



ATTORNEYS & COUNSELORS AT LAW EST. 1884

One Tampa City Center, Suite 2000  
201 N. Franklin Street  
P.O. Box 1531 (33601)  
Tampa, FL 33602  
813.273.4200 Fax: 813.273.4396

[WWW.MFMLEGAL.COM](http://WWW.MFMLEGAL.COM)  
EMAIL: [INFO@MFMLEGAL.COM](mailto:INFO@MFMLEGAL.COM)

625 Court Street, Suite 200  
P.O. Box 1669 (33757)  
Clearwater, FL 33756  
727.441.8966 Fax: 727.442.8470

In Reply Refer to:  
Tampa  
[ab@macfar.com](mailto:ab@macfar.com)

July 23, 2020

**VIA E-PORTAL FILING**

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

**Re: Docket No. 20200051-GU – Petition for rate increase by Peoples Gas System  
Docket No. 20200166-GU-Petition for approval of 2020 depreciation study  
by Peoples Gas System**

Dear Mr. Teitzman:

Attached for electronic filing in the above docket on behalf of Peoples Gas System, please find its Notice of Substitution of Witness and Attached Testimony regarding Dylan W. D'Ascendis in the above case.

Your assistance in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb  
Attachment

cc: J.R. Kelly/Mireille Fall-Fry ([kelly.jr@leg.state.fl.us](mailto:kelly.jr@leg.state.fl.us);[fall-fry.mireille@leg.state.fl.us](mailto:fall-fry.mireille@leg.state.fl.us))  
Kurt Schrader/Jennifer S. Crawford/Bianca Lherisson ([kschrade@psc.state.fl.us](mailto:kschrade@psc.state.fl.us);  
[jcrawfor@psc.state.fl.us](mailto:jcrawfor@psc.state.fl.us); [blheriss@psc.state.fl.us](mailto:blheriss@psc.state.fl.us))  
Jon C. Moyle, Jr., Esq./Karen A. Putnal, Esq. ([jmoyle@moylslaw.com](mailto:jmoyle@moylslaw.com);  
[kputnal@moylslaw.com](mailto:kputnal@moylslaw.com); [mqualls@moylslaw.com](mailto:mqualls@moylslaw.com))  
Paula K. Brown  
Kandi Floyd  
Karen Bramley  
Thomas F. Farrior, Esq.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for rate increase by Peoples Gas System.

DOCKET NO. 20200051-GU

In re: Petition for approval of 2020 depreciation study by Peoples Gas System.

DOCKET NO. 20200166-GU

Submitted for Filing: July 23, 2020

**PEOPLES GAS SYSTEM's NOTICE OF SUBSTITUTION OF WITNESS AND ATTACHED TESTIMONY**

COMES NOW, Peoples Gas System ("Peoples"), by and through its undersigned attorneys and hereby notifies the Commission of the need to substitute a witness and in support thereof states:

1. Peoples original witness for ROE and Cost of Capital was Robert B. Hevert of ScottMadden, Inc.
2. Mr. Hevert has taken a new job and has left ScottMadden and will no longer be available to testify further, either by deposition or at the hearing in this matter.
3. The witness replacing Mr. Hevert is Dylan W. D'Ascendis, a Director at ScottMadden, Inc. Mr. D'Ascendis will be available to testify at the final hearing and be available for a deposition if necessary.
4. Attached is a copy of Dylan W. D'Ascendis' testimony.

Respectfully submitted,

/s/ Andrew M. Brown, Esq.

Andrew M. Brown  
Thomas R. Farrior  
Macfarlane Ferguson & McMullen  
Post Office Box 1531  
Tampa, Florida 33601  
(813) 273-4300  
[ab@macfar.com](mailto:ab@macfar.com)  
[trf@macfar.com](mailto:trf@macfar.com)

Attorneys for Peoples Gas System

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice of Substitution of Witness and Attached Testimony of Peoples Gas System has been furnished via electronic mail to the following, this 23rd day of July, 2020:

J.R. Kelly, Esq.  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison St., Room 812  
Tallahassee, FL 32399-1400  
[kellyjr@leg.state.fl.us](mailto:kellyjr@leg.state.fl.us)

Paula K. Brown  
Regulatory Department  
TECO Energy, Inc.  
P.O. Box 111  
Tampa, FL 33601-0111  
[regdept@tecoenergy.com](mailto:regdept@tecoenergy.com)

