

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation Cost )  
Recovery. )  
\_\_\_\_\_ )

DOCKET NO. 20240004-GU  
FILED: August 1, 2024

**PETITION OF PEOPLES GAS SYSTEM**

Peoples Gas System, Inc. ("Peoples" or the "company"), by and through its undersigned counsel files this Petition for approval of the company's conservation cost recovery true-up and the cost recovery factors proposed for use during the period January through December 2025, and in support thereof, states:

1. The name and address of the petitioner are:

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

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

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## **Conservation Cost Recovery**

1. During the period January through December 2023, Peoples incurred actual net conservation costs of \$30,425,021. The amount collected in the ECCR clause was \$17,506,108, plus applicable regulatory assessment fees of \$87,531. The conservation revenue applicable to this period was \$21,048,696, which includes the \$17,506,108 amount collected in the ECCR clause and the prior period true-up over-recovery of \$3,542,588. The true-up amount for January through December 2023 was an under-recovery of \$11,590,787, including interest. (See Exhibit No. CTM-1; Schedule CT-1, Page 1 of 1 and CT-2, Page 1 of 3, filed May 1, 2024).

2. During the period January through December 2024, the company anticipates incurring expenses of \$33,850,334. For the period, the total net true-up under-recovery is estimated to be \$1,483,836, including interest. (See Exhibit No. CTM-2; Schedule C-3, page 3 of 5).

3. For the forthcoming cost recovery period January through December 2025, Peoples projects its total incremental conservation costs to be \$36,337,767. With the estimated true-up under-recovery for 2024 of \$1,483,836, the total amount to be collected is \$37,821,603. Utilizing the rate design and cost allocation methodology approved by the Commission, the required conservation cost recovery factors are as follows:

<b><u>Rate Schedule</u></b>	<b><u>Cost Recovery Factors (Dollars per Therm)</u></b>
RS & RS-SG & RS-GHP	\$0.17732
SGS	\$0.11074
GS-1 & CS-SG & CS-GHP	\$0.05851
GS-2	\$0.04497
GS-3	\$0.03793
GS-4	\$0.02739
GS-5	\$0.01918

CSLS

\$0.03822

(See Exhibit No. CTM-2; Schedule C-1, Page 1 of 1)

4. Peoples is not aware of any disputed issues of material fact relating to the matters addressed or the relief requested in this petition.

WHEREFORE, Peoples Gas System, Inc., requests the Commission's approval of the company's prior period conservation cost recovery true-up calculations and projected conservation cost recovery charges to be collected during the period January 1, 2025, through December 31, 2025.

DATED this 1<sup>st</sup> day of August 2024.

Respectfully submitted,



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ATTORNEYS FOR PEOPLES GAS SYSTEM, INC.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition, together with copies of the Direct Testimony of Charles T. Morgan II and Exhibit CTM-2, filed on behalf of Peoples Gas System, Inc., has been furnished by electronic mail this 1<sup>st</sup> day of August 2024, to the following:

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\_\_\_\_\_  
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: AUGUST 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  
13           the 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 utility regulatory  
21           experience, including three years with the Florida Public  
22           Service Commission ("Commission") as a Public Utility  
23           Analyst and three years as a Regulatory Analyst with Peoples  
24           before being promoted into my current role this year. As  
25           the Supervisor of Conservation Programs, I am responsible

1 for Peoples' Natural Gas Conservation Cost Recovery  
2 ("NGCCR") Clause and other Conservation and demand-side  
3 management ("DSM") activities.  
4

5 **Q.** What is the purpose of your testimony in this docket?  
6

7 **A.** The purpose of my testimony is to support Peoples' actual  
8 conservation costs incurred during the period January  
9 through December 2023, the actual/estimated period  
10 January to December 2024, and the projected period January  
11 through December 2025. The projected 2025 NGCCR factors  
12 have been calculated based on the currently approved  
13 allocation methodology.  
14

15 **Q.** Are you sponsoring any exhibits with your testimony?  
16

17 **A.** Yes, I am sponsoring Exhibit No. CTM-2 prepared under my  
18 direction and supervision. This document consists of  
19 Schedules C-1 through C-5 and associated data which  
20 contain information that supports the development of the  
21 natural gas conservation cost recovery factors to be  
22 applied to customer bills during the period January 2025  
23 through December 2025.  
24

