

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
ORDER NO. PSC-2020-0394-PHO-GU
ISSUED: October 20, 2020

PREHEARING ORDER

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on October 12, 2020, in Tallahassee, Florida, before Commissioner Julie I. Brown, as Prehearing Officer.

APPEARANCES:

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On behalf of Peoples Gas System

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On behalf of the Citizens of the State of Florida

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On behalf of The Florida Industrial Power Users Group

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Florida Public Service Commission General Counsel

PREHEARING ORDER

I. CASE BACKGROUND

On June 8, 2020, Peoples Gas System (PGS) filed a Petition for Rate Increase, along with its minimum filing requirements and testimony, in Docket No. 20200051-GU. Also, on June 8, 2020, in Docket No. 2020166-GU, Peoples filed a Petition for Approval of its 2020 Depreciation Study, pursuant to Rule 25-7.045, Florida Administrative Code (F.A.C.). By Order No. PSC-2020-0198-PCO-GU (Procedural Order), issued on June 22, 2020, these dockets were consolidated for the purpose of hearing and hearing procedures were established to govern the consolidated dockets, including establishing controlling dates. The Office of Public Counsel (OPC) and the Florida Industrial Power Users Group (FIPUG) are parties to this proceeding. A hearing is scheduled for October 27 – 29, 2020.

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

State buildings are currently closed to the public and other restrictions on gathering remain in place due to COVID-19. Accordingly, the hearing will be conducted remotely, and all parties and witnesses shall be prepared to present argument and testimony by communications media technology. The Commission shall act as the host of the hearing and will use a combination of technologies to ensure full participation. The Commission will employ GoToMeeting as an audio and video platform for the hearing, which will include a telephone number for audio-only participation.

A GoToMeeting invitation shall be provided to counsel for each party. It shall be the responsibility of counsel to provide their clients, client representatives, and witnesses with the invitation, which will allow them to access the hearing, as necessary. Counsel for each party will also be provided the call-in number for audio participation.

Any member of the public who wants to observe or listen to the proceedings may do so by accessing the live video broadcast on each day of the hearing, which is available from the Commission website. Upon completion of the hearing, the archived video will also be available.

III. JURISDICTION

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes (F.S.). This hearing will be governed by said Chapter and Chapters 25-6, 25-22, 28-106, and 28-109, F.A.C., as well as any other applicable provisions of law.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must follow the procedures for providing confidential electronic exhibits to the Commission Clerk prior to the hearing.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by electronic exhibit.

If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize

his or her testimony at the time he or she takes the stand, which, with the exception of witness David J. Garrett, shall be limited to five (5) minutes. David J. Garrett shall have eight (8) minutes to summarize his testimony. Nevertheless, all witnesses are encouraged to not utilize all of their allotted time unless it is particularly needed to properly summarize their testimony.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

VI. ORDER OF WITNESSES

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
TJ Szelistowski	PGS	4
Karen Sparkman (adopting testimony of Monica A. Whiting)	PGS	4
Richard F. Wall	PGS	14-16, 34, 35, 43, 45
Timothy O'Connor	PGS	13-16, 34, 35, 37-40
Richard K. Harper, PhD.	PGS	2
Dylan D'Ascendis (adopting testimony of Robert B. Hevert)	PGS	24
Sean P. Hillary	PGS	1, 7-23, 25-36, 41, 42, 44-57, 70
Valerie Strickland	PGS	27

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
Charlene M. McQuaid	PGS	35
Lorraine L. Cifuentes	PGS	2, 3
Daniel P. Yardley	PGS	58-61
T. Mark Whitaker	PGS	62
Luke A. Buzard	PGS	41, 45, 63-69
Dane Watson	PGS	5, 6
David J. Garrett	OPC	5, 6, 7, 22-26
Andrea C. Crane	OPC	1-3, 8-21, 27-57, 71, and proposed issue
Intesar Terkawi	Staff	8,18, 28, 31, 36, 40-41
Rhonda L. Hicks	Staff	4
<u>Rebuttal</u>		
Richard F. Wall	PGS	14-16, 34, 35, 43, 45
Timothy O'Connor	PGS	13-16, 34, 35, 37-40, 64-65
Dylan D'Ascendis	PGS	24
Sean P. Hillary	PGS	10-17, 19, 20, 30, 33-36, 41, 42, 44, 45, 48-50, 54
Valerie Strickland	PGS	27
Charlene M. McQuaid	PGS	35
Luke A. Buzard	PGS	41, 45
Dane Watson	PGS	5, 6

VII. BASIC POSITIONS

PGS: Rate Relief Requested

After making significant efforts to control expenditures, and careful analysis, Peoples Gas System is seeking the Commission's approval for an increase in its base rates and services charges which will produce additional annual revenues of approximately \$85.3 million based on a 2021 projected test year (\$23.6 million is attributable to moving Cast Iron/Bare Steel (CI/BS) Rider investments into rate base). This increase is designed to recover the Company's cost of service and afford it an opportunity to earn a compensatory return on its investment, including a fair and reasonable return on equity (ROE) midpoint of 10.75%. Absent rate relief, Peoples' ROE would fall well below the bottom of its current ROE range in the projected test year.

PGS's base rates were last increased in 2008. Over the past twelve years, several factors have contributed to the necessity for the Company to seek the adjustment sought in this case. In order to respond to customer growth and demand, improve system safety, and enhance system resiliency, the Company has an obligation to make prudent and necessary infrastructure investments that provides a safe and reliable natural gas distribution system in the communities we serve. Peoples' projects its adjusted rate base in 2021 to be nearly \$1.6 billion, which is an increase of approximately \$1 billion over the \$560 million amount approved in the last base rate proceeding. In addition to normal inflationary pressures, the Company's operating costs continue to increase due to significant customer growth and system expansion, expanding compliance requirements, increased damage prevention efforts, enhanced oversight over safety and quality control, implementation of additional technology in operations and customer expectations, and replenishment of an aging and retiring workforce. Additionally, liability insurance and health care costs continue to escalate at a rate significantly higher than inflation. Construction costs have increased significantly since the last rate case as a result of increased contractor costs, oversight and regulatory requirements, and material costs.

The overall size of Peoples' system has grown considerably since 2009. In 2007, the base year in the Company's last rate case filing, Peoples had approximately 325,000 customers. In the 2019 base year for this rate case filing, that number is now more than 400,000, representing a 23% increase in the number of customers served.

Since its last rate case, Peoples has improved operations companywide and enhanced the Company's customer experience. The success of these efforts is demonstrated by the numerous awards and designations Peoples has received for customer service. In 2020, Peoples achieved the highest customer satisfaction score ever achieved by a gas utility in the J.D. Power Residential Study and ranked highest in residential customer satisfaction among Midsize Natural Gas

utilities in the South for the eighth consecutive year. While the results for the 2020 Business Customer Satisfaction Study will not be released until late October, the Company is on track to repeat its success from 2019. At the study's midpoint in June, Peoples led the South region in overall customer satisfaction, ranked first of 60 brands nationally. Peoples was also named Most Trusted Utility in the nation in Escalent's Cogent Reports residential study for the sixth year in a row and was designated a Customer Champion by Escalent for the sixth consecutive year. In 2020, the Company was designated an Environmental Champion by Escalent for the sixth year in a row and named one of the Easiest Utilities in the Nation to do Business With for the second consecutive year, also by Escalent, based on the Cogent study.

In recent years, Peoples has made numerous operational and system upgrades that have improved safety, compliance, and service to customers. Peoples has improved mapping and leak-detection systems. Peoples has undertaken to improve its inspection and compliance program by the implementation of an electronic data management system. The Company has also added a centralized gas control management operation room and team, a state of the art training center, reorganized its engineering department to improve efficiency, and implemented a new shared Customer Relationship Management (CRM) platform that combined the customer service, billing and credit and collections departments. A centralized statewide dispatch team, new damage prevention programs and new quality and safety management systems have also been introduced to enhance safety and improve the customer experience. In 2012, the Company began a program to retire and replace all CI/BS from the system and recovered through a rider which was approved by the Commission in Order No. PSC-12-0476-TRF-GU. In 2017, the Commission approved adding the retirement and replacement of problematic plastic pipe (PPP) to the CI/BS Rider in Order No. PSC-17-0066-AS-GU.

In this filing the Company is seeking approval for other changes that better reflect the costs of providing safe and reliable service to customers. They include the following:

Current and Future Capital Investments

As Peoples' system expands, it becomes necessary to undertake more investment to sustain the system and ensure its safety and reliability. The Company is nearing completion on three large-scale capital pipeline projects (Panama City, Southwest Florida and Jacksonville), which are responsive to increases in customer demand and will improve system reliability. All three projects are expected to be in service near the end of 2020.

In this filing, Peoples is also moving \$200.7 million of CI/BS Rider investments, made through December 31, 2020, into rate base, thereby adding the related \$23.6

million of 2021 revenue requirements to be recovered through base rates, pursuant to Commission Order No. PSC-12-04760-TRF-GU. Although the \$23.6 million is included in the 2021 projected test year revenue requirement, it does not represent new revenue to the Company, as this is revenue that the Company already receives through the CI/BS rider surcharge.

Increase in the Annual Accrual of the Storm Damage Reserve

The additional revenue requirements Peoples is requesting by this Petition include an increase in the annual accruals to its storm damage reserve from \$57,500 to \$380,000. Peoples believes that in light of the effects of Hurricane Michael, a larger storm damage reserve is necessary to account for the increasing severity and costs of storm damage in general.

Manufactured Gas Plant

The additional revenue requirements Peoples is requesting by this Petition include an increase in the annual amortization expense of the Manufactured Gas Plant (MGP) regulatory asset from \$640,000 to \$1,000,000. The increase would provide for an approximate 20-year amortization period of the MGP regulatory asset.

