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Attorneys and Counselors at Law
123 South Calhoun Street
P.O. Box 391 32302
Tallahassee, FL 32301

P: (850) 224-9115
F: (850) 222-7560

ausley.com

May 1, 2024

VIA: ELECTRONIC FILING

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

Re: Docket No. 20240004-GU; Natural Gas Conservation Cost Recovery

Dear Mr. Teitzman:

Attached for filing in the above docket is Peoples Gas System, Inc.'s Petition for approval of the true-up amount for the period January 1, 2023 through December 31, 2023.

Thank you for your assistance in connection with this matter.

Sincerely,

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

Virginia L. Ponder

VLP/ne
Attachment

cc: All Parties of Record (w/attachment)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost)
recovery.)
_____)

Docket No. 20240004-GU
Submitted for Filing: May 1, 2024

**PETITION OF PEOPLES GAS SYSTEM, INC.
FOR APPROVAL OF TRUE-UP AMOUNT**

Peoples Gas System, Inc. (“Peoples” or the “company”), through undersigned counsel and pursuant to Rule 25-17.015, Florida Administrative Code, petitions the Florida Public Service Commission (“Commission”) for approval of its end-of-period final energy conservation cost recovery true-up amount for the period January 1 through December 31, 2023, and in support thereof says:

1. The name and address of the Petitioner are:

Peoples Gas System, Inc.
P. O. Box 2562
Tampa, Florida 33601-2562

2. The persons to whom notices, orders, pleadings and correspondence in this docket

should be addressed are:

J. Jeffrey Wahlen
Malcolm N. Means
Virginia L. Ponder
Ausley McMullen
123 S. Calhoun St.
Tallahassee, FL 32301-1517
jwahlen@ausley.com
mmeans@ausley.com
vponder@ausley.com

Paula K. Brown
Peoples Gas System, Inc.
Post Office Box 111
Tampa, Florida 33601-0111
regdept@tecoenergy.com

Matthew Elliott
Charles Morgan
Regulatory Affairs
Peoples Gas System, Inc.
P. O. Box 2562
Tampa, Florida 33601-2562
MEElliot@tecoenergy.com
CTMorganII@tecoenergy.com

3. Peoples' calculation of the true-up amounts for which approval is hereby requested is consistent with the Commission's prescribed methodology. These calculations and the supporting documentation are contained in Exhibit CTM-1, consisting of the Energy Conservation Cost Recovery True-Up Reporting Forms, completed as directed by the Commission Staff. Exhibit CTM-1 is submitted for filing with this petition.

4. For the period January through December 2023, Peoples has calculated its end-of-period final true-up amount to be an under-recovery, including interest, of \$11,590,787.

WHEREFORE, Peoples Gas System, Inc. respectfully requests that the Commission grant this petition and approve the under-recovery of \$11,590,787 as the final true-up amount for the January through December 2023 period.

Respectfully submitted,



J. JEFFRY WAHLEN
jwahlen@ausley.com
MALCOLM N. MEANS
mmeans@ausley.com
VIRGINIA L. PONDER
vponder@ausley.com
Ausley McMullen
123 S. Calhoun St.
Tallahassee, FL 32301
(850) 224-9115

Attorneys for Peoples Gas System, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing petition, together with copies of the Direct Testimony of Charles T. Morgan II and Exhibit CTM-1, have been furnished by electronic mail this 1st day of May 2024, to the following:

Timothy Sparks
Saad Farooqi
Office of General Counsel
Florida Public Service Commission
Room 390L – Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
tsparks@psc.state.fl.us
sfarooqi@psc.state.fl.us
discovery-gcl@psc.state.fl.us

Walt L. Trierweiler
Charles J. Rehwinkel
Patricia A. Christensen
Mary A. Wessling
Octavio Ponce
Austin Watrous
Office of Public Counsel
111 West Madison Street – Room 812
Tallahassee, FL 32399-1400
trierweiler.walt@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us
christensen.patty@leg.state.fl.us
wessling.mary@leg.state.fl.us
ponce.octavio@leg.state.fl.us
watrous.austin@leg.state.fl.us

Charles A. Shoaf/ Debbie Stitt
St. Joe Natural Gas Company
P.O. Box 549
Port St. Joe, FL 32457-0549
andy@stjoegas.com
dstitt@stjoegas.com