1 **Q.** Does Exhibit No. CTM-2 meet the requirements of Florida  
2 Statute Rule 25-17.015, which requires the projection  
3 filing to include the annual estimated/actual true-up  
4 filing showing actual and projected common costs,  
5 individual program costs, and any revenues collected?  
6

7 **A.** Yes, it does.  
8

9 **Q.** What timeframe did Peoples use in developing its 2024 annual  
10 actual/estimated true-up filing?  
11

12 **A.** Peoples developed its 2024 annual actual/estimated true-up  
13 filing showing actual and projected common costs,  
14 individual program costs, and any revenues collected based  
15 on six months of actuals and six months of estimates.  
16

17 **Q.** Please describe the conservation program costs projected by  
18 Peoples during the period January through December 2023.  
19

20 **A.** For the period January through December 2023, Peoples  
21 projected conservation program costs to be \$18,338,325. The  
22 Commission authorized collections to recover these expenses  
23 in Order No. PSC-2022-0423-FOF-GU, issued December 14,  
24 2022, in Docket No. 20220004-GU.  
25



1 **Q.** For the period January through December 2023, what were  
2 Peoples' conservation costs, and what was recovered through  
3 the NGCCR clause?  
4

5 **A.** For the period January through December 2023, Peoples  
6 incurred actual net conservation costs of \$30,425,021. The  
7 amount collected in the NGCCR clause was \$17,506,108, plus  
8 applicable regulatory assessment fees of \$87,531. The  
9 conservation revenue applicable to this period was  
10 \$21,048,696, which includes the \$17,506,108 amount  
11 collected in the NGCCR clause and the prior period true-up  
12 over-recovery of \$3,542,588.  
13

14 **Q.** What is the true-up amount for Peoples for the period  
15 January through December 2023?  
16

17 **A.** Peoples' true-up amount for the period January through  
18 December 2023 was an under-recovery of \$11,590,787,  
19 including interest, as detailed on Schedule CT-2, Page 1  
20 of 3, of Exhibit No. CTM-1.  
21

22 **Q.** Please describe the conservation program costs projected  
23 to be incurred by Peoples during the period January  
24 through December 2024?  
25

1 **A.** The actual costs incurred by Peoples through June 2024  
2 and projected for July through December 2024 are  
3 \$33,850,334, as shown on Schedule C-3, Page 1 of 4. For  
4 the period, Peoples anticipates an under-recovery in the  
5 NGCCR Clause of \$1,483,836 which includes the 2023 true-  
6 up and interest. A summary of these costs and estimates  
7 are fully detailed in Exhibit No. CTM-2.

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

10  
11 **A.** The under-recovery is primarily a result of actual  
12 expenses for January through June and estimated expenses  
13 for July through December exceeding projections in the  
14 Commercial Retention Program. The actual and estimated  
15 costs for each program are detailed on Schedule C-3, Page  
16 1 of 4.

17  
18 **Q.** Has Peoples launched its statewide Commercial Walkthrough  
19 Energy Audit?

20  
21 **A.** Yes. Peoples signed a contract amendment with its vendor  
22 in May of 2024 that allows the company to offer statewide  
23 walkthrough energy audits. As of the date of this filing,  
24  
25

1 the vendor has completed 32 walkthrough energy audits in  
2 the Tampa, Naples, Orlando, and Daytona Beach areas.

3  
4 **Q.** Please summarize the proposed conservation costs for the  
5 period January through December 2025 and the annualized  
6 recovery factors applicable for the period January through  
7 December 2025.

8  
9 **A.** Peoples has estimated that the total conservation costs  
10 during the period will be \$36,337,767. With the estimated  
11 true-up under-recovery for 2024 of \$1,483,836, the total  
12 amount to be collected is \$37,821,603. Utilizing the rate  
13 design and cost allocation methodology approved by the  
14 Commission, the January through December 2025 conservation  
15 cost recovery factors are as follows:

	<b>Cost Recovery Factors</b>
<b><u>Rate Schedule</u></b>	<b><u>(Dollars per Therm)</u></b>
18 RS & RS-SG & RS-GHP	\$0.17732
19 SGS	\$0.11074
20 GS-1 & CS-SG & CS-GHP	\$0.05851
21 GS-2	\$0.04497
22 GS-3	\$0.03793
23 GS-4	\$0.02739
24 GS-5	\$0.01918
25 CSLS	\$0.03822

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Exhibit No. CTM-2, Schedule C-1, Page 1 of 1, Energy Conservation Adjustment, Summary of Cost Recovery Clause Calculation, contains the Commission-prescribed form which details these estimates.