Depreciation Study

Peoples has filed a separate petition for approval of a Depreciation Study that the Company is proposing to be effective on January 1, 2021, commensurate with new base rates. The Depreciation Study concludes that Peoples will need an estimated \$3.7 million of additional revenue to account for the impact of increased depreciation.

Maximum Allowable Construction Cost (MACC)

Peoples extends main pipelines and service facilities in accordance with the provisions of Rule 25-7.054, Florida Administrative Code. As shown in Exhibit C to this petition, Peoples proposes to change its tariff, pages 5.601 through 5.601-2 to adjust the MACC calculation based on ten (10) years revenue rather than the four (4) years existing calculation. Peoples believes the ten (10) year calculation better reflects the realities of the cost of extending service to customers which has increased considerably since the Company's last rate case. This revised tariff provision will help make gas service more affordable to customers seeking gas service and will promote new commercial and residential development during the economic recovery following the pandemic.

Virtual Pipeline Natural Gas Service (VPNGS)

Peoples is proposing to implement a new tariff which is designed to provide

natural gas service to customers who are unable to obtain access from traditional pipelines. This tariff would allow Peoples to respond to customer demand in situations where traditional natural gas pipeline delivery would not be economically or logistically feasible.

Other Tariff Changes

Peoples is proposing several changes to the tariff that updates antiquated language and corrects grammar and typographical errors. Additionally, changes are proposed to modify the Renewable Natural Gas (RNG), Compressed Natural Gas (CNG) and Natural Gas Vehicle Service (NGVS) tariffs to make these services more widely available to customers and reflects adjustments to adapt to changing market conditions.

OPC: On June 8, 2020, Peoples Gas System (“Peoples” or “Company”), filed a Petition with the Commission seeking a base revenue increase of \$85.3 million, or approximately 34.8%. This increase includes the effect of rolling-in to base rates approximately \$23.6 million annually that is currently being collected through a Cast Iron / Bare Steel Rider (“CI/BSR”) that was authorized by the PSC in Order No. PSC-2012-0476-TRF-GU. Therefore, the net impact of the Company’s request is a net revenue increase of approximately \$61.7 million or 22.9%. PGS is proposing to increase residential rates by slightly more than the system average. The Company is proposing a residential (“RS”) revenue increase of 36.8%, or 25.0% after consideration of the CI/BSR roll-in.

The Company’s filing is based on a Historic Base Year ending December 31, 2019, and on a Projected Future Test Year ending December 31, 2021. Hence, the entire Future Test Year is forecasted in this case. PGS is requesting a return on equity of 10.75% and a capital structure consisting of 54.7% common equity (excluding customer deposits and deferred income taxes). The Company’s last base rate case was filed in Docket No. 20080318-GU and was based on a 2009 Projected Test Year. That case was resolved with a Commission Order on April 5, 2010.

In addition to this base rate filing, on June 8, 2020, PGS also filed a Petition (Docket No. 20200166-GU) requesting approval of new depreciation rates for its gas system. On June 22, 2020, the Commission consolidated the depreciation case with the base rate case.

OPC witnesses, Andrea C. Crane and David Garrett, reviewed PGS’s petition and MFRs, testimonies, and rebuttal testimonies, and conducted discovery through OPC. After their review, OPC’s witnesses recommended adjustments to PGS’s requests.

On August 31, 2020, OPC filed the Direct Testimonies of Ms. Crane and of Mr. Garrett. In her Direct Testimony, Ms. Crane recommended a base revenue increase of no more than \$42,221,562 (Exhibit ACC-2, Schedule 1). After consideration of the roll-in of the CI/BSR, Ms. Crane recommended a net revenue increase of no more than \$18,612,979. In summary, Ms. Crane made the following recommendations:

- Given the fact that the Company is using a fully-forecast Projected Test Year, consisting of the twelve months ending December 31, 2021, the PSC should be especially cautious in evaluating the projections contained in the Company's Petition.
- As discussed in the testimony of Mr. Garrett, the PSC should authorize a pro forma cost of equity of 9.50% for PGS, and a capital structure consisting of no more than 54.7% common equity (excluding customer deposits and deferred income taxes), resulting in an overall cost of capital of 6.05% (see Exhibit ACC-2, Schedule 2). This represents a fair and reasonable rate of return for PGS based upon current economic conditions.
- PGS has a pro forma, Future Test Year rate base of no more than \$1.495 billion (see Exhibit ACC-2, Schedule 3).
- PGS has pro forma, Future Test Year operating income at present rates of at least \$58.8 million (see Exhibit ACC-2, Schedule 7).
- The Company has a pro forma, revenue deficiency of no more than \$42.3 million, as shown on Exhibit ACC-2, Schedule 1. This is in contrast to PGS' claimed deficiency of \$85.3 million.
- After consideration of the roll-in of approximately \$23.6 million related to the CI/BSR, the net impact is a revenue increase of no more than approximately \$18.6 million.¹
- In addition to the adjustments discussed in the testimony of OPC's witnesses, the Commission should also reflect a parent company interest adjustment in the Company's revenue requirement.
- The Company's request to increase its annual storm damage accrual from \$57,500 to \$380,000 is not unreasonable. In addition, the Company's request to increase the annual amortization expense of the Manufactured Gas Plant regulatory asset from \$640,000 to \$1,000,000 is not unreasonable.

OPC is recommending an overall cost of capital of no more than 6.05%, based on the following capital structure and cost rates:

	Percent	Cost	Weighted Cost
Long Term Debt	32.07%	4.47%	1.43%
Short Term Debt	6.27%	2.80%	0.18%
Customer Deposits	1.64%	2.51%	0.04%
Common Equity	46.30%	9.50%	4.40%

¹ This amount is adjusted to \$19.252 million based on corrections discussed below.

Deferred Taxes	13.71%	0.00%	0.00%
Total			6.05%

Mr. Garrett recommended the Commission award the Company a maximum 9.5% ROE, explaining that although PGS's cost of equity is clearly much lower than 9.5% by any objective measure, the Commission should gradually reduce PGS's awarded return towards market-based levels, consistent with the *Hope* Court's end result doctrine. Regarding depreciation, Mr. Garrett recommended adjustments to the Company's proposed service life and net salvage for several accounts. Regarding service life, Mr. Garrett recommended that the Company's recommended service lives are too short, based on its own historical data, which has resulted in overestimated depreciation rate proposals. Regarding net salvage, Mr. Garrett recommends the Commission limit the Company's proposed net salvage increases by 50% for several accounts in the interest of gradualism.

PGS filed its rebuttal testimony on September 21, 2020. On pages 28-31 of the rebuttal testimony of Sean Hillary, PGS identified several formula errors contained in the schedules to Ms. Crane's testimony. After correction of these formula errors, Ms. Crane's recommended increase is now a maximum of \$42,860,644, or a net increase of no more than \$19,252,061 after consideration of the CI/BSR roll in. OPC reserves the right to raise other issues as a result of the Company's rebuttal testimony and to present evidence on further adjustments that should be made by the Commission, which may further increase or decrease OPC's revenue requirement recommendation.

FIPUG: Peoples Gas System ("PGS") seeks to increase its customers' base rates by approximately 35% during an economic recession and declared national and state emergencies resulted from the COVID-19 pandemic. Simply put, now is not the time to allow PGS to recover more than \$85 million dollars in base rates, to allow PGS to earn a return on equity ("ROE") of 10.75%, particularly when the Federal Reserve Board has announced a targeted federal funds rate of 0% to .25%, to allow PGS to reduce the service lives of physical assets so that depreciation expense is unjustifiably accelerated, and to otherwise make it more expensive for PGS' residential, commercial and industrial customers to use natural gas. Further, the Commission should take no action which promotes, encourages, or otherwise facilitates PGS's entry into the Florida liquified natural gas market, a market in which robust competition already exists, and market that is not characterized by a natural monopoly, and a PGS venture that unnecessarily subjects PGS ratepayers to unwarranted and unnecessary risk.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

VIII. ISSUES AND POSITIONS

TEST PERIOD AND FORECASTING

ISSUE 1: Is PGS's projected test period of the twelve months ending December 31, 2021, appropriate?

PGS: Yes. Calendar year 2021 is appropriate for use as the test year since it is representative of Peoples' projected revenues and projected cost of service, capital structure, and rate base required to provide safe, reliable, cost-effective service to its customers during the period when the Company's new rates will be in effect.

OPC: Yes, the twelve months ending December 31, 2021, is an appropriate test year period, although the use of a fully-forecast future test year, by definition, adds additional uncertainty to the determination of the revenue requirement and demands closer scrutiny than the use of an historic or partially-forecast test year.

FIPUG: The decision of PGS to use a fully-forecast future test year injects increased uncertainty into the case as compared the use of a historical test year. As will be acknowledged, projections are usually wrong.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 2: Are PGS's forecasts of customer and therms by rate class for the projected test year ending December 31, 2021 appropriate? If not, what adjustments should be made?

PGS: Yes. PGS' projections of bills and therms for the projected test year, as shown on MFR Schedule G-6, page 4-7, are appropriate.

OPC: No. the Company has not adequately carried its burden of proof to demonstrate that its forecast reasonably accounts for the true impacts of COVID-19 and its own efforts to enter the competitive LNG service business.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 3: **Are PGS’ estimated revenues from sales of gas by rate class at present rates for the projected test year appropriate? If not, what adjustments should be made?**

PGS: Yes. Peoples’ estimated revenues from sales of gas by rate class, as shown on MFR Schedule G-2, pages 8a-8f, are appropriate.