Beth Keating
Gunster Law Firm
215 South Monroe Street, Suite 601
Tallahassee, FL 32301-1839
bkeating@gunster.com

Jerry H. Melendy, Jr.
Sebring Gas System
3515 Highway 27 South
Sebring, FL 33870-5452
jmelendy@floridasbestgas.com

Derrick Craig
Florida Public Utilities Company
Florida Division of Chesapeake Utilities
208 Wildlight Ave
Yulee, FL 32097
dcraig@chpk.com

Michelle D. Napier
Florida Public Utilities Company
1635 Meathe Drive
West Palm Beach, Florida 33411
mnapier@fpuc.com



ATTORNEY



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20240004-GU
IN RE: NATURAL GAS CONSERVATION
COST RECOVERY CLAUSE

TESTIMONY AND EXHIBIT
OF
CHARLES T. MORGAN II

FILED: MAY 1, 2024

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **CHARLES T. MORGAN II**

5
6 **Q.** Please state your name, business address, by whom you are
7 employed, and in what capacity?

8
9 **A.** My name is Charles T. Morgan II. My business address is
10 702 North Franklin Street, Tampa, Florida 33602. I am
11 employed by Peoples Gas System, Inc. ("Peoples" or the
12 "company") as Supervisor of Conservation Programs, in the
13 Regulatory Affairs Department.

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

17
18 **A.** I graduated from Florida State University in 2009 with a
19 Bachelor of Science degree in Social Science. My work
20 experience includes seven years of regulatory experience,
21 including three years with the Florida Public Service
22 Commission as a Public Utility Analyst and four years as a
23 Regulatory Analyst with Peoples before beginning my current
24 role in 2024. In my current position, I am responsible for
25 Peoples' Natural Gas Conservation Cost Recovery ("NGCCR")

1 Clause and other Conservation and demand-side management
2 ("DSM") activities.

3

4 **Q.** What is the purpose of your testimony in this docket?

5

6 **A.** The purpose of my testimony is to present and support for
7 Commission review and approval the company's actual DSM
8 program true-up costs incurred during the January through
9 December 2024 period.

10

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

12

13 **A.** Yes. Exhibit No. CTM-1, entitled "Peoples Gas System, Inc.
14 Schedules Supporting Conservation Cost Recovery Factor,
15 Actual, January 2023-December 2023" was prepared under my
16 direction and supervision. This Exhibit includes Schedules
17 CT-1 through CT-3, and CT-6 which support the company's
18 actual and prudent DSM program-related true-up costs
19 incurred during the January through December 2023 period.

20

21 **Q.** What were Peoples' actual January through December 2023
22 conservation costs?

23

24 **A.** For the period January through December 2023, Peoples Gas
25 System incurred actual net conservation costs of

1 \$30,425,021.

2

3 **Q.** What is the final end of period net true-up for the
4 conservation clause for January through December 2023?

5

6 **A.** The final conservation clause end of period net true-up for
7 January through December 2023 is an under-recovery,
8 including interest, of \$11,590,787. This calculation is
9 detailed on Schedule CT-1, page 1 of 1.

10

11 **Q.** Please summarize how Peoples's actual program costs for
12 January through December 2023 period compare to the
13 actual/estimated costs presented in Docket No. 20230004-
14 GU?

15

16 **A.** Peoples' actual program costs for 2023 were lower than
17 actual/estimated costs presented in Docket No. 20230004-
18 GU by \$1,239,572. The total program costs were projected
19 to be \$31,664,593, compared to the actual costs of
20 \$30,425,021.

21

22 **Q.** Please summarize the reasons for which actual expenses were
23 less than projected expenses.

24

25 **A.** The variance was a result of lower expenses in all of

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Peoples' conservation programs, apart from Commercial Retention. Higher expenses in Commercial Retention partially offset the lower expenses in the remaining programs. The actual versus projected variance for each program is detailed on Schedule CT-2, Page 3 of 3.

Q. Should Peoples' costs incurred during the January through December 2023 period for energy conservation be approved by the Commission?

A. Yes, the costs incurred were prudent and directly related to the Commission's approved DSM programs and should be approved.