Jennifer S. Crawford, Esq.  
Kurt Schrader, Esq.  
Bianca Lherisson, Esq.  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
[jcrawfor@psc.state.fl.us](mailto:jcrawfor@psc.state.fl.us)  
[kschrade@psc.state.fl.us](mailto:kschrade@psc.state.fl.us)  
[blheriss@psc.state.fl.us](mailto:blheriss@psc.state.fl.us)

Kandi M. Floyd  
Peoples Gas System  
P.O. Box 111  
Tampa, FL 33601-0111  
[kfloyd@tecoenergy.com](mailto:kfloyd@tecoenergy.com)

Mireille Fall-Fry, Esq.  
Associate Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, FL 32399-1400  
[fall-fry.mireille@leg.state.fl.us](mailto:fall-fry.mireille@leg.state.fl.us)

Florida Industrial Power Users Group  
c/o Jon C. Moyle, Jr.  
Karen A. Putnal  
Moyle Law Firm, P.A.  
118 North Gadsden Street  
Tallahassee, FL 32301  
[jmoyle@moylelaw.com](mailto:jmoyle@moylelaw.com)  
[kputnal@moylelaw.com](mailto:kputnal@moylelaw.com)  
[mqualls@moylelaw.com](mailto:mqualls@moylelaw.com)

/s/ Andrew M. Brown, Esq.  
Andrew M. Brown



**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO. 20200051-GU**

**IN RE: PETITION FOR BASE RATE INCREASE FOR  
PEOPLES GAS SYSTEM**

**PREPARED DIRECT TESTIMONY  
OF  
DYLAN W. D'ASCENDIS, CRRA, CVA  
on behalf of Peoples Gas System**

1                                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **PREPARED DIRECT TESTIMONY**

3                                   **OF**

4                                   **DYLAN W. D'ASCENDIS, CRRA, CVA**

5  
6   **I.     INTRODUCTION**

7   **Q.     Please state your name, profession and address.**

8   **A.     My name is Dylan W. D'Ascendis. I am a Director at ScottMadden, Inc. My business**  
9           **address is 3000 Atrium Way, Suite 241, Mount laurel, NJ 08054.**

10 **Q.     State briefly your educational background and experience.**

11 **A.     I have offered expert testimony on behalf of investor-owned utilities before 19 state**  
12           **regulatory commissions in the United States, one Canadian province, and one American**  
13           **Arbitration Association panel on rate of return issues including, but not limited to,**  
14           **common equity cost rate, rate of return, valuation, capital structure issues, relative**  
15           **investment risk, and credit quality issues.**

16                    On behalf of the American Gas Association (“AGA”), I calculate the AGA Gas  
17                    Index, which serves as the benchmark against which the performance of the American  
18                    Gas Index Fund (“AGIF”) is measured on a monthly basis. The AGA Gas Index and  
19                    AGIF are a market capitalization weighted index and mutual fund, respectively,  
20                    comprised of the common stocks of the publicly traded corporate members of the AGA.

21                    I am a member of the Society of Utility and Regulatory Financial Analysts  
22                    (“SURFA”). In 2011, I was awarded the professional designation “Certified Rate of  
23                    Return Analyst” (“CRRA”) by SURFA, which is based on education, experience, and the  
24                    successful completion of a comprehensive written examination.

25                    I am also a member of the National Association of Certified Valuation Analysts  
26                    (“NACVA”) and was awarded the professional designation Certified Valuation Analyst

1 (“CVA”) in 2015.

2 I am a graduate of the University of Pennsylvania, where I received a Bachelor of  
3 Arts degree in Economic History. I have also received a Master of Business  
4 Administration with high honors and concentrations in Finance and International  
5 Business from Rutgers University.

6 The details of my educational background and expert witness appearances are  
7 shown in Exhibit DWD-1.

8 **Q. On whose behalf are you presenting this testimony?**

9 A. I am presenting this testimony and appearing on behalf of Peoples Gas System  
10 (“Peoples” or the “Company”), the applicant for rate increase in the present docket.

