.

**Q.** Where did you obtain the assumptions used to determine the 2024 projected test year rates and costs?

**A**. The labor rates and material cost assumptions used for the 2024 projected test year as listed in MFR Schedule G-2, page 10**.**

**Q**. Are Peoples’ proposed miscellaneous service charges appropriate?

**A**. Yes, the proposed miscellaneous service charges are

 appropriate.

**RATE SCHEDULE MODIFICATIONS**

**Q.** Is the company proposing to revise its rate schedules and riders?

**A.** Yes. Peoples proposes the following revisions to the rate schedules and riders as filed with the Florida Public Service Commission (“Commission”) pursuant to the file and suspend provisions of Section 366.06, Florida Statues. The rate schedules and riders in Section 7 of the company’s proposed tariff reflect the new rates developed and supported by company witness Gregg Therrien’s prepared direct testimony. The company is submitting proposed revisions to its tariff to achieve the proposed revenues for all rate classes as required in both legislative and clean format in MFR Schedule E-9.

**Q.** Please describe other substantive proposed revisions to the rate schedules.

**A**. Peoples proposes to make substantive revisions to the rate schedules regarding the: (1) annual volume review for purposes of residential customer reclassification; and (2) customer choice programs.

**Current Annual Volume Review**

**Q.** What is the company’s current business process for reclassifying customers to another billing class?

**A.** Each rate schedule in the company’s tariff is subject to an annual volume review. The company performs this annual volume review of a customer’s usage each June. Only customers with a full year of actual usage are subject to the annual review. This review informs the company as to whether reclassification to another billing class is warranted. Any subsequent reclassification does not result in credits being issued for past usage and the customer must remain on the new rate schedule for twelve months.

**Residential Annual Volume Review Modification**

**Q.** Describe the proposed change to the annual volume review and reclassification process for residential customers and why the company seeks to make this change.

**A.** As discussed in witness Therrien’s direct testimony, the company proposes to amend the annual volume review and reclassification process by applying a 10 percent band.

 The annual usage for Residential Service (“RS”) billing classes is as follows:

 Billing Class: Annual Consumption:

 RS-1 0 to 99 Therms

 RS-2 100 to 249 Therms

 RS-3 250 to 1,999 Therms

 RS-GHP All Therms

 If in one twelve-month period, a customer uses more or less than the current consumption parameters of their billing class but is within the 10 percent band, they will remain in their current billing class. If in two consecutive years, a customer uses more or less than the consumption parameters for their billing class and is within the 10 percent band, they will be reclassified to the new appropriate billing class for such usage.

**Modifications to the Customer Choice Programs**

**Q.** Please explain the change to the termination fee for the Natural Choice Transportation (“NCTS”) program.

**A.** The company is proposing an increase in the NCTS termination fee. This increase is due to a rise in direct labor costs associated with the administration of the NCTS program. This fee is charged when a pool manager terminates service to a customer.

**Q.** Please explain the change to the Individual Transportation Administration Fee for the Individual Transportation Service (“ITS”) Rider.

**A.** The company proposes to increase the ITS Administration Fee due to a rise in direct labor costs associated with the (1) management of the ITS program; and (2) telemetry equipment operations and maintenance of the 353 ITS meters. This fee also includes associated costs for the data collection system service agreement, gas management system, ITS materials cost for volume corrector, battery and modem replacements, and vehicle costs.

**Q.** What other changes to the ITS Rider is the company proposing?

**A.** Peoples is proposing to change the publication referenced in the imbalance calculation under the ITS Rider from Natural Gas Week to the industry standard of Gas Daily. Additionally, the company seeks to modernize the correction of the imbalances section to reflect the company’s use of an online gas management system.

**Q.** Are Peoples’ proposed modifications to the rate schedules appropriate?

**A**. Yes, Peoples’ proposed modifications to the rate schedules are appropriate.

**NON-RATE RELATED TARIFF MODIFICATIONS**

**Technical Terms and Abbreviations**

**Q**. Please describe any proposed changes to the company’s technical terms and abbreviations.

**A**. Peoples proposes to modernize the definitions of “customer” and “customer installation.” The definition of “customer” is expanded to clarify which users of gas service qualify as customers. “Customer installation” is revised to ensure installation is performed in accordance with applicable codes and standards.