OPC: No. PGS should at least accurately reflect revenues that offset the costs (including infrastructure costs) incurred to facilitate its entry into the competitive LNG services business.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

QUALITY OF SERVICE

ISSUE 4: **Is the quality of service provided by PGS adequate?**

PGS: Yes. Peoples’ quality of service is excellent. No party to this proceeding has suggested otherwise. Peoples has ranked highest in residential customer satisfaction among Midsize Natural Gas utilities in the South region for eight consecutive years in the J.D. Power Gas Utility Residential Customer Satisfaction Study. In 2020, Peoples achieved the highest score in the history of the study. Peoples also led the South region in overall customer satisfaction at the midpoint of the 2020 Gas Utility Business Customer Satisfaction Study. Peoples ranked highest in Brand Trust in Escalent’s 2020 Cogent Syndicated Utility Trusted Brand & Customer Engagement Residential Study, which marked the sixth consecutive year.

OPC: The Customer Service Hearings and the filed comments from customers demonstrate that customers are vehemently opposed to a rate increase at this time. Additionally, several instances of overbilling were brought to OPC’s attention at the hearings. The commission should take these concerns in consideration.

FIPUG: FIPUG plans to monitor or review the transcripts of the customer hearings and reserves the right to set forth its position after these service hearings.

STAFF: Staff has no position pending evidence adduced at the hearing.

DEPRECIATION STUDY

ISSUE 5: **Should the Commission establish an annual depreciation rate applicable to PGS's liquefied natural gas storage, renewable natural gas, and compressed natural gas assets?**

PGS: Yes. The proposed new annual depreciation rates of 3.5% - RNG Plant (Account 33600), 3.5% LNG Plant (Account 36400) and 3.0% Compressor Equipment (Account 37700) are appropriate.

OPC: At this point there are no such assets contemplated as the Blue Marlin project is either indefinitely delayed or cancelled. Any other such assets related to the company's intended entry into the competitive provision of LNG services — including for foreign export — should not be allowed in regulated rate base.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 6: **What are the appropriate depreciation parameters, resulting rates, reserve allocation, and amortization schedules?**

PGS: The appropriate depreciation parameters, resulting rates, reserve allocation, and amortization schedules are contained in Exhibit DAW-1 at the following pages:

- Amortization schedules - pages 74-98,
- Reserve allocation - Appendix A-1, pages 100-101
- Resulting rates - Appendix B, pages 104-105, and Appendix E, page 145, and
- Parameters - Appendix C page 107.

OPC: OPC recommends adjustments to service lives as represented in the table below:

Account No.	Description	OPC Position			
		Iowa Curve		Net Sal	Depr
		Type	AL	Rate	Rate
376.00	Mains Steel	R1.5	65	-50%	2.11%
376.02	Mains Plastic	R2	75	-33%	1.57%
378.00	Meas & Reg Station Eqp Gen	R1	46	-10%	2.25%
380.00	Services Steel	R0.5	57	-125%	3.55%
380.02	Services Plastic	R1.5	64	-68%	2.24%
382.00	Meter Installations	R1	44	-25%	2.21%
384.00	House Regulator Installs	R1	47	-25%	1.86%
385.00	Meas & Reg Station Eqp Ind	R3	41	-2%	1.90%

FIPUG: FIPUG adopts the recommended adjustments as put forward by OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 7: What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?

PGS: The implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules should be the date new base rates are in effect, as decided in Issue 70.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

RATE BASE

ISSUE 8: Has PGS made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation, and Working Capital?

PGS: Yes. All required adjustments to remove non-utility items have been included in the 2021 test year, as shown on MFR Schedule G-1, page 4.

OPC: Yes, OPC believes that while substantial non-utility activities relating to Plant in Service, Accumulated Depreciation, and Working Capital were removed by the Company, to the extent that there are costs included in rate base or the revenue requirement that are attributable to the competitive provision of LNG services, those costs should be removed from regulated cost of service in accordance with Commission policy. To the extent that the Commission adjusts components of the Company's rate base claim, then corresponding adjustments to non-utility activities may be necessary.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 9: **Should any adjustments be made to the amounts included in the projected test year for acquisition adjustment and accumulated amortization of acquisition adjustment?**

PGS: No. In the projected 2021 test year, Peoples included \$2,084,900 for acquisition adjustment and (\$2,148,582) for accumulated amortization of acquisition adjustment, as seen on MFR Schedule A-3, page 1.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 10: **What is the appropriate level of CWIP to include in the projected test year?**

PGS: The appropriate amount of CWIP for the 2021 projected test year is \$154,563,081, as reflected on MFR Schedule G-1, page 1. The most recent up to date capital expenditures forecast reflects that the Company will exceed its original projected capital expenditures included in the Company's claim. Therefore, there is no reason to modify the projected expenditures for the test year.

OPC: OPC recommends CWIP of no more than \$130,315,754, as shown in Exhibit ACC-2, Schedule 3. This CWIP claim is based upon the Company's projected

December 31, 2020, balance as filed in its application, as adjusted to reflect corresponding timing adjustments relating to CI/BSR plant and to CWIP that is eligible to accrue an allowance for funds used during construction (“AFUDC”). CWIP related to construction of plant or assets related to the competitive provision of LNG services should not be included in determining revenue requirements.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 11: What is the appropriate level of Gas Plant Accumulated Depreciation and Amortization for the projected test year?

PGS: The appropriate amount of Gas Plant Accumulated Depreciation and Amortization for the projected test year 2021 is (\$819,372,981), as shown on MFR Schedule G-1, page 1.

OPC: OPC recommends Accumulated Depreciation of \$776,968,515, as shown in Exhibit ACC-2, Schedule 3. This Accumulated Depreciation balance is based upon the Company’s projected December 31, 2020, balance as filed in its application, as adjusted to reflect corresponding timing adjustments relating to CI/BSR plant and to non-utility common plant.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 12: What are the appropriate amounts of plant in service and accumulated depreciation to be removed in the projected test year for PGS’s Cast Iron/Bare Steel program?

PGS: The appropriate amounts to be included in the projected 2021 test year for Peoples’ CI/BS Rider are \$16,488,118 for plant in service and \$84,198 for accumulated depreciation, as shown on MFR Schedule G-1, page 4.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 13: Is PGS's proposed LNG facility reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed LNG facility?

PGS: Yes, the proposed LNG facility is reasonable. The 2021 13-month average plant in service balance for PGS's proposed LNG facility is \$11,082,087.

OPC: This facility will not be completed in the test year and should not be included in rate base. This renders moot any consideration of the dual capability of the Blue Marlin facility and whether adjustments to cost of service for costs attributable to competitive LNG service should be made. OPC's utility plant in service adjustment includes the impact of the slippage of this project.

FIPUG: No. Also, because the facility will not be completed in the test year, this question is not ripe for consideration in this rate case.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 14: Is PGS's proposed Jacksonville expansion project reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed Jacksonville expansion project?

PGS: Yes, the proposed Jacksonville expansion project is reasonable. The 2021 13-month average plant in service balance for PGS's proposed Jacksonville expansion project is \$58,704,815.

OPC: To the extent that the Jacksonville expansion project is being sized to accommodate PGS's desire to enter the competitive provision of LNG services, the costs related to such oversizing should be allocated to the competitive LNG service and not incurred by the general body of customers. Otherwise, the OPC has not proposed a specific adjustment relating to the Jacksonville project. However, any slippage of the project is incorporated in the overall utility plant in service adjustment being recommended by OPC.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 15: Is PGS's proposed Panama City expansion project reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed Panama City expansion project?

PGS: Yes, the proposed Panama City expansion project is reasonable. The 2021 13-month average plant in service balance for PGS's proposed Panama City expansion project is \$28,505,502.

OPC: OPC has not specifically objected to the Panama City expansion project and has not proposed a specific adjustment relating to the Panama City project. However, any slippage of the project is incorporated in the overall utility plant in service adjustment being recommended by OPC.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 16: Is PGS's proposed Southwest Florida Expansion project reasonable? If so, what is the appropriate amount for plant in service for PGS's proposed Southwest Florida Expansion project?

PGS: Yes, the proposed Southwest Florida expansion project is reasonable. The 2021 13-month average plant in service balance for PGS's proposed Southwest Florida expansion project is \$48,498,972.

OPC: OPC has not specifically objected to the Southwest Florida expansion project and has not proposed a specific adjustment relating to the Southwest Florida project. However, any slippage of the project is incorporated in the overall utility plant in service adjustment being recommended by OPC.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 17: What is the appropriate level of plant in service for the projected test year?

PGS: The appropriate plant in service amount for the 2021 projected test year is \$2,266,308,430, as reflected on MFR Schedule G-1, page 1. The most recent up to date capital expenditures forecast reflects that the Company will exceed its original projected capital expenditures included in the Company's claim. Therefore, there is no reason to modify the projected expenditures for the test year.

OPC: OPC recommends plant in service of no more than \$2,186,432,697, as shown in Exhibit ACC-2, Schedule 3. This plant in service balance is based upon the Company's projected December 31, 2020, balance as filed in its application, as adjusted to reflect corresponding timing adjustments relating to CI/BSR plant and to non-utility common plant.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 17A: **Should the Commission consider, and if so, should it approve, the capital additions proposed by the Company in rebuttal testimony and/or simultaneously filed discovery responses?**

PGS: Yes, the Commission should consider adjustments, including updated reforecasts from the financial information included in Peoples original test year filing which have been identified through the discovery process and rebuttal testimony. Peoples has demonstrated that considering the re-forecasted financial information identified through discovery and rebuttal results in less than a 1% adjustment to the original revenue requirement (see response to Staff's 12 Set of IRR's No. 148).