11 **Q. Have you reviewed the testimony of Robert B. Hevert that was filed on behalf of  
12 Peoples Gas System on June 8, 2020?**

13 A. Yes.

14 **Q. Are you in agreement with Mr. Hevert’s testimony and do you adopt it as your own  
15 on behalf of Peoples Gas system in docket no. 20200051-GU?**

16 A. Yes.

17 **Q. What is the purpose of your direct testimony?**

18 A. The purpose is to provide testimony related to the return on investor-supplied capital,  
19 including the appropriate return on common equity (“ROE”) which the Company should  
20 be afforded in order to have the opportunity to earn a fair return on its property used and  
21 useful in the public service. I am presenting testimony regarding the appropriate return  
22 on investor-supplied capital associated with People’s operations because the Company  
23 does not believe that in this case the use of Florida Leverage Formula (the “FL ROE  
24 Formula”) accurately reflects the return on equity necessary to afford it an opportunity to  
25 earn a fair return.

1 Q. **Have you provided testimony before the Public Service Commission before?**

2 A. Yes, I have recently provided direct testimony on behalf of the Utilities Inc. of Florida in  
3 Public Service Commission Docket No. 20200139-WS titled **In re: Application for an**  
4 **increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion,**  
5 **Orange Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.**

PEOPLES GAS SYSTEM  
DOCKET NO. 20200051-GU  
EXHIBIT NO. DWD-1  
WITNESS: D'ASCENDIS

**EXHIBIT**

**OF**

**DYLAN W. D'ASCENDIS**



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**Summary**

Mr D'Ascendis is an experienced consultant and a Certified Rate of Return Analyst (CRRRA) and Certified Valuation Analyst (CVA). He has served as a consultant for investor-owned and municipal utilities and authorities for 11 years. He has extensive experience in rate of return analyses, class cost of service, rate design, and valuation for regulated public utilities. Mr D'Ascendis has testified as an expert witness in the subjects of rate of return, cost of service, rate design, and valuation before 19 regulatory commissions in the U.S. and an American Arbitration Association panel.

He also maintains the benchmark index against which the Hennessy Gas Utility Mutual Fund performance is measured.

**Areas of Specialization**

- Regulation and Rates
- Utilities
- Mutual Fund Benchmarking
- Capital Market Risk
- Financial Modeling
- Valuation
- Regulatory Strategy
- Rate Case Support
- Rate of Return
- Cost of Service
- Rate Design

**Recent Expert Testimony Submission/Apearances**

<b>Jurisdiction</b>	<b>Topic</b>
■ Massachusetts Department of Public Utilities	Rate of Return
■ New Jersey Board of Public Utilities	Rate of Return
■ Hawaii Public Utilities Commission	Cost of Service, Rate Design
■ South Carolina Public Service Commission	Return on Common Equity
■ American Arbitration Association	Valuation

**Recent Assignments**

- Provided expert testimony on the cost of capital for ratemaking purposes before numerous state utility regulatory agencies
- Maintains the benchmark index against which the Hennessy Gas Utility Mutual Fund performance is measured
- Sponsored valuation testimony for a large municipal water company in front of an American Arbitration Association Board to justify the reasonability of their lease payments to the City
- Co-authored a valuation report on behalf of a large investor-owned utility company in response to a new state regulation which allowed the appraised value of acquired assets into rate base

**Recent Publications and Speeches**

- Co-Author of: "Decoupling, Risk Impacts and the Cost of Capital", co-authored with Richard A. Michelfelder, Ph.D., Rutgers University and Pauline M. Ahern. The Electricity Journal, March, 2020.
- Co-Author of: "Decoupling Impact and Public Utility Conservation Investment", co-authored with Richard A. Michelfelder, Ph.D., Rutgers University and Pauline M. Ahern. Energy Policy Journal, 130 (2019), 311-319.
- "Establishing Alternative Proxy Groups", before the Society of Utility and Regulatory Financial Analysts: 51st Financial Forum, April 4, 2019, New Orleans, LA.
- "Past is Prologue: Future Test Year", Presentation before the National Association of Water Companies 2017 Southeast Water Infrastructure Summit, May 2, 2017, Savannah, GA.
- Co-author of: "Comparative Evaluation of the Predictive Risk Premium Model™, the Discounted Cash Flow Model and the Capital Asset Pricing Model", co-authored with Richard A. Michelfelder, Ph.D., Rutgers University, Pauline M. Ahern, and Frank J. Hanley, The Electricity Journal, May, 2013.
- "Decoupling: Impact on the Risk and Cost of Common Equity of Public Utility Stocks", before the Society of Utility and Regulatory Financial Analysts: 45th Financial Forum, April 17-18, 2013, Indianapolis, IN.