Q. Does that conclude your testimony?

A. Yes, it does.

ENERGY CONSERVATION COST RECOVERY

INDEX

SCHEDULE	TITLE	PAGE
CT-1	Adjusted Net True-up	6
CT-2	Analysis Of Energy Conservation Program Costs	7
CT-3	Adjustment Calculation Of True-Up And Interest Provision	10
CT-6	Program Progress Report	13

SCHEDULE CT-1

PEOPLES GAS SYSTEM
Energy Conservation
Adjusted Net True-up
For Months January 2023 through December 2023

End of Period Net True-up			
	Principle	(11,347,130)	
	Interest	(243,657)	
	Total		(11,590,787)
Less Projected True-up			
	Principle	(12,193,389)	
	Interest	(238,089)	
	Total		(12,431,477)
Adjusted Net True-up			840,690

() Reflects Under-Recovery

SCHEDULE CT-2
 Page 1 of 3

PEOPLES GAS SYSTEM
 Analysis of Energy Conservation Program Costs
 Actual vs. Projected
 For Months January 2023 through December 2023

Description	Actual	Projected	Difference
1 Capital Investment	\$0	\$0	\$0
2 Payroll	\$560,543	\$567,347	(\$6,804)
3 Materials and Supplies	\$0	\$0	\$0
4 Advertising	\$1,130,074	\$1,171,426	(\$41,352)
5 Incentives	\$28,438,513	\$29,521,380	(\$1,082,867)
6 Outside Services	\$216,738	\$332,420	(\$115,682)
7 Vehicles	\$1,369	\$1,092	\$277
8 Other	\$77,784	\$70,928	\$6,856
9 Total Program Cost	\$30,425,021	\$31,664,593	(\$1,239,572)
10 Beginning of Period True-up	(\$1,571,783)	(\$1,571,783)	\$0
11 Amounts included in Base Rates	\$0	\$0	\$0
12 Conservation Adjustment Revenues	(\$17,506,108)	(\$17,899,419)	\$393,310
13 Regulatory Adjustments	\$0	\$0	\$0
14 True-up Before Interest	(\$11,347,130)	(\$12,193,389)	\$846,259
15 Interest Provision	(\$243,657)	(\$238,089)	(\$5,568)
16 End of Period True-up	(\$11,590,787)	(\$12,431,477)	\$840,690

SCHEDULE CT-2
 PAGE 2 OF 3

PEOPLES GAS SYSTEM
 Actual Conservation Program Costs Per Program
 For Months January 2023 through December 2023

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL CUSTOMER ASSISTED AUDIT	-	-	-	-	-	125,000	-	-	125,000
PROGRAM 2: RESIDENTIAL NEW CONSTRUCTION	-	-	-	-	15,257,550	-	-	-	15,257,550
PROGRAM 3: RESIDENTIAL RETROFIT	-	-	-	-	400,050	-	-	-	400,050
PROGRAM 4: RESIDENTIAL RETENTION	-	-	-	-	3,553,766	-	-	-	3,553,766
PROGRAM 5: COMMERCIAL WALKTHROUGH AUDIT	-	-	-	-	-	9,175	-	-	9,175
PROGRAM 6: COMMERCIAL NEW CONSTRUCTION	-	-	-	-	2,187,117	-	-	-	2,187,117
PROGRAM 7: COMMERCIAL RETROFIT	-	-	-	-	886,671	-	-	-	886,671
PROGRAM 8: COMMERCIAL RETROFIT CHP	-	-	-	-	-	-	-	-	-
PROGRAM 9: COMMERCIAL RETROFIT ELECTRIC REPLACEMENT	-	-	-	-	10,000	-	-	-	10,000
PROGRAM 10: COMMERCIAL RETENTION	-	-	-	-	6,143,359	-	-	-	6,143,359
PROGRAM 11: CONSERVATION R&D	-	-	-	-	-	-	-	-	-
PROGRAM 12: COMMON COSTS	-	560,543	0	1,130,074	-	82,563	1,369	77,784	1,852,333
TOTAL	-	560,543	0	1,130,074	28,438,513	216,738	1,369	77,784	30,425,021

SCHEDULE CT-2
 PAGE 3 OF 3

PEOPLES GAS SYSTEM
 Conservation Program Costs Per Program
 Variance - Actual vs. Projected
 For Months January 2023 through December 2023