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

**A.** Yes, it does.

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
MONTHS: January 2025 through December 2025

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	36,337,767
2. TRUE-UP (SCHEDULE C-3, PAGE 3, LINE 11)	1,483,836
3. TOTAL (LINE 1 AND LINE 2)	37,821,603

RATE SCHEDULE	BILLS	THERMS	CUSTOMER CHARGE	NON-GAS ENERGY CHARGE	TOTAL CUST. & ENGY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RS & RS-SG & RS-GHP	5,726,986	91,766,151	140,654,776	32,189,730	172,844,506	16,190,208	9.36692%	0.17643	1.00503	0.17732
SGS	164,531	10,332,885	7,071,542	5,083,366	12,154,908	1,138,541	9.36692%	0.11019	1.00503	0.11074
GS-1 & CS-SG & CS-GHIP	261,495	101,545,895	17,049,474	46,067,311	63,116,785	5,912,099	9.36692%	0.05822	1.00503	0.05851
GS-2	94,614	143,576,246	11,658,337	56,922,238	68,580,575	6,423,888	9.36692%	0.04474	1.00503	0.04497
GS-3	10,239	80,534,023	5,134,654	27,312,309	32,446,963	3,039,281	9.36692%	0.03774	1.00503	0.03793
GS-4	2,016	67,937,002	1,916,067	17,847,730	19,763,797	1,851,259	9.36692%	0.02725	1.00503	0.02739
GS-5	2,037	170,087,415	4,270,917	30,381,014	34,651,931	3,245,819	9.36692%	0.01908	1.00503	0.01918
NGVS	0	0	0	0	0	0	9.36692%	0.00000	1.00503	0.00000
CSLS	0	539,245	0	218,933	218,933	20,507	9.36692%	0.03803	1.00503	0.03822
TOTAL	6,261,918	666,318,862	187,755,767	216,022,631	403,778,398	37,821,603				



ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
January 2025 through December 2025

	PROGRAM	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1	RESIDENTIAL CUSTOMER ASSISTED AUDIT	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	10,417	\$125,000
2	RESIDENTIAL NEW CONSTRUCTION	1,508,362	1,508,362	1,508,362	1,508,362	1,508,362	1,508,362	1,508,362	1,508,362	1,508,362	1,508,362	1,508,362	1,508,362	\$18,100,340
3	RESIDENTIAL RETROFIT	21,842	21,842	21,842	21,842	21,842	21,842	21,842	21,842	21,842	21,842	21,842	21,842	\$262,102
4	RESIDENTIAL RETENTION	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	\$3,200,000
5	COMMERCIAL WALKTHROUGH AUDIT	9,067	9,067	9,067	9,067	9,067	9,067	9,067	9,067	9,067	9,067	9,067	9,067	\$108,809
6	COMMERCIAL NEW CONSTRUCTION	277,548	277,548	277,548	277,548	277,548	277,548	277,548	277,548	277,548	277,548	277,548	277,548	\$3,330,577
7	COMMERCIAL RETROFIT	49,445	49,445	49,445	49,445	49,445	49,445	49,445	49,445	49,445	49,445	49,445	49,445	\$593,340
8	COMMERCIAL RETROFIT CHP	0	0	0	0	0	0	0	0	0	0	0	0	\$0
9	COMMERCIAL RETROFIT ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	\$0
10	COMMERCIAL RETENTION	694,237	694,237	694,237	694,237	694,237	694,237	694,237	694,237	694,237	694,237	694,237	694,237	\$8,330,840
11	CONSERVATION R&D	0	0	0	0	0	0	0	0	0	0	0	0	\$0
12	COMMON COSTS	190,563	190,563	190,563	190,563	190,563	190,563	190,563	190,563	190,563	190,563	190,563	190,563	\$2,286,759
	TOTAL ALL PROGRAMS	\$3,028,147	\$3,028,147	\$3,028,147	\$3,028,147	\$3,028,147	\$3,028,147	\$3,028,147	\$3,028,147	\$3,028,147	\$3,028,147	\$3,028,147	\$3,028,147	\$36,337,767