SPONSOR	DATE	CASE/APPLICANT	DOCKET No.	SUBJECT
<b>Regulatory Commission of Alaska</b>				
Alaska Power Company	07/16	Alaska Power Company	Docket No. TA857-2	Rate of Return
<b>Arizona Corporation Commission</b>				
Arizona Water Company	12/19	Arizona Water Company – Western Group	Docket No. W01445A-19-0278	Rate of Return
Arizona Water Company	08/18	Arizona Water Company – Northern Group	Docket No. W01445A-18-0164	Rate of Return
<b>Colorado Public Utilities Commission</b>				
Summit Utilities, Inc.	04/18	Colorado Natural Gas Company	Docket No. 18AL-0305G	Return on Equity
Atmos Energy Corporation	06/17	Atmos Energy Corporation	Docket No. 17AL-0429G	Return on Equity
<b>Delaware Public Service Commission</b>				
Tidewater Utilities, Inc.	11/13	Tidewater Utilities, Inc.	Docket No. 13-466	Capital Structure
<b>Hawaii Public Utilities Commission</b>				
Lanai Water Company, Inc.	12/19	Lanai Water Company, Inc.	Docket No. 2019-0386	Cost of Service / Rate Design
Manele Water Resources, LLC	8/19	Manele Water Resources, LLC	Docket No. 2019-0311	Cost of Service / Rate Design
Kaupulehu Water Company	02/18	Kaupulehu Water Company	Docket No. 2016-0363	Rate of Return
Aqua Engineers, LLC	05/17	Puhi Sewer & Water Company	Docket No. 2017-0118	Cost of Service / Rate Design
Hawaii Resources, Inc.	09/16	Laie Water Company	Docket No. 2016-0229	Cost of Service / Rate Design
<b>Illinois Commerce Commission</b>				
Utility Services of Illinois, Inc.	11/17	Utility Services of Illinois, Inc.	Docket No. 17-1106	Cost of Service / Rate Design
Aqua Illinois, Inc.	04/17	Aqua Illinois, Inc.	Docket No. 17-0259	Rate of Return
Utility Services of Illinois, Inc.	04/15	Utility Services of Illinois, Inc.	Docket No. 14-0741	Rate of Return
<b>Indiana Utility Regulatory Commission</b>				
Aqua Indiana, Inc.	03/16	Aqua Indiana, Inc. Aboite Wastewater Division	Docket No. 44752	Rate of Return
Twin Lakes, Utilities, Inc.	08/13	Twin Lakes, Utilities, Inc.	Docket No. 44388	Rate of Return
<b>Kansas Corporation Commission</b>				
Atmos Energy	07/19	Atmos Energy	19-ATMG-525-RTS	Rate of Return
<b>Louisiana Public Service Commission</b>				
Louisiana Water Service, Inc.	06/13	Louisiana Water Service, Inc.	Docket No. U-32848	Rate of Return
<b>Maryland Public Service Commission</b>				
FirstEnergy, Inc.	08/18	Potomac Edison Company	Case No. 9490	Rate of Return
<b>Massachusetts Department of Public Utilities</b>				
Unitil Corporation	12/19	Fitchburg Gas & Electric Co. (Elec.)	D.P.U. 19-130	Rate of Return
Unitil Corporation	12/19	Fitchburg Gas & Electric Co. (Gas)	D.P.U. 19-131	Rate of Return