**Initiation of Service**

**Q.** Please describe the company’s proposed changes to Article I,

 Initiation of Service, in Section 5 of its tariff?

**A.** The company proposes language allowing the company, subject to Commission approval, to provide service by entering into an agreement with a customer memorializing a special contract pursuant to Rule 25-9.034, Florida Administrative Code, where rates, terms and conditions for service may be different from those set forth in the company’s approved tariff.

**Customer’s Installation**

**Q.** Is the company proposing any modifications to Article II, Customer’s Installation, in Section 5 of its tariff?

**A.** Yes. The company is proposing four modifications related to a customer’s installation. First, new language is proposed (1) requiring a customer’s installation to be in accordance with standard practice and applicable laws; and (2) prohibits a customer from using installations under certain circumstances. Second, the company seeks approval of new language requiring customer notice to the company when any gas leak is suspected, detected, or discovered. This language also prohibits the use of an igniting medium in the proximity of escaping gas.

 The third proposed modification requires customer notice to the company of the installation of any gas-fired electric generation and prohibits connection to the company’s system without prior approval. Such notice will ensure adequate pressure for reliable gas service. Lastly, there is a proposed modification to the customer installation provision to include the installation of gas-fired electric generation as a change in requirements for gas service that triggers notice to the company.

**Q**. How will the company notify customers of the notice requirements for gas leaks and gas-fired electric generators, and the prohibition on installation usage described above?

**A**. IfPeoples receives Commission approval for these modifications, the company proposes to inform customers of the new notice requirements and the usage prohibition via a bill onsert.

**Continuity of Service**

**Q.** Describe the modification made to Article VIII, Continuity of Service, in Section 5 of the company’s tariff.

**A.** The company proposes to amend this provision by including “gas leakage” among the enumerated damages for which the company will not be liable in providing regular, uninterrupted gas service.

**Minimum Volume Commitment Tariff and Agreement**

**Q.** Describe the proposed change to the company’s tariff that allows for a minimum volume commitment and the related agreement?

**A.** Peoples seeks to modify its tariff to provide the company with the option to require a customer that will need a facility extension to receive service, to commit to receive service at a defined minimum level and to pay for such minimum level of service, also known as a “take-or-pay” provision. Any minimum volume commitment will not be set at a level that exceeds the volume used to calculate the Maximum Allowable Construction Cost for such customer, nor will the term of such commitment exceed ten (10) years. The proposed Minimum Volume Commitment provision is found on Tariff Sheet 5.601 and the corresponding proposed Minimum Volume Commitment Agreement is found on new Tariff Sheet 8.126 through 8.126-8 of the proposed tariff modifications.

**Q.** Why is Peoples proposing to modify its tariff to include a minimum volume commitment agreement?

**A.** As discussed in company witness Lew Rutkin, Jr.’s direct testimony,Peoples proposes to add a new form minimum volume commitment agreement to its tariff. This agreement will ensure industrial and large commercial customers requesting gas transportation service that need construction of new mains and/or additional facilities are required to use and pay for the transportation service requested. The company would use this agreement in circumstances where the cost to serve analysis and the customer’s service requirements demonstrate a minimum volume commitment is prudent. The proposed changes will protect the general body of ratepayers and should be approved.

**Relocation**

**Q.** Is the company proposing changes to the Relocation or Modification of Gas Service Facilities section of the tariff?

**A.** Yes**.** Peoples is proposing language to clarify that a customer requesting to relocate gas facilities shall reimburse Peoples in advance of such work being performed.

**Liability and Company Responsibility**

**Q.** Please describe the changes the company is proposing to the provisions on limits of company’s responsibility; (2) limitation on consequential damages; and (3) indemnity to company.

**A**. Each of these proposed modifications represents an effort to clarify circumstances of liability by the company and protect against undue risk that may arise in the conduct of our business. Further, these modifications are consistent with the provisions of other utilities’ Commission approved tariffs.

**Alternate Fuel Certification**

**Q.** What change is Peoples proposing to the Alternate Fuel Certification Form?

**A.** For contract administration purposes, Peoples is proposing modifications to the Alternate Fuel Certification form for recertification by a customer of alternate fuel options to occur on an annual basis rather than a monthly basis.