Peoples original filing represented the most accurate reflection of the test year at the time of the filing and subsequent adjustments identified in discovery represent revisions based on updated conditions. For example, Peoples provided an update to the test year financing plans in response to Staff's 12th Set of IRR's No. 133 – 135 and an update to test year forecasted revenue in OPC's 5th Set of IRR's No. 156. Neither adjustment should be considered independently as the drivers behind the adjustments are interrelated. Furthermore, Peoples provided re-forecasted capital expenditures and rate base impacts in response to Staff's 7th Set of POD's No. 15 and OPC 5th Set of IRR's No. 147, respectively, as well as the updated revenue forecast in response to OPC's 5th Set of IRR's No. 156. Again, an adjustment to any one of capital expenditures, rate base, financing plans or revenue necessitates an adjustment to the other categories in order to give a true picture of the Company's financial forecasts. To only make an adjustment to a single category is not accurate given the interrelated nature of these financial metrics.

OPC's position that it needs further discovery if adjustments are considered is difficult to believe given the depth and breadth of discovery undertaken to date. Not including subparts (which are numerous), the OPC has propounded 170 interrogatories and 61 requests for production of documents. The Commission Staff has propounded 161 interrogatories (again, not including subparts which approach 600 in number) and 38 requests for production of documents. Peoples

has produced over 17,000 pages of documents as a result of these discovery requests. In addition, OPC has taken the deposition of Tim O'Connor and Sean Hillary to discuss the capital projects. In response to Staff's 12th Set IRR's No. 139 and 140, the Company has provided details on projects added in response to Staff's 7th Set of POD's No. 15. There is no reason to believe that any additional discovery or additional rebuttal from the OPC would shed any further light on Peoples' capital spending. This is especially true given that OPC's expert, Andrea Crane, had virtually nothing to say about any individual capital project, primarily because it is her position that no capital projects in the projected test year of 2021 should be included in the rate case. Therefore, it is extremely unlikely she would provide any additional testimony on those issues.

OPC: The Commission should not consider the new, incremental capital additions proposed by the Company in rebuttal testimony and/or simultaneously filed discovery responses. Given the procedural schedule in this case, there is inadequate time to fully consider these proposed additions. In addition, allowing the utility to add additional expenditures in order to offset savings due to cancelled or delayed projects, prohibits objective analysis of the Company's projected test year since it ensures that a specific level of spending will be included in rates regardless of whether the underlying projects are needed for the provision of safe and reliable service and regardless of the actual capital projects included in the Company's original test year approved budget. If the Commission nevertheless deems it appropriate to consider the late filed capital additions, OPC experts should be afforded the opportunity to file or provide rebuttal testimony on the projects.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 18: **Have under recoveries and over recoveries related to the Purchased Gas Adjustment, Energy Conservation Cost Recovery, and Area Expansion Plan been appropriately reflected in the Working Capital Allowance?**

PGS: Yes, as shown on MFR Schedule G-1, page 2.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 19: What is the appropriate level of working capital for the projected test year?

PGS: The appropriate 2021 projected test year Working Capital Allowance is (\$12,053,001), as reflected on MFR schedule G-1, page 3.

OPC: As shown in Exhibit ACC-2, Schedule 3, OPC has reflected a working capital allowance of no more than (\$12,053,001) in rate base.

FIPUG: No more than \$12,053,001.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 20: What is the appropriate level of rate base for the projected test year?

PGS: The appropriate projected test year Rate Base is \$1,578,725,509, as reflected on MFR Schedule G-1, page 1.

OPC: As shown in Exhibit ACC-2, Schedule 3, OPC is recommending a rate base of \$1,494,906,141.

FIPUG: No more than \$1,494,906,141.

STAFF: Staff has no position pending evidence adduced at the hearing.

COST OF CAPITAL

ISSUE 21: What is the appropriate amount of accumulated deferred taxes to include in the projected test year capital structure?

PGS: The appropriate amount of accumulated deferred taxes to be included in the capital structure for the projected test year is \$216,463,449, as shown on MFR Schedule G-3, page 2.

OPC: OPC has not recommended any adjustment to the amount of accumulated deferred taxes to be included in the projected test year capital structure, but notes that an adjustment may be necessary depending upon the capital expenditures accepted by the Commission, as discussed on page 16 of Ms. Crane's testimony.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 22: What is the appropriate amount and cost rate for short-term debt to include in the projected test year capital structure?

PGS: The appropriate amount of short-term debt for the projected test year is \$103,252,578 and the cost rate is 2.80 percent, as shown on MFR Schedule G-3, page 4.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 23: What is the appropriate amount and cost rate for long-term debt to include in the projected test year capital structure?

PGS: The appropriate amount of long-term debt for the projected test year is \$521,217,185 and the cost rate is 4.47 percent, as shown on MFR Schedule G-3, page 3.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 24: What is the appropriate authorized return on equity (ROE) to use in establishing PGS's projected test year revenue requirement?

PGS: The appropriate authorized return on equity (ROE) for the projected test year is 10.75 percent.

OPC: Analysis of an appropriate awarded ROE for a utility should begin with a reasonable estimation of the utility's cost of equity capital. Applying reasonable inputs and assumptions to these models indicates that the Company's estimated cost of equity is approximately 6.9%. If the Commission were to award a return equal to the Company's estimated cost of equity of 6.9%, it would be accurate from a technical standpoint, and it would also significantly reduce the excess wealth transfer from ratepayers to shareholders that would otherwise occur if the Company's proposal were adopted. Notwithstanding, OPC recommends an authorized ROE of no more than 9.5% for OPC in this docket. An awarded return as low as 6.9% in any current rate proceeding would represent a substantial change from the "status quo," which involves awarded ROEs that clearly exceed market-based cost of equity for utilities. However, while generally reducing awarded ROEs for utilities would move awarded returns closer to market-based costs and reduce part of the excess transfer of wealth from ratepayers to shareholders, it is advisable to do so gradually. If the Commission were to make a significant, sudden change in the awarded ROE anticipated by regulatory stakeholders, it could have the undesirable effect of notably increasing the Company's risk profile and would arguably be at odds with the *Hope* Court's "end result" doctrine. An awarded ROE of 9.5% represents a good balance between the Supreme Court's indications that awarded ROEs should be based on cost, while also recognizing that the end result must be reasonable under the circumstances. An awarded ROE of 9.5% also represents a gradual move toward the Company's market-based cost of equity, and it would be fair to the Company's shareholders because 9.5% is over 250 basis points above the Company's market-based cost of equity.

FIPUG: 7.0%

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 25: **Has PGS made the appropriate adjustments to remove all non-utility investments from the common equity balance?**

PGS: Yes. The appropriate adjustments to remove all non-utility investments from the common equity balance have been made, as shown on Exhibit SPH-1, Document No. 7.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 26: **What is the appropriate weighted average cost of capital to use in establishing PGS's projected test year revenue requirement?**

PGS: The appropriate weighted average cost of capital for the projected test year is 6.63 percent, as reflected on MFR Schedule G-3, page 2.

OPC: OPC recommends a weight average cost of capital of 6.05 percent, as reflected in Witness Crane's Exhibit ACC-2, Schedule 2, and consistent with Witness Garrett's recommended ROE of 9.5%.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 27: **Should a parent company debt adjustment be made per Rule 25-14.004, Florida Administrative Code, and if so, what is the amount of the adjustment?**

PGS: Emera U.S. Holding Inc. (EUSHI) is the ultimate parent company used for purposes of calculating a parent debt adjustment as provided for in Rule 25-14.004. EUSHI does not project to have debt on its balance sheet in the 2021 projected test year. Therefore, Peoples has included a parent company debt adjustment of \$0, as shown on MFR Schedule C-26.

OPC: A parent company debt adjustment should be made, based on the Company's confidential response to Staff IRR-36. OPC notes that this response is in Canadian dollars.

FIPUG: Yes.

STAFF: Staff has no position pending evidence adduced at the hearing.

NET OPERATING INCOME

ISSUE 28: **Has PGS properly removed Purchased Gas Adjustment and Energy Conservation Cost Recovery Revenues, Expenses, and Taxes-Other from the projected test year?**

PGS: Yes, as shown on MFR Schedule G-2, page 2.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 29: What is the appropriate amount of miscellaneous revenues?

PGS: The appropriate amount of miscellaneous revenues is \$11,827,475, as shown on MFR Schedule E-1, page 5.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 30: Is PGS's projected Total Operating Revenues for the projected test year appropriate (fallout issue)?

PGS: The appropriate amount of total operating revenues after adjustments is \$245,355,065, as reflected on MFR Schedule G-2, page 1.

OPC: No. The Company has not adequately carried its burden of proof to demonstrate that its forecast reasonably accounts for the true impacts of COVID-19 and its own efforts to enter the competitive LNG service business. PGS should at least accurately reflect revenues that offset the costs (including infrastructure costs) incurred to facilitate its entry into the competitive LNG services business.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 31: Has PGS made the appropriate adjustments to remove all non-utility activities from operation expenses, including depreciation and amortization expense?

PGS: Yes. The appropriate adjustments to remove all non-utility activities from operation expenses has been made, as shown on MFR Schedule G-2, pages 2-3.

OPC: OPC did not quantify an adjustment relating to the removal of non-utility activities from operation expenses. However, OPC notes that there may be non-utility economic development activities and costs related to the competitive provision of LNG services embedded in the Company's test year cost claim.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 32: Should an adjustment be made to Bad Debt Expense and for Bad Debt in the Revenue Expansion Factor?

PGS: No, the Bad Debt Expense is \$1,312,803, as shown on Exhibit SPH-1, Document No. 5, and the bad debt rate of 0.3423 percent was incorporated into the Revenue Expansion Factor, as shown on MFR Schedule G-4, page 1.