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL CUSTOMER ASSISTED AUDIT	-	-	-	-	-	-	-	-	-
PROGRAM 2: RESIDENTIAL NEW CONSTRUCTION	-	-	-	-	(1,405,088)	-	-	-	(1,405,088)
PROGRAM 3: RESIDENTIAL RETROFIT	-	-	-	-	(152,213)	-	-	-	(152,213)
PROGRAM 4: RESIDENTIAL RETENTION	-	-	-	-	(274,876)	-	-	-	(274,876)
PROGRAM 5: COMMERCIAL WALKTHROUGH AUDIT	-	-	-	(2,500)	-	-	-	-	(15,846)
PROGRAM 6: COMMERCIAL NEW CONSTRUCTION	-	-	-	-	-	(13,346)	-	-	(22,948)
PROGRAM 7: COMMERCIAL RETROFIT	-	-	-	-	(22,948)	-	-	-	(22,948)
PROGRAM 8: COMMERCIAL RETROFIT CHP	-	-	-	-	(215,244)	-	-	-	(215,244)
PROGRAM 9: COMMERCIAL RETROFIT ELECTRIC REPLACEMENT	-	-	-	-	-	-	-	-	-
PROGRAM 10: COMMERCIAL RETENTION	-	-	-	-	987,502	-	-	-	987,502
PROGRAM 11: CONSERVATION R&D	-	-	-	-	-	-	-	-	-
PROGRAM 12: COMMON COSTS	-	(6,804)	-	(38,852)	-	(102,336)	277	6,856	(140,859)
TOTAL	-	(6,804)	-	(41,352)	(1,082,867)	(115,682)	277	6,856	(1,239,572)

SCHEDULE CT-3
 PAGE 1 OF 3

PEOPLES GAS SYSTEM
 Energy Conservation Adjustment
 Summary of Expenses by Program by Month
 For Months January 2023 through December 2023

EXPENSES:	January	February	March	April	May	June	July	August	September	October	November	December	Total
PROGRAM 1: RESIDENTIAL CUSTOMER ASSISTED AUDIT	-	-	-	-	125,000	-	-	-	-	-	-	-	125,000
PROGRAM 2: RESIDENTIAL NEW CONSTRUCTION	865,600	1,398,950	962,300	1,789,600	1,048,900	2,681,700	1,179,600	1,011,925	1,028,600	1,088,125	1,248,350	933,900	15,257,550
PROGRAM 3: RESIDENTIAL RETROFIT	57,600	52,675	50,800	29,650	49,400	34,700	16,150	29,075	18,150	18,000	23,250	20,600	400,050
PROGRAM 4: RESIDENTIAL WALK-THROUGH AUDIT	524,400	328,500	335,745	263,993	328,850	276,600	177,550	245,500	285,528	183,850	317,800	285,450	3,553,766
PROGRAM 5: COMMERCIAL WALK-THROUGH AUDIT	-	-	-	-	-	-	-	834	-	7,507	834	-	9,175
PROGRAM 6: COMMERCIAL NEW CONSTRUCTION	135,532	130,698	314,020	146,469	183,726	252,746	119,118	189,816	275,401	127,597	208,692	103,302	2,187,177
PROGRAM 7: COMMERCIAL RETROFIT	70,205	128,001	107,912	112,554	76,500	84,783	45,485	75,994	54,517	39,322	65,099	26,298	886,671
PROGRAM 8: COMMERCIAL RETROFIT CHP	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000
PROGRAM 9: COMMERCIAL RETROFIT ELECTRIC REPLACEMENT	549,109	358,500	308,250	623,250	309,500	565,000	438,500	579,500	621,250	554,250	818,500	417,750	6,143,359
PROGRAM 10: COMMERCIAL RETENTION	49,700	110,794	157,107	262,851	156,449	53,707	73,065	204,440	179,255	368,042	67,786	168,136	1,852,332
PROGRAM 12: COMMON COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	2,272,147	2,518,118	2,236,135	3,228,367	2,278,325	3,949,237	2,049,468	2,337,084	2,462,701	2,386,693	2,750,311	1,956,436	30,425,021
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	2,272,147	2,518,118	2,236,135	3,228,367	2,278,325	3,949,237	2,049,468	2,337,084	2,462,701	2,386,693	2,750,311	1,956,436	30,425,021