**Gas Transportation Agreement**

**Q.** What change is Peoples proposing to the Gas Transportation Agreement?

**A.** Peoples is proposing several clarifying revisions to this form agreement. The modifications include (1) defining terms commonly used within the agreement that were not previously expressly defined; (2) updating the website information for nominations; and (3) specifying that the agreement shall renew at the then applicable tariff-based rate schedule unless the parties have agreed to another applicable rate schedule at least 30 days in advance of expiration.

**Q.** Are Peoples’ non-rate-related tariff changes appropriate?

**A**. Yes, Peoples’ non-rate-related tariff changes are appropriate.

**MINOR REVISIONS**

**Q.** Please describe the proposed modifications the company considers to be editorial, corrections, and clarifications.

**A.** The company is requesting approval by the Commission for the following tariff corrections and clarifications.

 Counties and Communities Served

The proposed changes to the counties and communities served is an updated list that reflects the new areas to which Peoples has extended service in response to customer demand.

 Territory Served

 The proposed change to the territory served section is an updated map that reflects the new areas served by Peoples since its last general base rate proceeding in 2020.

 Removal Of Requirement To File Peoples’ Curtailment Plan

Currently, a few portions of the company’s tariff refer to Peoples curtailment plan as being “on file with the commission.” Peoples seeks to remove this provision for administrative efficiency. Additionally, no statute or regulation governs or otherwise requires the filing of a natural gas utility’s curtailment plan. The company will continue to update and maintain its curtailment plan in the ordinary course of business.

 Editorial Changes

 The company proposes small editorial changes to conform the terms “rate schedule” and “tariff” such that they appear in proper lower-case or capitalized format within the tariff as appropriate.

**Q.** In your opinion, are the company’s proposed editorial changes reasonable?

**A.** Yes.

**Q.** What is the appropriate effective date of Peoples’ revised rates and charges?

**A**. The appropriate effective date is for the first billing cycle of January 2024.

**SUMMARY**

**Q.** Please summarize your prepared direct testimony.

**A.** The proposed revisions to the Peoples’ existing tariff sheets are necessary to address current and anticipated operational, business and customer needs. Taken together with the proposals in the prepared testimony of witnesses Therrien and Rutkin, these proposed tariff revisions will permit Peoples to recover its prudent costs of providing safe and reliable natural gas service.

**Q.** Does this conclude your prepared direct testimony?

**A.** Yes, it does.

# EXHIBIT

**OF**

**KAREN L. BRAMLEY**

**Table of Contents**

|  |  |  |
| --- | --- | --- |
| **DOCUMENT NO.** | **TITLE** | **PAGE** |
| 1 | List of Minimum Filing Requirement Schedules (“MFR”) – Sponsored | 21 |
| 2 | Proposed Tariff Modifications (Legislative Version) | 22 |
| 3 | Comparison of Current and Proposed Miscellaneous Charges | 144 |

**LIST OF MINIMUM FILING REQUIREMENTS**

**SPONSORED BY KAREN L. BRAMLEY**

| **MFR Schedule** | **Page No.** | **MFR Title** |
| --- | --- | --- |
| E-3 | P. 1 (a-b) | Cost Study – Connections And Connections – Residential  |
| E-3 | P. 2 (a-b) | Cost Study – Connections And Connections – Commercial |
| E-3 | P. 3 (a-b) | Cost Study – Connections And Connections – Residential  |
| E-3 | P. 4 (a-b) | Cost Study – Connections And Connections – Commercial |
| E-3 | P. 5 (a-b) | Cost Study – Connections And Connections |
| E-3 | P. 6 | Cost Study – Administrative Cost For Opening An Account When Meter Is Left On |
| E-3 | P. 7 | Cost Study – Trip/Collection At Customer Premises Charge |
| E-3 | P. 8 | Cost Study – Failed Trip Charge |
| E-3 | P. 9 | Cost Study – NCTS Service Termination  |
| E-3 | P. 10 | Cost Study – ITS Administrative Fee |
| E-9 | P. 1 | Cost Study – Tariff Sheets |