OPC: If the Commission adjusts the Company's as-filed revenues at present rates, then a corresponding uncollectible expense adjustment would be appropriate.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 33: Should the projected test year O&M expenses to be adjusted to reflect changes to the non-labor trend factors for inflation and customer growth?

PGS: No.

OPC: Yes, based on actual inflation since the end of the base period, OPC is recommending that an inflation factor of 0% be used for trended non-labor expense. This results in an adjustment of \$2,018,666 as shown in Exhibit ACC-2, Schedule 13.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 34: Should an adjustment be made to the number of added positions in 2020 and 2021?

PGS: No. As noted in the salaries and benefits issue below, the new 2020 and 2021 positions result in an additional \$4,282,254 of O&M payroll in the 2021 projected test year, as shown on MFR Schedule G-2, page 19 and detailed in the Company's response to OPC Interrogatory No. 50.

OPC: OPC recommends that the Commission eliminate the Company's claim for additional employees, as shown in Exhibit ACC-2, Schedule 8.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 35: What is the appropriate amount of salaries and benefits to include in the projected test year?

PGS: The appropriate amount of salaries or payroll O&M included in the 2021 projected test year is \$41,065,277, which is the \$36,783,023 "Payroll trended" and \$4,282,254 "Payroll not trended" total amounts as shown on MFR Schedule G-2, page 19. The new 2020 and 2021 positions are reflected in the \$4,282,254 of O&M Payroll not trended and have been detailed in the Company's response to OPC Interrogatory No. 50. The appropriate amount of benefits included in FERC account 926 for the 2021 projected test is year \$10,932,381, as shown on MFR Schedule G-2, page 18, and as detailed in the Company's response to Interrogatory No. 21. The appropriate amount of short-term incentive compensation included in the 2021 projected test year is \$4,512,108, as shown on Exhibit SPH-1, Document No. 5, in FERC account 920.

OPC: OPC recommends that the Commission eliminate the Company's claim for additional employees, as shown in Exhibit ACC-2, Schedule 8. OPC is not recommending any adjustment to the Company's claim for pension and post-retirement benefits expense. OPC recommends that the Commission eliminate \$1,558,657 in long-term incentive awards, as shown in Exhibit ACC-2, Schedule 9. In addition, OPC recommends that the Commission eliminate \$2,256,054 relating to financial benchmarks reflected in the short-term incentive awards. OPC is further evaluating its adjustment to the short-term incentive plan based on the Company's rebuttal testimony.

FIPUG: The PGS claim for salaries and benefits is overstated given the current recessionary economic conditions and projected dire economic conditions.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 36: Are there membership dues expense that should be adjusted in the projected test year?

PGS: Yes. The Company agrees with the adjustment of \$25,000 for Associated Gas Distributors of Florida lobbying-related costs.

OPC: OPC recommends that 20% of all AGA Membership Dues expenses be excluded from regulated utility rates. In addition, \$25,000 in lobbying costs paid to the Associated Gas Distributors of Florida should be excluded. Both of these adjustments are shown in Exhibit ACC-2, Schedule 14.

FIPUG: Yes.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 37: What is the appropriate amount for Miami LNG O&M storage expense in the projected test year?

PGS: The appropriate amount of Miami LNG O&M storage expense in the projected test year is \$25,000.

OPC: Given that the Miami LNG facility will not be in-service during the projected test year, the amount of Miami LNG storage expense included in rates should be \$0. OPC removed \$25,000 of expense in Exhibit ACC-2, Schedule 16. To the extent that there are additional Miami LNG facility operating costs included in the Company's filing, those additional costs should be removed as well.

FIPUG: No amount should be recognized in the projected test year for a number of reasons.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 38: Are all costs related to PGS' provision of LNG services to end users properly allocated?

PGS: Yes, they are properly allocated. There is no approved LNG tariff and Peoples does not have any contracts for LNG services, so there has been no allocation to any end users.

OPC: PGS has indicated that it intends to be a provider of competitive LNG services as evidenced by its pending tariff filed in Docket No. 20200093-EI. In addition, evidence received in discovery indicates further support for this intent. Furthermore, the Company has conceded that facilities' enhancements related to

supporting the competitive provision of LNG services should be allocated to the costs recovered from specific LNG services end users. At this point PGS has not met its burden to demonstrate that it has removed such costs from being borne by the general body of customers.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 39: What is the appropriate amount for LNG/RNG consulting expense in the projected test year?

PGS: The appropriate amount of added LNG/RNG consulting expense in the 2021 projected test year is \$50,000.

OPC: OPC is recommending that the Commission remove \$50,000 of LNG/RNG consulting expense from the Company's claim, as shown in Exhibit ACC-2, Schedule 15.

FIPUG: No such expense should be recovered.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 40: What is the appropriate amount of expense in the projected test year for additional economic development initiatives?

PGS: The appropriate amount of added Economic Development expense in the 2021 projected test year is \$415,802.

OPC: OPC is recommending that \$415,802 in economic development costs be eliminated from the Company's claim, as shown in Exhibit ACC-2, Schedule 15.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 41: What is the appropriate amount of expenses in the projected test year for additional advertising and marketing expense?

PGS: The appropriate amount of added advertising and marketing expense in the 2021 projected test year is \$1,064,871. This includes the following added items in 2021:

- Additional Marketing to Promote Natural Gas - \$829,871
- Additional Pipeline Awareness Campaign Expense - \$200,000
- Additional Customer Communications - \$35,000

OPC: OPC recommends that \$35,000 in additional customer communications expense, \$829,871 in additional marketing costs to promote natural gas, and \$200,000 in additional pipeline awareness campaign expense be disallowed, on the basis that these incremental projected test year costs have not been justified, as shown in Exhibit ACC-2, Schedule 16.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 42: What is the appropriate amount of projected test year TIMP Pipeline Reassessment and Risk Analysis expense and is reserve accounting treatment appropriate?

PGS: The cost of TIMP Pipeline Reassessment and Risk Analysis in the projected test year is \$2,107,400, as shown on Exhibit SPH-1, Document No. 5. Due to the significant fluctuations in annual TIMP Pipeline Reassessment and Risk Analysis costs, reserve account treatment is appropriate. Based on the average annual amount of the expected costs for the period 2021-2024, the appropriate amount of annual amortization expense for reserve accounting treatment in the 2021 project test year is \$1,437,475.

OPC: OPC recommends that the TIMP Pipeline Reassessment and Risk Analysis expense be normalized based on a five-year average, as shown in Exhibit ACC-2, Schedule 18. This results in an adjustment of \$667,420 to the Company's expense claim.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 43: Are there other projected test year operating expenses that should be adjusted, such as engineering services, engineering training, or others?

PGS: No. The Company's expense additions in the 2021 projected test year of \$300,000 for engineering services and \$50,000 for engineering training are appropriate.

OPC: As shown in Exhibit ACC-2, Schedule 19, the Company has not justified projected future test year adjustments of \$300,000 for engineering services expense and of \$50,000 for engineering training expense, and OPC recommends that these costs be disallowed. Any such O&M costs attributable to the competitive provision of LNG services should also be identified and disallowed.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 44: Over what time period should operating costs associated with the implementation of a new Work Asset Management system be amortized and recovered?

PGS: The Company agrees with OPC's proposal to amortize and recover the new Work Asset Management system non-capitalizable costs of \$811,166 over a five-year period. Therefore, the appropriate amount of annual amortization expense in the 2021 projected test year is \$162,233. This is an adjustment of \$648,933.

OPC: As shown on Exhibit ACC-2, Schedule 19, implementation costs associated with a new Work Asset Management system should be amortized and recovered over a five-year period.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 45: What is the appropriate amount of added expenses in the projected test year for other employee-related expense, such as operation employees' expenses and materials costs, additional A&G employee expenses, and increased allocations from Shared Services due to additional employees?

PGS: The appropriate amount of employee expenses in the 2021 projected test year for operations employees' expenses is \$163,200 and additional A&G employee expenses for the pipeline safety and compliance responsibilities is \$98,000. The appropriate increase in the 2021 projected test year Information Technology allocation is \$607,242, and approximately one-third of which is not related to PGS employee count. The appropriate increase in the 2021 projected test year Human Resource allocation is \$246,994. The appropriate increase in the 2021 projected test year Other shared services allocation is \$65,652.

OPC: OPC is recommending adjustments to remove various employee related expenses, as shown in Exhibit ACC-2, Schedule 12. These include Operation Employee Materials Expense of \$163,200, Additional A&G Employee Expense of \$98,000, Information Technology Allocation Expense of \$607,242, Human Resources Allocation Expense of \$246,994, and Other Shared Services Expense of \$65,652. Any such O&M costs attributable to the competitive provision of LNG services should also be identified and disallowed.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 46: What is the appropriate annual storm damage accrual and cap?

PGS: The appropriate amount of annual storm expense accrual is \$380,000 and the appropriate cap is \$3.8 million.

OPC: OPC has not recommended any adjustment to the Company's proposed storm damage accrual and cap.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 47: What is the appropriate amount of annual Manufactured Gas Plant environmental remediation amortization expense?

PGS: The appropriate amount of annual Manufactured Gas Plant environmental remediation amortization expense is \$1,000,000.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 48: Should an adjustment be made to Rate Case Expense for the projected test year and what is the appropriate amortization period?

PGS: No adjustment should be made to the Rate Case Expense. The appropriate amortization period is 3 years.

OPC: OPC is not recommending any adjustment to the Company's claim for Rate Case Expense but is recommending that these costs be amortized over five years, as shown in Exhibit ACC-2, Schedule 17.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 49: What is the appropriate amount of projected test year O&M expenses (fall-out issue)?

PGS: The appropriate amount of O&M Expense in the projected test year is \$121,105,512, as reflected on MFR Schedule G-2, page 1.