SPONSOR	DATE	CASE/APPLICANT	DOCKET No.	SUBJECT
Liberty Utilities	07/15	Liberty Utilities d/b/a New England Natural Gas Company	Docket No. 15-75	Rate of Return
<b>Mississippi Public Service Commission</b>				
Atmos Energy	03/19	Atmos Energy	Docket No. 2015-UN-049	Capital Structure
Atmos Energy	07/18	Atmos Energy	Docket No. 2015-UN-049	Capital Structure
<b>Missouri Public Service Commission</b>				
Indian Hills Utility Operating Company, Inc.	10/17	Indian Hills Utility Operating Company, Inc.	Case No. SR-2017-0259	Rate of Return
Raccoon Creek Utility Operating Company, Inc.	09/16	Raccoon Creek Utility Operating Company, Inc.	Docket No. SR-2016-0202	Rate of Return
<b>New Jersey Board of Public Utilities</b>				
Aqua New Jersey, Inc.	12/18	Aqua New Jersey, Inc.	Docket No. WR18121351	Rate of Return
Middlesex Water Company	10/17	Middlesex Water Company	Docket No. WR17101049	Rate of Return
Middlesex Water Company	03/15	Middlesex Water Company	Docket No. WR15030391	Rate of Return
The Atlantic City Sewerage Company	10/14	The Atlantic City Sewerage Company	Docket No. WR14101263	Cost of Service / Rate Design
Middlesex Water Company	11/13	Middlesex Water Company	Docket No. WR1311059	Capital Structure
<b>North Carolina Utilities Commission</b>				
Aqua North Carolina, Inc.	12/19	Aqua North Carolina, Inc.	Docket No. W-218 Sub 526	Rate of Return
Carolina Water Service, Inc.	06/19	Carolina Water Service, Inc.	Docket No. W-354 Sub 364	Rate of Return
Carolina Water Service, Inc.	09/18	Carolina Water Service, Inc.	Docket No. W-354 Sub 360	Rate of Return
Aqua North Carolina, Inc.	07/18	Aqua North Carolina, Inc.	Docket No. W-218 Sub 497	Rate of Return
<b>Public Utilities Commission of Ohio</b>				
Aqua Ohio, Inc.	05/16	Aqua Ohio, Inc.	Docket No. 16-0907-WW-AIR	Rate of Return
<b>Pennsylvania Public Utility Commission</b>				
Valley Energy, Inc.	07/19	C&T Enterprises	Docket No. R-2019-3008209	Rate of Return
Wellsboro Electric Company	07/19	C&T Enterprises	Docket No. R-2019-3008208	Rate of Return
Citizens' Electric Company of Lewisburg	07/19	C&T Enterprises	Docket No. R-2019-3008212	Rate of Return
Steelton Borough Authority	01/19	Steelton Borough Authority	Docket No. A-2019-3006880	Valuation
Mahoning Township, PA	08/18	Mahoning Township, PA	Docket No. A-2018-3003519	Valuation
SUEZ Water Pennsylvania Inc.	04/18	SUEZ Water Pennsylvania Inc.	Docket No. R-2018-000834	Rate of Return
Columbia Water Company	09/17	Columbia Water Company	Docket No. R-2017-2598203	Rate of Return

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Veolia Energy Philadelphia, Inc.	06/17	Veolia Energy Philadelphia, Inc.	Docket No. R-2017-2593142	Rate of Return
Emporium Water Company	07/14	Emporium Water Company	Docket No. R-2014-2402324	Rate of Return
Columbia Water Company	07/13	Columbia Water Company	Docket No. R-2013-2360798	Rate of Return
Penn Estates Utilities, Inc.	12/11	Penn Estates, Utilities, Inc.	Docket No. R-2011-2255159	Capital Structure / Long-Term Debt Cost Rate
<b>South Carolina Public Service Commission</b>				
Blue Granite Water Co.	12/19	Blue Granite Water Company	Docket No. 2019-292-WS	Rate of Return
Carolina Water Service, Inc.	02/18	Carolina Water Service, Inc.	Docket No. 2017-292-WS	Rate of Return
Carolina Water Service, Inc.	06/15	Carolina Water Service, Inc.	Docket No. 2015-199-WS	Rate of Return
Carolina Water Service, Inc.	11/13	Carolina Water Service, Inc.	Docket No. 2013-275-WS	Rate of Return
United Utility Companies, Inc.	09/13	United Utility Companies, Inc.	Docket No. 2013-199-WS	Rate of Return
Utility Services of South Carolina, Inc.	09/13	Utility Services of South Carolina, Inc.	Docket No. 2013-201-WS	Rate of Return
Tega Cay Water Services, Inc.	11/12	Tega Cay Water Services, Inc.	Docket No. 2012-177-WS	Capital Structure
<b>Virginia State Corporation Commission</b>				
WGL Holdings, Inc.	7/18	Washington Gas Light Company	PUR-2018-00080	Rate of Return
Atmos Energy Corporation	5/18	Atmos Energy Corporation	PUR-2018-00014	Rate of Return
Aqua Virginia, Inc.	7/17	Aqua Virginia, Inc.	PUR-2017-00082	Rate of Return
Massanutten Public Service Corp.	08/14	Massanutten Public Service Corp.	PUE-2014-00035	Rate of Return / Rate Design