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
January 2025 through December 2025

	PROGRAM	CAPITAL INVEST	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1	RESIDENTIAL CUSTOMER ASSISTED AUDIT	0	0	0	0	0	125,000	0	0	\$125,000
2	RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	18,100,340	0	0	0	\$18,100,340
3	RESIDENTIAL RETROFIT	0	0	0	0	262,102	0	0	0	\$262,102
4	RESIDENTIAL RETENTION	0	0	0	0	3,200,000	0	0	0	\$3,200,000
5	COMMERCIAL WALKTHROUGH AUDIT	0	0	0	0	0	108,809	0	0	\$108,809
6	COMMERCIAL NEW CONSTRUCTION	0	0	0	0	3,330,577	0	0	0	\$3,330,577
7	COMMERCIAL RETROFIT	0	0	0	0	593,340	0	0	0	\$593,340
8	COMMERCIAL RETROFIT CHP	0	0	0	0	0	0	0	0	\$0
9	COMMERCIAL RETROFIT ELECTRIC REPLACEMENT	0	0	0	0	0	0	0	0	\$0
10	COMMERCIAL RETENTION	0	0	0	0	8,330,840	0	0	0	\$8,330,840
11	CONSERVATION R&D	0	0	0	0	0	0	0	0	\$0
12	COMMON COSTS	0	769,425	0	1,288,502	0	149,050	0	79,782	\$2,286,759
	PROGRAM COSTS	\$0	\$769,425	\$0	\$1,288,502	\$33,817,199	\$382,859	\$0	\$79,782	\$36,337,767

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM

Estimated For Months July 2024 through December 2024

	PROGRAM	CAPITAL INVEST	PAYROLL BENEFITS	MATERIALS & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1	RESIDENTIAL CUSTOMER ASSISTED AUDIT									
	A. ACTUAL	0	0	0	0	0	125,000	0	0	125,000
	B. ESTIMATED	0	0	0	0	0	0	0	0	0
	C. TOTAL	0	0	0	0	0	125,000	0	0	125,000
2	RESIDENTIAL NEW CONSTRUCTION									
	A. ACTUAL	0	0	0	0	9,211,400	0	0	0	9,211,400
	B. ESTIMATED	0	0	0	0	7,835,000	0	0	0	7,835,000
	C. TOTAL	0	0	0	0	17,046,400	0	0	0	17,046,400
3	RESIDENTIAL RETROFIT									
	A. ACTUAL	0	0	0	0	148,710	0	0	0	148,710
	B. ESTIMATED	0	0	0	0	142,514	0	0	0	142,514
	C. TOTAL	0	0	0	0	291,224	0	0	0	291,224
4	RESIDENTIAL RETENTION									
	A. ACTUAL	0	0	0	0	1,588,576	0	0	0	1,588,576
	B. ESTIMATED	0	0	0	0	1,608,971	0	0	0	1,608,971
	C. TOTAL	0	0	0	0	3,197,547	0	0	0	3,197,547
5	COMMERCIAL WALKTHROUGH AUDIT									
	A. ACTUAL	0	0	0	0	0	0	0	0	0
	B. ESTIMATED	0	0	0	0	0	62,312	0	0	62,312
	C. TOTAL	0	0	0	0	0	62,312	0	0	62,312
6	COMMERCIAL NEW CONSTRUCTION									
	A. ACTUAL	0	0	0	0	1,417,267	0	0	0	1,417,267
	B. ESTIMATED	0	0	0	0	1,358,214	0	0	0	1,358,214
	C. TOTAL	0	0	0	0	2,775,481	0	0	0	2,775,481
7.	COMMERCIAL RETROFIT									
	A. ACTUAL	0	0	0	0	298,718	0	0	0	298,718
	B. ESTIMATED	0	0	0	0	294,271	0	0	0	294,271
	C. TOTAL	0	0	0	0	592,989	0	0	0	592,989
8.	COMMERCIAL RETROFIT CHP									
	A. ACTUAL	0	0	0	0	0	0	0	0	0
	B. ESTIMATED	0	0	0	0	0	0	0	0	0
	C. TOTAL	0	0	0	0	0	0	0	0	0
9.	COMMERCIAL RETROFIT ELECTRIC REPLACEMENT									
	A. ACTUAL	0	0	0	0	0	0	0	0	0
	B. ESTIMATED	0	0	0	0	0	0	0	0	0
	C. TOTAL	0	0	0	0	0	0	0	0	0
10.	COMMERCIAL RETENTION									
	A. ACTUAL	0	0	0	0	3,867,314	0	0	0	3,867,314
	B. ESTIMATED	0	0	0	0	3,706,176	0	0	0	3,706,176
	C. TOTAL	0	0	0	0	7,573,490	0	0	0	7,573,490
11.	CONSERVATION R&D									
	A. ACTUAL	0	0	0	0	0	0	0	0	0
	B. ESTIMATED	0	0	0	0	0	0	0	0	0
	C. TOTAL	0	0	0	0	0	0	0	0	0
12	COMMON COSTS									
	A. ACTUAL	0	300,089	0	496,406	0	125,881	-952	92,364	1,013,788
	B. ESTIMATED	0	331,921	0	742,538	0	87,741	0	9,902	1,172,102
	C. TOTAL	0	632,010	0	1,238,944	0	213,622	-952	102,266	2,185,890
	TOTAL	0	632,010	0	1,238,944	31,477,132	400,934	-952	102,266	33,850,334



CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED

Estimated For Months July 2024 through December 2024

PROGRAM NAME	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RESIDENTIAL CUSTOMER ASSISTED AUDIT	0	0	125,000	0	0	0	0	0	0	0	0	0	\$125,000
RESIDENTIAL NEW CONSTRUCTION	1,360,925	788,250	862,650	2,312,150	2,200,000	1,687,425	1,305,833	1,305,833	1,305,833	1,305,833	1,305,833	1,305,833	\$17,046,400
RESIDENTIAL RETROFIT	36,150	17,945	24,400	22,015	34,300	13,900	23,752	23,752	23,752	23,752	23,752	23,752	\$291,224
RESIDENTIAL RETENTION	347,300	240,350	191,050	314,400	331,476	164,000	268,162	268,162	268,162	268,162	268,162	268,162	\$3,197,547
COMMERCIAL WALKTHROUGH AUDIT	0	0	0	0	0	0	10,385	10,385	10,385	10,385	10,385	10,385	\$62,312
COMMERCIAL NEW CONSTRUCTION	196,690	199,628	355,186	160,482	235,888	269,392	226,369	226,369	226,369	226,369	226,369	226,369	\$2,775,481
COMMERCIAL RETROFIT	7,000	51,864	62,843	10,467	51,949	114,595	49,045	49,045	49,045	49,045	49,045	49,045	\$592,989
COMMERCIAL RETROFIT CHP	0	0	0	0	0	0	0	0	0	0	0	0	\$0
COMMERCIAL RETROFIT ELECTRIC REPLACEME	0	0	0	0	0	0	0	0	0	0	0	0	\$0
COMMERCIAL RETENTION	824,342	792,750	448,171	555,250	500,551	746,250	617,696	617,696	617,696	617,696	617,696	617,696	\$7,573,490
CONSERVATION R&D	0	0	0	0	0	0	0	0	0	0	0	0	\$0
COMMON COSTS	69,834	223,372	287,666	153,443	57,022	222,452	195,350	195,350	195,350	195,350	195,350	195,350	\$2,185,890
TOTAL ALL PROGRAMS	\$2,842,242	\$2,314,160	\$2,356,966	\$3,528,207	\$3,411,185	\$3,218,014	\$2,696,593	\$2,696,593	\$2,696,593	\$2,696,593	\$2,696,593	\$2,696,593	\$33,850,334