OPC: OPC's individual O&M adjustments are presented in the testimony of Ms. Crane. The overall level of O&M expenses is a fall out of the adjustments recommended by Ms. Crane.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 50: What is the appropriate amount of depreciation expense to be removed in the projected test year for PGS's Cast Iron/Bare Steel program?

PGS: The appropriate amount of depreciation expense to be removed in the projected test year for Peoples' CIBSR is (\$251,790), as shown on MFR Schedule G-2, page 2.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 51: What is the appropriate amount of Depreciation and Amortization Expense for the projected test year?

PGS: The appropriate amount of Depreciation and Amortization Expense in the projected test year is \$57,615,935, as shown on MFR Schedule G-2, page 1.

OPC: OPC is recommending two adjustments to the Company's claim for depreciation expense. First, as shown in Exhibit ACC-2, Schedule 20, OPC is recommending a reduction of \$2,165,156 in depreciation expense relating to OPC's utility plant in service adjustment. In addition, OPC is recommending new depreciation rates in this case. As shown in Exhibit ACC-2, Schedule 21, OPC's recommended depreciation rates result in an additional expense adjustment of \$4,104,580.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 52: What is the appropriate amount of projected test year Taxes Other than Income (fall-out issue)?

PGS: The appropriate amount of projected 2021 test year Taxes Other Than Income is \$21,104,417, as shown on MFR Schedule G-2, page 1.

OPC: Taxes other than income taxes should be adjusted consistent with any adjustments to labor costs and utility plant in service. OPC has reflected a payroll tax

adjustment at Exhibit ACC-2, Schedule 10, that corresponds with its proposed labor adjustment. In Exhibit ACC-2, Schedule 22, OPC has reflected a property tax adjustment that corresponds to its proposed utility plant in service adjustment.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 53: What is the appropriate amount of projected test year Income Tax Expense (fall-out issue)?

PGS: The appropriate amount of projected 2021 test year Income Tax Expense is \$4,750,161, as shown on MFR Schedule G-2, page 1.

OPC: The test year income tax expense should be based on the utility operating income authorized by the Commission and on the tax rates reflected in the Company's filing. In addition, OPC recommends that the Commission adopt a parent company debt adjustment, as discussed in Issue 27.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 54: What is the appropriate amount of Total Operation Expenses for the projected test year (fall-out issue)?

PGS: The appropriate amount of Total Operating Expenses for the projected 2021 test year is \$204,576,025, as shown on MFR Schedule G-2, page 1.

OPC: This appropriate amount of projected test year Total Operation Expenses is still being developed, based on the adjustments discussed in Ms. Crane's testimony, and based on OPC's continued review of the Company's rebuttal testimony.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 55: What is the appropriate amount of Net Operating Income for the projected test year (fall-out issue)?

PGS: The appropriate amount of Net Operating Income in the projected test year is \$40,779,039, as reflected on MFR Schedule G-2, page 1.

OPC: Based on OPC's recommended rate base and cost of capital, OPC recommends that the Commission authorize utility operating income of \$90,423,180, as shown in Exhibit ACC-2, Schedule 1.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

REVENUE REQUIREMENTS

ISSUE 56: **What is the appropriate revenue expansion factor and the appropriate net operating income multiplier (fall-out issue)?**

PGS: The appropriate revenue expansion factor in this case is 74.8424 percent and the net operating income multiplier proposed in this case is 1.3361, as shown on MFR Schedule G-4, page 1.

OPC: OPC is not recommending any adjustment to the revenue expansion factor and net operating income multiplier proposed by PGS. As shown in Exhibit ACC-2, Schedule 1, OPC's recommendation is based on a revenue multiplier of 1.3361.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 57: **What is the appropriate annual operating revenue increase for the projected test year (fall-out issue)?**

PGS: The appropriate operating revenue increase for the projected test year is \$85,324,894, as reflected on MFR Schedule G-5.

OPC: Based on correction of certain formula errors discussed in Sean Hillary's rebuttal testimony at pages 28-31, OPC is recommending a base revenue increase of \$42,860,644, or a net increase of \$19,252,061 after consideration of the CI/BSR roll in.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

COST OF SERVICE AND RATE DESIGN

ISSUE 58: Is PGS’s proposed cost of service study appropriate?

PGS: Yes. The Company’s class of service study appropriately reflects cost causation and each allocation factor is consistent with the factors that drive the underlying costs of providing service to customers.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 59: What are the appropriate customer charges?

PGS: The appropriate Customer Charges are:

<u>Rate Class</u>	<u>Annual Therms</u>	<u>Customer Charge</u>
RS-1	0-99	\$16.20 per month
RS-2	100-249	\$19.20 per month
RS-3	250-1,999	\$26.20 per month
RS-GHP	All Therms	\$26.20 per month
SGS	0-1,999	\$32.50 per month
GS-1	2,000-9,999	\$48.00 per month
GS-2	10,000-49,999	\$92.00 per month
GS-3	50,000-249,000	\$495.00 per month
GS-4	250,000-499,999	\$795.00 per month
GS-5	>500,000	\$1,695.00 per month
SIS	1,000,000-3,999,999	\$1,695.00 per month
IS	4,000,000-49,999,999	\$1,895.00 per month
ISLV	>50,000,000	\$2,095.00 per month
NGVS-2		Varies
RS-SG		\$27.74 per month
CS-SG		\$48.00 per month
RNGS		Varies
CS-GHP		\$48.00 per month
VPNG		Varies
WHS		\$495.00 per month

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Less than as proposed by PGS.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 60: What is the appropriate class revenue allocation?

PGS: In view of the results of the ACOSS and other important rate design goals, an equal percentage change in base revenues among two groups of customers:

- Residential customers taking service pursuant to Rate Schedules RS, RS-SG, and RS-GHP
- Customer taking service pursuant to the Company's commercial rate schedules SGS, GS-1, GS-2, GS-3, GS-4, GS-5, CS-GS, CS-GHP, CSLS, and NGVS, wholesale service, and customers taking service pursuant to the Company's interruptible rate schedules SIS, IS, and ISLV.

Within the first group, a somewhat greater proportionate increase should be applied to the base revenues for RS-1 customers. Within the second group, the base revenues for SIS and IS interruptible customers should be increased proportionately more than for the firm customers. The incremental base revenue from interruptible classes should be used to reduce the increase to SGS, GS-1, and GS-2 customers.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: The class revenue allocation as proposed by PGS should not be adopted.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 61: What are the appropriate per Therm distribution charges?

PGS: The appropriate per Therm Distribution charges are:

<u>Rate Class</u>	<u>Distribution Charge per Therm</u>
RS-1, RS-2, RS-3	\$0.34456
RS-GHP	\$0.09598
SGS	\$0.43539
GS-1	\$0.34214
GS-2	\$0.28758
GS-3	\$0.23340
GS-4	\$0.19362
GS-5	\$0.12817
CSLS	\$0.30167
SIS	\$0.09002
IS	\$0.04691
ISLV	\$0.01151
RS-SG	0-20.0 Therms >20.0 Therms
	\$0.00000 \$0.34456
CS-SG	0-40.0 Therms >40.0 Therms
	\$0.00000 \$0.52937
CS-GHP	\$0.19605
WHS	\$0.18413

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: Less than as PGS proposed.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 62: What are the appropriate miscellaneous service charges (account opening charge, meter turn on charges, meter reconnection charges, trip charge/collection at customer premises, temporary meter turn off charge)?

PGS: The appropriate Miscellaneous Service Charges are:

Account Opening Charge	\$24.00
Meter Turn On Charge (Res.)	\$63.00 initial

(or Service Initiation Charge)	\$29.00 each add'l unit/meter
Meter Turn On Charge (Other) (or Service Initiation Charge)	\$100.00 initial \$34.00 each add'l unit/meter
Meter Reconnection Charge (Res.) (or Service Restoration Charge)	\$87.00 initial \$28.00 each add'l unit/meter
Meter Reconnection Charge (Other) (or Service Restoration Charge)	\$100.00 initial \$32.00 each add'l unit/meter
Trip Charge (or Collection at Customer Premises)	\$25.00
Failed Trip Charge at Customer Premises	\$25.00
Temporary Meter Turn-Off Charge	\$30.00
ITS Administration Charge	\$216.00 per meter
Pool Manager Termination Fee	\$52.00

Where gas service is established outside of normal business hours, by special appointment, or same day service the charges set forth above are multiplied by 1.5.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: The proposed Miscellaneous Service Charges should be reduced.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 63: **Is PGS's proposed revision to its Maximum Allowable Construction Cost from four to 10 times the estimated annual revenue reasonable?**

PGS: Yes, Peoples believes the increase from four to 10 times the estimated annual revenue is reasonable given that it more properly accommodates the construction cost increases that have occurred since the last rate case.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 64: Are PGS's proposed revisions to its counties and communities tariff maps representative of the company's service territory?

PGS: Yes. 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.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 65: Is PGS's proposed new Virtual Pipeline Natural Gas Service (VPNGS) rate schedule appropriate?

PGS: Yes. The VPNGS tariff is designed to serve customers that are interested in natural gas supply that cannot be served via pipeline by the Company due to the customer's need for gas versus the time it takes to construct the pipeline, the economic feasibility of constructing a pipeline to their location, or due to a customer's intermittent demand or temporary need for gas service. The VPNGS can be a temporary or interim service that allows Peoples to deliver natural gas to customers until the pipeline system exists to serve directly or can be a longer-term solution when a pipeline option does not exist.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a

proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 66: Are PGS's proposed revisions to its Renewable Natural Gas (RNG) rate schedule appropriate?