SCHEDULE CT-3
 PAGE 2 OF 3

PEOPLES GAS SYSTEM
 Energy Conservation Adjustment
 Calculation of Trueup and Interest Provision
 For Months January 2023 through December 2023

CONSERVATION REVENUES	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. OTHER PROGRAM REVS	-	-	-	-	-	-	-	-	-	-	-	-	-
2. CONSERV. ADJ REVS	2,184,994	1,782,003	1,647,417	1,623,314	1,351,939	1,265,216	1,129,241	1,092,993	1,132,118	1,176,093	1,376,571	1,744,209	17,506,108
3. TOTAL REVENUES	2,184,994	1,782,003	1,647,417	1,623,314	1,351,939	1,265,216	1,129,241	1,092,993	1,132,118	1,176,093	1,376,571	1,744,209	17,506,108
4. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	295,216	295,216	295,216	295,216	295,216	295,216	295,216	295,216	295,216	295,216	295,216	295,216	3,542,588
5. CONSERVATION REVS APPLICABLE TO THE PERIOD	2,480,210	2,077,219	1,942,633	1,918,530	1,647,155	1,560,432	1,424,457	1,388,209	1,427,334	1,471,309	1,671,787	2,039,421	21,048,696
6. CONSERVATION EXPS (FROM CT-3, PAGE 1)	2,272,147	2,518,118	2,236,135	3,228,367	2,278,325	3,949,237	2,049,468	2,337,084	2,462,701	2,386,693	2,750,311	1,956,436	30,425,021
7. TRUE-UP THIS PERIOD	208,063	(440,899)	(293,501)	(1,309,837)	(631,170)	(2,388,805)	(625,011)	(948,875)	(1,035,367)	(915,384)	(1,078,524)	82,985	(9,376,325)
8. REGULATORY ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-	-	-	-
9. INT. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	5,715	4,332	1,848	(2,567)	(7,938)	(15,888)	(24,223)	(28,732)	(56,474)	(41,392)	(47,458)	(50,880)	(243,657)
10. TRUE-UP & INT. PROV. BEGINNING OF MONTH	1,571,783	1,490,345	758,562	171,693	(1,435,927)	(2,370,251)	(5,070,160)	(6,014,610)	(7,288,433)	(8,654,490)	(9,906,482)	(11,327,680)	1,571,783
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(295,216)	(3,542,588)
12. TOTAL NET TRUE-UP (SUM LINES 8+9-10+11)	1,490,345	758,562	471,693	(1,435,927)	(2,370,251)	(5,070,160)	(6,014,610)	(7,288,433)	(8,654,490)	(9,906,482)	(11,327,680)	(11,590,787)	(11,590,787)
Expenses	2,272,147	2,518,118	2,236,135	3,228,367	2,278,325	3,949,237	2,049,468	2,337,084	2,462,701	2,386,693	2,750,311	1,956,436	30,425,021
Deferred Expenses	208,063	-	-	-	-	-	-	-	-	-	-	-	291,048
Revenues	(2,184,994)	(1,782,003)	(1,647,417)	(1,623,314)	(1,351,939)	(1,265,216)	(1,129,241)	(1,092,993)	(1,132,118)	(1,176,093)	(1,376,571)	(1,744,209)	(17,506,108)
Deferred Revenues	-	(440,899)	(293,501)	(1,309,837)	(631,170)	(2,388,805)	(625,011)	(948,875)	(1,035,545)	(915,206)	(1,078,524)	-	(9,867,373)

SCHEDULE CT-3
 PAGE 3 OF 3

PEOPLES GAS SYSTEM
 Energy Conservation Adjustment
 Calculation of True-up and Interest Provision
 For Months January 2023 through December 2023