ENERGY CONSERVATION ADJUSTMENT

January 2024 through December 2024

CONSERVATION REVS.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
RCS AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
a. OTHER PROG. REV.	(5,262,533)	(4,820,102)	(4,452,719)	(4,111,651)	(3,386,365)	(2,871,151)	(3,215,997)	(3,215,997)	(3,215,997)	(3,215,997)	(3,215,997)	(3,215,997)	(44,200,506)
b. CONSERV. ADJ. REV.	-	-	-	-	-	-	-	-	-	-	-	-	-
c.	-	-	-	-	-	-	-	-	-	-	-	-	-
CONSERV. ADJ REV. (NET OF REV. TAXES)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	(5,262,533)	(4,820,102)	(4,452,719)	(4,111,651)	(3,386,365)	(2,871,151)	(3,215,997)	(3,215,997)	(3,215,997)	(3,215,997)	(3,215,997)	(3,215,997)	(44,200,506)
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	1,035,956	1,035,956	1,035,956	1,035,956	1,035,956	1,035,956	1,035,956	1,035,956	1,035,956	1,035,956	1,035,956	1,035,961	12,431,477
CONSERVATION REVS. APPLIC. TO PERIOD	(4,226,577)	(3,784,146)	(3,416,763)	(3,075,695)	(2,350,409)	(1,835,195)	(2,180,041)	(2,180,041)	(2,180,041)	(2,180,041)	(2,180,041)	(2,180,036)	(31,769,029)
CONSERVATION EXPS. (FORM C-3, PAGE 3)	2,842,242	2,314,160	2,356,966	3,528,207	3,411,185	3,218,014	2,696,593	2,696,593	2,696,593	2,696,593	2,696,593	2,696,593	33,850,334
TRUE-UP THIS PERIOD	(1,384,335)	(1,469,987)	(1,059,797)	452,512	1,060,776	1,382,819	516,552	516,552	516,552	516,552	516,552	516,557	2,081,304
REGULATORY ADJUSTMENTS													-
INTEREST THIS PERIOD (C-3,PAGE 5)	46,194	35,279	25,243	19,508	18,311	19,130	18,819	16,609	14,388	12,157	9,917	7,667	243,222
TRUE-UP & INT. BEG. OF MONTH	11,590,787	9,216,690	6,746,026	4,675,516	4,111,580	4,154,711	4,520,704	4,020,119	3,517,323	3,012,307	2,505,060	1,995,573	11,590,787
PRIOR TRUE-UP COLLECT. (REFUND.)	(1,035,956)	(1,035,956)	(1,035,956)	(1,035,956)	(1,035,956)	(1,035,956)	(1,035,956)	(1,035,956)	(1,035,956)	(1,035,956)	(1,035,956)	(1,035,961)	(12,431,477)
END OF PERIOD TOTAL NET TRUE-UP	9,216,690	6,746,026	4,675,516	4,111,580	4,154,711	4,520,704	4,020,119	3,517,323	3,012,307	2,505,060	1,995,573	1,483,836	1,483,836

CALCULATION OF TRUE-UP AND INTEREST PROVISION

January 2024 through December 2024

INTEREST PROVISION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
BEGINNING TRUE-UP	11,590,787	9,216,690	6,746,026	4,675,516	4,111,580	4,154,711	4,520,704	4,020,119	3,517,323	3,012,307	2,505,060	1,995,573	1,483,836
END. T-UP BEFORE INT.	9,170,496	6,710,747	4,650,273	4,092,072	4,136,400	4,501,574	4,001,300	3,500,715	2,997,919	2,492,903	1,985,656	1,476,169	1,240,614
TOT. BEG. & END. T-UP	20,761,283	15,927,437	11,396,299	8,767,588	8,247,980	8,656,285	8,522,004	7,520,834	6,515,242	5,505,210	4,490,716	3,471,742	2,724,450
AVERAGE TRUE-UP	10,380,642	7,963,719	5,698,150	4,383,794	4,123,990	4,328,143	4,261,002	3,760,417	3,257,621	2,752,605	2,245,358	1,735,871	1,362,225
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	5.3400%	5.3400%	5.2900%	5.3300%	5.3400%	5.3100%	5.3000%	5.3000%	5.3000%	5.3000%	5.3000%	5.3000%	5.3000%
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	5.3400%	5.2900%	5.3300%	5.3400%	5.3100%	5.3000%	5.3000%	5.3000%	5.3000%	5.3000%	5.3000%	5.3000%	5.3000%
TOTAL	10.6800%	10.6300%	10.6200%	10.6700%	10.6500%	10.6100%	10.6000%	10.6000%	10.6000%	10.6000%	10.6000%	10.6000%	10.6000%
AVG INTEREST RATE	5.3400%	5.3150%	5.3100%	5.3350%	5.3250%	5.3050%	5.3000%	5.3000%	5.3000%	5.3000%	5.3000%	5.3000%	5.3000%
MONTHLY AVG. RATE	0.44500%	0.4430%	0.4430%	0.4450%	0.4440%	0.4420%	0.4417%	0.4417%	0.4417%	0.4417%	0.4417%	0.4417%	0.4417%
INTEREST PROVISION	\$46,194	\$35,279	\$25,243	\$19,508	\$18,311	\$19,130	\$18,819	\$16,609	\$14,388	\$12,157	\$9,917	\$7,667	\$243,222