PGS: Yes. The proposed changes will support the development of RNG in Florida. The modifications will revise and clarify the types of utilized equipment, the capture of renewable natural gas, and the ownership of renewable natural gas. As the RNG market in Florida begins to grow, there has been a broadening of the types of business structures for RNG projects that were not contemplated when the RNG tariff was originally added. Therefore, the Company seeks to adjust this tariff to make it applicable to the emerging business structures in the RNG arena.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: No.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 67: Is PGS's proposal to remove its Natural Gas Vehicle Service-1 (NGVS-1) rate schedule appropriate?

PGS: Yes. NGVS-1 has been closed to new customers since 2013 and existing customers will be shifted to the otherwise applicable rate schedule upon approval of new tariff rates.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a

participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 68: Are PGS's proposed revision to its Natural Gas Vehicle Service-2 (NGVS-2) rate schedule appropriate?

PGS: Yes. The modification to remove the 1.6 percent factor from the calculation will provide greater flexibility to structure the facility fee based on customer needs and project specific requirements. With this change, the NGVS-2 tariff facility fee will be determined in a manner consistent with the RNG tariff. The tariff change will encourage expanded use of natural gas as a transportation fuel.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 69: Are PGS's proposed revisions to its Individual Transportation Service Rider (Rider ITS) appropriate?

PGS: Yes. Peoples is proposing to make changes to its penalty calculations by changing the references from FTS-2 to FTS-3. Additionally, Peoples is proposing to change its Alert Day tolerance from 6 percent to 4.17 percent to better align with upstream capacity contracts.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 70: What is the appropriate effective date of PGS's revised rates and charges?

PGS: Peoples requests its proposed base rates become effective January 1, 2021.

OPC: OPC takes no position on this issue nor does it have the burden of proof related to it. Accordingly, OPC will not oppose the Commission taking action approving a proposed stipulation between the Company and another party or Staff as a final resolution of the issue. However, no person is authorized to state that OPC is a participant in, or party to, such a stipulation either in this docket, in an order of the Commission, or in a representation to a Court.

FIPUG: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

OTHER ISSUES

ISSUE 71: **Should PGS be required to notify the Commission within 90 days after the date of the final order in this docket, that it has adjusted its books and records for all applicable accounts as a result of the Commission's findings in this rate case?**

PGS: Yes.

OPC: Yes, PGS should be required to notify the Commission within 90 days after the date of the final order in this docket that it has adjusted its books and records for all applicable accounts as a result of the Commission's findings in this rate case.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 72: **Should this docket be closed?**

PGS: Yes. This docket should be closed after the Commission has issued its final order and the time for filing an appeal has expired.

OPC: Not at this time.

FIPUG: Adopt position of OPC.

STAFF: Staff has no position pending evidence adduced at the hearing.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit No.</u>	<u>Description</u>
<u>Direct</u>			
Sean P. Hillary	PGS	(SPH-1)	1. List of MFR Schedules 2. Operations & Maintenance Expense Summary 3. Storm Reserve Analysis 4. Manufactured Gas Plant Regulatory Asset Amortization 5. Summary of Other Non-Trended O&M by FERC Account 6. 2020 and 2021 Capital Budget 7. 2021 Test Year Reconciliation of Capital Structure to Rate Base
Timothy O'Connor	PGS	(TO-1)	1. List of Co-Sponsored MFRs 2. Map of Expansion Projects 3. Chart of Developer Agreement Signings since 2008 4. Peoples' Investment Aligns with Expanding Florida Population 5. American Gas Association, Energy Analysis, September 1, 2018
Richard F. Wall	PGS	(RFW-1)	List of MFRs - Co-Sponsored
T. Mark Whitaker	PGS	(TMW-1)	List of MFRs Sponsored

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit No.</u>	<u>Description</u>
Lorraine L. Cifuentes	PGS	(LLC-1)	<ol style="list-style-type: none">1. List of MFRs- Sponsored and Co-Sponsored2. Residential and Small Commercial Customers3. Residential and Small Commercial Average Usage4. Residential and Small Commercial Therms5. Historical and Forecasted Service Line Capital Expenditures6. Historical and Forecasted Heating and Cooling Degree-Days7. 2017-2021 Total Customers, Therms, and Base Revenues
Karen Sparkman	PGS	(KS-1)	<ol style="list-style-type: none">List of MFRs- Co-Sponsored2. TECO Peoples Gas J.D. Power Study Highlights3. TECO Peoples Gas Awards

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit No.</u>	<u>Description</u>
Dylan D'Ascendis	PGS	(RBH-1)	<ol style="list-style-type: none"> 1. Summary of Results 2. Constant Growth DCF Results 3. Retention Growth Estimates 4. Market Risk Premium Estimates 5. Beta Coefficient Estimates 6. CAPM Results 7. Bond Yield Plus Risk Premium Analysis 8. Expected Earnings Results 9. Coefficient of Variation in 30-Year Treasury Yields 10. Utility Dividend Yields and 30-Year Treasury Yields 11. Utility Sector Dividend Yield vs. S&P 500 Dividend Yield 12. Components of Proxy Group (Two-Year) Beta Coefficients 13. Proxy Group (Two-Year) Beta Coefficients Over Time 14. Proxy Group (Five-Year) Beta Coefficients Over Time 15. Utility Credit Spreads 16. Authorized Returns for Natural Gas Distribution Utilities 17. Expected Return and Risk 18. Relative Risk 19. Flotation Costs 20. Projected Capital Expenditures Relative to Net Plant 21. Security Market Line
Valerie Strickland	PGS	(VS-1)	<ol style="list-style-type: none"> 1. List of MFRs - Sponsored 2. Calculation of IRC Required Deferred Income Tax Adjustment
Luke A. Buzard	PGS	(LAB-1)	List of Sponsored MFRs

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit No.</u>	<u>Description</u>
Daniel P. Yardley	PGS	(DPY-1)	<ol style="list-style-type: none">1. List of MFRs Sponsored2. Cast Iron/ Bare Steel Rider Revenues Roll-In3. Allocation of Proposed Revenue Requirements to Base Rates4. Existing and Proposed Base Rates and Revenues5. Rate of Return by Class6. Comparison of Existing Customer Charges and Customer-Related Costs by Class
Richard K. Harper, PhD.	PGS	(RKH-1)	<ol style="list-style-type: none">1. Florida Population Change by Decade, 1970-20502. Total Non-Farm Employment, Jan 00- Dec 193. Percent Change in Real GDP from a Year Ago, 1998-20184. House Prices, Q1 1980 = 1005. Six-Month Ahead Predicted GDP Growth Rate Jan 82- Dec 196. Annual Growth Rates in U.S. Population, 1960-20197. Population Growth Since 20088. Florida's Economic and Demographic Snapshot Bay County9. Florida's Economic and Demographic Snapshot Broward10. Florida's Economic and Demographic Snapshot Charlotte11. Florida's Economic and Demographic Snapshot Collier12. Florida's Economic and Demographic Snapshot Duval13. Florida's Economic and Demographic Snapshot Lee14. Florida's Economic and Demographic Snapshot Miami/Dade15. Citations and Sources

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit No.</u>	<u>Description</u>
Charlene M. McQuaid	PGS	(CM-1)	1. List of MFRs- Co-Sponsored 2. Peoples Benefit Package Description 3. Mercer- Average Annual Health Benefits Cost Per Employee
Dane Watson	PGS	(DAW-1)	1. List of Proceedings in Which I Have Performed Depreciation 2. Depreciation Study 3. Functional Summary Comparison of Depreciation Expense
Andrea C. Crane	OPC	Exhibit ACC-1	List of Prior Testimonies
Andrea C. Crane	OPC	Exhibit ACC-2	Supporting Schedules
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 1	Revenue Requirement Summary
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 2	Required Cost of Capital
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 3	Rate Base Summary
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 4	Gross Utility Plant-in-Service
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 5	Construction Work in Progress
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 6	Accumulated Depreciation
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 7	Operating Income Summary
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 8	Additional Employees Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 9	Incentive Compensation Award Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 10	Payroll Tax Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 11	401K Expense

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit No.</u>	<u>Description</u>
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 12	Other Employee Related Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 13	Other (Non Labor) Trended Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 14	Membership Dues Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 15	LNG and Economic Develop Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 16	Advertising and Marketing Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 17	Rate Case Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 18	TIMP Pipeline Reassess. & Risk Analysis Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 19	Other (Non Labor) Not Trended Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 20	Depreciation Expense—Plant
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 21	Depreciation Expense—Rates
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 22	Property Tax Expense
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 23	Interest Synchronization
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 24	Composite Income Tax Rate
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 25	Revenue Multiplier
Andrea C. Crane	OPC	Exhibit ACC-2 Schedule 26	Revenue Requirement Impact of Adjustments
David Garrett	OPC	Exhibit DJG-1	Curriculum Vitae
David Garrett	OPC	Exhibit DJG-2	Proxy Group Summary

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit No.</u>	<u>Description</u>
David Garrett	OPC	Exhibit DJG-3	DCF Stock Prices
David Garrett	OPC	Exhibit DJG-4	DCF Dividend Yields
David Garrett	OPC	Exhibit DJG-5	DCF Terminal Growth Determinants
David Garrett	OPC	Exhibit DJG-6	DCF Final Results
David Garrett	OPC	Exhibit DJG-7	CAPM Risk-Free Rate
David Garrett	OPC	Exhibit DJG-8	CAPM Betas
David Garrett	OPC	Exhibit DJG-9	CAPM Implied Equity Risk Premium Calculation
David Garrett	OPC	Exhibit DJG-10	CAPM Equity Risk Premium Results
David Garrett	OPC	Exhibit DJG-11	CAPM Final Results
David Garrett	OPC	Exhibit DJG-12	Cost of Equity Summary
David Garrett	OPC	Exhibit DJG-13	Market Cost of Equity
David Garrett	OPC	Exhibit DJG-14	Utility Awarded Returns vs. Market Cost of Equity
David Garrett	OPC	Exhibit DJG-15	Summary Accrual Adjustment
David Garrett	OPC	Exhibit DJG-16	Depreciation Parameter Comparison
David Garrett	OPC	Exhibit DJG-17	Detailed Rate Comparison
David Garrett	OPC	Exhibit DJG-18	Depreciation Rate Development
David Garrett	OPC	Exhibit DJG-19	Account 378 Iowa Curve Fitting
David Garrett	OPC	Exhibit DJG-20	Account 380 Iowa Curve Fitting
David Garrett	OPC	Exhibit DJG-21	Account 380.02 Iowa Curve Fitting