	January	February	March	April	May	June	July	August	September	October	November	December	Total
INTEREST PROVISION													
1. BEGINNING TRUE-UP	1,571,783	1,490,345	758,562	171,693	(1,435,927)	(2,370,251)	(5,070,160)	(6,014,610)	(7,288,433)	(8,654,490)	(9,906,482)	(11,327,680)	
2. ENDING TRUE-UP BEFORE INTEREST	1,484,630	754,230	169,845	(1,433,360)	(2,362,313)	(5,054,272)	(5,990,387)	(7,258,701)	(8,619,016)	(9,865,090)	(11,280,222)	(11,539,907)	
3. TOTAL BEGINNING & ENDING TRUE-UP	3,056,413	2,244,575	928,407	(1,261,667)	(3,798,240)	(7,424,523)	(11,060,547)	(13,273,311)	(15,907,449)	(18,519,580)	(21,186,704)	(22,867,587)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	1,528,207	1,122,288	464,204	(630,834)	(1,899,120)	(3,712,262)	(5,530,274)	(6,636,656)	(7,953,725)	(9,259,790)	(10,593,352)	(11,433,794)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	4.370%	4.610%	4.660%	4.880%	4.890%	5.140%	5.130%	5.370%	5.370%	5.330%	5.400%	5.340%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	4.610%	4.660%	4.860%	4.890%	5.140%	5.130%	5.370%	5.370%	5.330%	5.400%	5.340%	5.340%	
7. TOTAL (SUM LINES 5 & 6)	8.980%	9.270%	9.540%	9.770%	10.030%	10.270%	10.500%	10.740%	10.700%	10.730%	10.740%	10.680%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	4.490%	4.635%	4.770%	4.885%	5.015%	5.135%	5.250%	5.370%	5.350%	5.365%	5.370%	5.340%	
9. MONTHLY AVG INTEREST RATE	0.37400%	0.386%	0.398%	0.407%	0.418%	0.428%	0.438%	0.448%	0.446%	0.447%	0.448%	0.445%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9) (exp)/inc.	5.715	4.332	1.848	(2.567)	(7.938)	(15.888)	(24.223)	(29.732)	(35.474)	(41.332)	(47.458)	(50.880)	(243.657)

Program Description and Progress

Program Title: Residential Customer-Assisted Audit

Program Description: The Residential Customer-Assisted Energy Audit is designed to save energy by increasing residential customer awareness of natural gas energy use in personal residences. Savings are dependent on the customer implementing energy conservation measures and practice recommendations.

Program Accomplishments: January 1 to December 31, 2023

Number of customers participating: 9,576

Program Fiscal Expenditures: January 1 to December 31, 2023

Actual expenses were \$125,000.

Program Progress Summary: Through this reporting period, 35,271 customers have participated.

Program Description and Progress

Program Title: Residential New Construction

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

Program Accomplishments: January 1 to December 31, 2023

Appliance	Rebate Amount	Participants
Natural Gas Cooktop/Range	\$300	12,860
Natural Gas Dryer	\$200	11,920
Natural Gas Heating	\$725	28
Natural Gas Energy Star Water Heater	\$650	4
Natural Gas Tank Water Heater	\$550	2,242
Natural Gas Tankless Water Heater	\$700	11,094

Program Fiscal Expenditures: January 1 to December 31, 2023

Actual expenses were \$15,257,550.

Program Progress Summary: Through this period, 218,620 customers have participated.

Program Description and Progress

Program Title: Residential Retrofit

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

Program Accomplishments: January 1 to December 31, 2023

Appliance	Rebate Amount	Participants
Natural Gas Cooktop/Range	\$300	258
Natural Gas Dryer	\$200	167
Natural Gas Heating	\$725	2
Natural Gas Energy Star Water Heater	\$650	1
Natural Gas Tank Water Heater	\$550	10
Natural Gas Tankless Water Heater	\$700	404
Natural Gas Heat Pump	\$500/ton	0

Program Fiscal Expenditures: January 1 to December 31, 2023

Actual expenses were \$400,050.

Program Progress Summary: Through this period, 33,105 customers have participated.

Program Description and Progress

Program Title: Residential Retention

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

Program Accomplishments: January 1 to December 31, 2023

Appliance	Rebate Amount	Participants
Natural Gas Cooktop/Range	\$100	400
Natural Gas Dryer	\$150	703
Natural Gas Heating	\$500	2,098
Natural Gas Energy Star Water Heater	\$400	47
Natural Gas Tank Water Heater	\$350	3,582
Natural Gas Tankless Water Heater	\$550	1,984

Program Fiscal Expenditures: January 1 to December 31, 2023

Actual expenses were \$3,553,766.

Program Progress Summary: Through this reporting period, 234,479 customers have participated.