## PROGRAM DESCRIPTION AND PROGRESS

**Program Title:** RESIDENTIAL CUSTOMER ASSISTED ENERGY AUDIT

**Program Description:** A conservation program designed to save energy by increasing residential customer awareness of natural gas energy use in personal residences. This program allows for residential customers to engage in an online energy audit. Savings are dependent on the customer implementing energy conservation measure and practice recommendations. Recommendations provided to the customer includes an estimated range of energy savings including insightful advice on how to manage their overall energy usage.

**Program Projections:** January 1 to December 31, 2024

During this period, there are 8,000 customers projected to participate.

January 1 to December 31, 2025

During this period, there are 7,500 customers projected to participate.

**Program Fiscal Expenditures:**

January 1 to December 31, 2024

Expenditures are estimated to be \$125,000.

January 1 to December 31, 2025

Expenditures are estimated to be \$125,000.

**Historical Program Summary:**

As of December 31, 2023, there have been 35,271 participants in this program since its inception.

## PROGRAM DESCRIPTION AND PROGRESS

**Program Title:** RESIDENTIAL NEW CONSTRUCTION

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

**Program Projections:** January 1 to December 31, 2024

During this period, there are 14,605 customers projected to participate.

January 1 to December 31, 2025

During this period, there are 15,336 customers projected to participate.

**Program Fiscal Expenditures:**

January 1 to December 31, 2024

Expenditures are estimated to be \$17,046,600.

January 1 to December 31, 2025

Expenditures are estimated to be \$18,100,340.

**Historical Program Summary:**

As of December 31, 2023, there have been 218,620 participants in this program since its inception.

## PROGRAM DESCRIPTION AND PROGRESS

**Program Title:** RESIDENTIAL RETROFIT

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

**Program Projections:** January 1 to December 31, 2024

During this period, there are 633 customers projected to participate.

January 1 to December 31, 2025

During this period, there are 569 customers projected to participate.

**Program Fiscal  
Expenditures:**

January 1 to December 31, 2024

Expenditures are estimated to be \$291,224.

January 1 to December 31, 2025

Expenditures are estimated to be \$262,102.

**Historical Program  
Summary:**

As of December 31, 2023, there have been 33,105 participants in this program since its inception.

## PROGRAM DESCRIPTION AND PROGRESS

**Program Title:** RESIDENTIAL RETENTION

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

**Program Projections:** January 1 to December 31, 2024

During this period, there are 8,133 customers projected to participate.

January 1 to December 31, 2025

During this period, there are 8,138 customers projected to participate.

**Program Fiscal  
Expenditures:**

January 1 to December 31, 2024

Expenditures are estimated to be \$3,197,547.

January 1 to December 31, 2025

Expenditures are estimated at \$3,200,000.

**Historical Program  
Summary:**

As of December 31, 2023, there have been 234,479 participants in this program since its inception.

## PROGRAM DESCRIPTION AND PROGRESS

**Program Title:** COMMERCIAL WALKTHROUGH ENERGY AUDIT

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

**Program Projections:** January 1 to December 31, 2024

During this period, there are 75 customers projected to participate.

January 1 to December 31, 2025

During this period, there are 100 customers projected to participate.

**Program Fiscal  
Expenditures:**

January 1 to December 31, 2024

Expenditures are estimated to be \$62,312.

January 1 to December 31, 2025

Expenditures are estimated to be \$108,809.

**Historical Program  
Summary:**

As of December 31, 2023, there have been 11 participants in this program since its inception.