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit No.</u>	<u>Description</u>
David Garrett	OPC	Exhibit DJG-22	Account 385 Iowa Curve Fitting
David Garrett	OPC	Exhibit DJG-23	Observed Life Tables and Iowa Curve Charts
David Garrett	OPC	Exhibit DJG-24	Remaining Life Development
David Garrett	OPC	Exhibit DJG-25	Appendices
David Garrett	OPC	Exhibit DJG-25 Appendix A	Discounted Cash Flow Model Theory
David Garrett	OPC	Exhibit DJG-25 Appendix B	Capital Asset Pricing Model Theory
David Garrett	OPC	Exhibit DJG-25 Appendix C	The Depreciation System
David Garrett	OPC	Exhibit DJG-25 Appendix D	Iowa Curves
David Garrett	OPC	Exhibit DJG-25 Appendix E	Actuarial Analysis
Intesar Terkawi	Commission Staff	IT-1	Auditor's Report - Rate Case
Rhonda L. Hicks	Commission Staff	RLH-1	List of Service Complaints
Rhonda L. Hicks	Commission Staff	RLH-2	List of Billing Complaints
Rhonda L. Hicks	Commission Staff	RLH-3	List of Warm Transfer Complaints

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit No.</u>	<u>Description</u>
<u>Rebuttal</u>			
Dylan D'Ascendis	PGS	(DWD-1)	<ol style="list-style-type: none"> 1. Summary of Results 2. Constant Growth DCF Results 3. Retention Growth Estimates 4. Market Risk Premium Estimates 5. Beta Coefficient Estimates 6. CAPM Results 7. Bond Yield Plus Risk Premium Analysis 8. Expected Earnings Results 9. Annualized Volatility and Returns of Utility Groups 10. Calculation of Correlation Coefficients for Utility Groups 11. Calculation of Correlation Coefficients for Utility Groups 12. Relationship between Investor-Required Return 13. Gross Domestic Product by Industry 14. Coefficient of Variation (CoV) 15. S&P 500 Market Return vs. Graham-Harvey Survey 16. Witness Garrett's Implied Equity Risk Analysis 17. Hypothetical Example: Flootation Cost Recovery 18. Frequency Distribution of Market Risk Premium, 1926-2019 19. Calculation of Alternative Expected Market Risk Premiums 20. Indicated ROE Derived by the Predictive Risk Premium Model
Sean P. Hillary	PGS	(SPH-2)	<ol style="list-style-type: none"> 1. Moody's Updated Inflation Forecast 2. Customer Growth- Customer Count July 2020 vs July 2020

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit No.</u>	<u>Description</u>
Dane Watson	PGS	(DAW-2)	1. Email response to discovery questions sent from OPC 2. Comparison of Account 380-Steel Services Observed Life 3. RTU Detail for Accounts 4. Account 378-M&R Stations Sum of Squared Differences 5. Account 380- Steel Services Sum of Squared Differences 6. Account 385- Industrial M&R Stations Sum of Squared

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

X. PROPOSED STIPULATIONS

There are no proposed stipulations at this time.

XI. PENDING MOTIONS

There are no pending motions at this time.

XII. PENDING CONFIDENTIALITY MATTERS

PGS has pending the following requests for confidential treatment of information:

Document No.	Date	Description
DN 11205-2020	10/15/2020	Request for confidential classification of portions of the direct testimony of Andrea C. Crane (replacing and withdrawing the pending requests submitted in Document Nos. 07381-2020 and 05582-2020)
DN 11246-2020	10/16/2020	Second Amended Request for Confidential Treatment of certain portions of Peoples' Response to Staff's Seventh Request for Production of Documents No. 15 (replacing and withdrawing the pending request submitted in Document No. 09442-2020)

DN 11255-2020	10/16/2020	Request for Confidential Treatment of certain portions of Peoples' Response to Interrogatory Nos. 148 and 156 of OPC's Fifth Set of Interrogatories.
DN 11271-2020	10/16/2020	Request for Confidential Treatment of certain portions of Peoples' Response to the OPC's First Request to Produce Documents No. 39 (BS 12674-12683).
DN 11275-2020	10/16/2020	Request for Confidential Treatment of certain portions of Peoples' Response to Interrogatory No. 88 of Staff's Ninth Set of Interrogatories.
DN 11276-2020	10/16/2020	Confidential Treatment of certain portions of Peoples' Response to the OPC's Fourth Request to Produce Documents No. 55 (BS 17104-17111).
DN 11277-2020	10/16/2020	Request for Confidential Treatment of certain portions of Peoples' Response to Interrogatory Nos. 90 and 91 of Staff's Tenth Set of Interrogatories.
DN 11278-2020	10/16/2020	Request for Confidential Treatment of certain portions of Peoples' Response to Interrogatory No. 136 of Staff's Eleventh Set of Interrogatories.
DN 11279-2020	10/16/2020	Request for Confidential Treatment of certain portions of Peoples' Response to Interrogatory Nos. 139, 140, 141, 142, 146, and 148 of Staff's Twelfth Set of Interrogatories.
DN 11280-2020	10/16/2020	Request for Confidential Treatment of certain portions of Peoples' Responses to Nos. 30 and 33 of Staff's Tenth Request for Production of Documents.
DN 11291-2020	10/16/2020	Request for Confidential Treatment of certain portions of Peoples' Responses to Nos. 23, 25, 28 and 29 of Staff's Ninth Request for Production of Documents.

XIII. POST-HEARING PROCEDURES

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

XIV. RULINGS

Opening statements, if any, shall not exceed five (5) minutes per party.

The parties shall provide cross-examination exhibits, including impeachment exhibits, to the Commission Clerk by the close of business on October 20, 2020, following the procedures set forth in Attachment A. The exhibits that are pre-filed and designated as cross-examination or impeachment exhibits shall not be viewed by opposing witnesses or opposing counsel or otherwise have their contents or identity communicated to such witnesses or counsel.

To give all parties adequate due process in the unique circumstances of this case, the issue proposed in OPC's prehearing statement, dated September 28, 2020, shall herein be included in Section VIII, Issues and Positions, as Issue 17A, which is provided above.

Except for witness David J. Garrett, all witness testimony summaries shall be limited to five (5) minutes. David J. Garrett shall have eight (8) minutes for his testimony summary. Witnesses are encouraged to not utilize all of their allotted time unless it is particularly needed to properly summarize their testimony.

It is therefore,

ORDERED by Commissioner Julie I. Brown, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Julie I. Brown, as Prehearing Officer, this 20th day of October, 2020.



JULIE I. BROWN
Commissioner and Prehearing Officer
Florida Public Service Commission
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

KMS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

ATTACHMENT A

Requirements related to providing Cross-Examination Exhibits prior to Hearing

By October 20, 2020, each party must provide the Commission Clerk an electronic copy of all cross-examination exhibits, including impeachment exhibits, the party plans to use during the hearing. All cross-examination exhibits must be provided to the Clerk's Office on either USB flash drives or CDs. Confidential documents must be placed on one USB flash drive or CD, and non-confidential exhibits must be placed on a different or separate USB flash drive or CD. This is because the Clerk's Office will process the confidential exhibits, and will transmit all non-confidential exhibits to the General Counsel's Office for processing. All USB flash drives or CDs provided to the Clerk's Office must be clearly labeled as confidential or non-confidential, and the label must also include the Docket Number(s) and the name of the party providing the exhibits.

Each party must also provide to the Clerk by October 20, 2020, a table listing the exhibit numbers and short titles of each cross-examination exhibit provided to the Clerk. Pursuant to Rule 25-22.006(3), F.A.C., a notice of intent to request confidential classification must be filed for all confidential information.

Each party must pre-number each exhibit with the following sequential numbering system that clearly denotes confidential exhibits. For example, PGS will pre-identify its cross-examination exhibits PGS-1, PGS-2, PGS-3, etc. All confidential exhibits must include the letter "C" placed after the number. Thus, if PGS's third exhibit is confidential, it will be labeled PGS-3C.

Each exhibit must be saved as a separate electronic file, and each file must be labeled with the exhibit number that reflects the information contained in the exhibit. The exhibit number will serve as the filename in the virtual folder during the hearing. Each exhibit must also include a cover page that includes the exhibit number. In addition, each exhibit must include sequentially numbered pages. The page numbers must be placed in the upper right-hand corner of each page.

The confidential and non-confidential cross-examination exhibits will be made available to the parties in virtual folders the day before the hearing. The cross-examination exhibits will be made available to the parties for the sole purpose of providing the witnesses and their counsel with the opportunity to print the exhibits or download them to their electronic devices for use during the hearing.² The parties must not view or read the exhibits prior to the hearing. Parties will be provided usernames and passwords by Commission staff that will give them access to the confidential exhibits and any other confidential information that will be used during the hearing. By October 20, 2020, parties must provide the Commission Clerk with the list of names of those persons who should be given a user name and password to access confidential information.

² Microsoft Chrome is the best internet browser to use to access the virtual folder.