Program Description and Progress

Program Title: Commercial Walkthrough Energy Audit

Program Description: A conservation program designed to reduce demand and energy consumption of commercial/industrial facilities by increasing customer awareness of the energy use in their facilities. The savings are dependent upon the customer's implementation of conservation measures and practices recommended.

Program Accomplishments: January 1 to December 31, 2023
Number of Customers Participating: 11

Program Fiscal Expenditures: January 1 to December 31, 2023
Actual expenses were \$9,175.

Program Progress Summary: Through this period, 11 customers have participated.

Program Description and Progress

Program Title: Commercial New Construction

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

Program Accomplishments: January 1 to December 31, 2023

Appliance	Rebate Amount	Participants
Natural Gas Cooktop/Range	\$2,000	206
Natural Gas Dryer	\$2,500	27
Natural Gas Fryer	\$3,500	137
Natural Gas Tank Water Heater	\$2,500	9
Natural Gas Tankless Water Heater	\$3,500	397

Program Fiscal Expenditures: January 1 to December 31, 2023

Actual expenses were \$2,187,117.

Program Progress Summary: Through this period, 1,842 customers have participated.

Program Description and Progress

Program Title: Commercial Retrofit

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

Program Accomplishments: January 1 to December 31, 2023

Appliance	Rebate Amount	Participants
Natural Gas Cooktop/Range	\$2,000	17
Natural Gas Dryer	\$2,500	7
Natural Gas Fryer	\$3,500	9
Natural Gas Tank Water Heater	\$2,500	0
Natural Gas Tankless Water Heater	\$3,500	225
Natural Gas Heat Pump	\$500/ton	100 tons

Program Fiscal Expenditures: January 1 to December 31, 2023

Actual expenses were \$886,671.

Program Progress Summary: Through this period, 2,781 customers have participated.

Program Description and Progress

Program Title: Commercial Retrofit Combined Heat and Power

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

Program Accomplishments: January 1 to December 31, 2023

Number of customers participating: 0

Program Fiscal Expenditures: January 1 to December 31, 2023

Actual expenses were \$0.

Program Progress Summary: Through this period, 7 customers have participated.

Program Description and Progress

Program Title: Commercial Electric Replacement

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

Program Accomplishments: January 1 to December 31, 2023

Total kw Displaced: 100

Program Fiscal Expenditures: January 1 to December 31, 2023

Actual expenses were \$10,000.

Program Progress Summary: Through this period, 60,581 kW have been displaced.

Program Description and Progress

Program Title: Commercial Retention

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

Program Accomplishments: January 1 to December 31, 2023

Appliance	Rebate Amount	Participants
Natural Gas Cooktop/Range	\$1,500	238
Natural Gas Dryer	\$2,000	97
Natural Gas Fryer	\$3,000	1,696
Natural Gas Tank Water Heater	\$1,500	12
Natural Gas Tankless Water Heater	\$2,000	343

Program Fiscal Expenditures: January 1 to December 31, 2023

Actual expenses were \$6,143,359.

Program Progress Summary: Through this reporting period, 5,109 customers have participated.

Program Description and Progress

Program Title: Conservation Research & Development

Program Description: This program is in response to Rule 25-17.001 (5) (f), F.A.C., that requires the aggressive pursuit of research, development and demonstration (“R&D”) projects “include both technological research, research on load behavior and related problems and market-related research.” Rule 25-17.001(5), F.A.C., requires aggressive R&D be “...an ongoing part of the practice of every well managed utility’s programs.” This program is also in support of FPSC Order No. 22176 dated November 14, 1989, requiring utilities to “...pursue research, development, and demonstration projects designed to promote energy efficiency and conservation.” R&D activity will be conducted on proposed measures to determine the impact to the company and its ratepayers and may occur at customer premises, Peoples Gas System, Inc.’s facilities or at independent test sites.

Program Accomplishments: January 1 to December 31, 2023

Number of Research Projects: 0

Program Fiscal Expenditures: January 1 to December 31, 2023

Actual expenses were \$0.

Program Progress Summary: Peoples continues to review possible programs to research.

Program Description and Progress

Program Title: Common Expenses

Program Description: These are expenses common to all programs.

Program Fiscal Expenditures: January 1 to December 31, 2023

Actual expenses were \$1,852,333.