## PROGRAM DESCRIPTION AND PROGRESS

**Program Title:** COMMERCIAL NEW CONSTRUCTION

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

**Program Projections:** January 1 to December 31, 2024

During this period, there are 1,016 customers projected to participate.

January 1 to December 31, 2025

During this period, there are 1,220 customers projected to participate.

**Program Fiscal Expenditures:**

January 1 to December 31, 2024

Expenditures are estimated to be \$2,775,481.

January 1 to December 31, 2025

Expenditures are estimated to be \$3,330,577.

**Historical Program Summary:**

As of December 31, 2023, there have been 1,842 participants in this program since its inception.

## PROGRAM DESCRIPTION AND PROGRESS

**Program Title:** COMMERCIAL RETROFIT

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

**Program Projections:** January 1 to December 31, 2024

During this period, there are 173 customers projected to participate.

January 1 to December 31, 2025

During this period, there are 164 customers projected to participate.

**Program Fiscal  
Expenditures:**

January 1 to December 31, 2024

Expenditures are estimated to be \$592,989.

January 1 to December 31, 2025

Expenditures are estimated to be \$593,340.

**Historical Program  
Summary:**

As of December 31, 2023, there have been 2,781 participants in this program since its inception.

## PROGRAM DESCRIPTION AND PROGRESS

**Program Title:** COMMERCIAL RETROFIT COMBINED HEAT AND POWER

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

**Program Projections:** January 1 to December 31, 2024

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

January 1 to December 31, 2025

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

**Program Fiscal Expenditures:**

January 1 to December 31, 2024

Expenditures are estimated to be \$0.

January 1 to December 31, 2025

Expenditures are estimated to be \$0.

**Historical Program Summary:**

As of December 31, 2023, there have been 7 participants in this program since its inception.

## PROGRAM DESCRIPTION AND PROGRESS

**Program Title:** COMMERCIAL RETROFIT ELECTRIC REPLACEMENT

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

**Program Projections:** January 1 to December 31, 2024

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

January 1 to December 31, 2025

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

**Program Fiscal Expenditures:**

January 1 to December 31, 2024

Expenditures are estimated to be \$0.

January 1 to December 31, 2025

Expenditures are estimated at \$0.

**Historical Program Summary:**

As of December 31, 2023, there have been 60,581 kW displaced in this program since its inception.

## PROGRAM DESCRIPTION AND PROGRESS

**Program Title:** COMMERCIAL RETENTION

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

**Program Projections:** January 1 to December 31, 2024

During this period, there are 3,126 customers projected to participate.

January 1 to December 31, 2025

During this period, there are 3,439 customers projected to participate.

**Program Fiscal Expenditures:**

January 1 to December 31, 2024

Expenditures are estimated to be \$7,573,490.

January 1 to December 31, 2025

Expenditures are estimated to be \$8,330,840.

**Historical Program Summary:**

As of December 31, 2023, there have been 5,109 participants in this program since its inception.

## PROGRAM DESCRIPTION AND PROGRESS

**Program Title:** CONSERVATION RESEARCH AND DEVELOPMENT

**Program Description:** The Conservation Demonstration and Development Program allows local distribution companies to pursue opportunities for individual and joint research, including testing of technologies to develop new energy conservation programs. R&D activity will be conducted on proposed measures to determine the impact to the company and its ratepayers and may occur at customer premises, Peoples Gas System facilities, or at independent test sites.

**Program Projections:** See Historical Program Summary.

**Program Fiscal Expenditures:** January 1 to December 31, 2024  
Expenditures are estimated to be \$0.  
January 1 to December 31, 2025  
Expenditures are estimated to be \$0.

**Historical Program Summary:** The company continues to review possible programs to research.

**PROGRAM DESCRIPTION AND PROGRESS**

**Program Title:** COMMON EXPENSES

**Program Description:** These are expenses related to the support, delivery, and advertising of all Peoples Gas System's conservation programs.

**Program Projections:** N/A

**Program Fiscal Expenditures:** January 1 to December 31, 2024

Expenditures are estimated to be \$2,185,890.

January 1 to December 31, 2025

Expenditures are estimated to be \$2,286,759.

**Historical Program Summary:** N/A