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May 24, 2022

**BY E-FILING**

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

**Re: Docket No. 20220067-GU: Petition for rate increase by Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities Company - Fort Meade, and Florida Public Utilities Company - Indiantown Division.**

Dear Mr. Teitzman:

Attached, for electronic filing, please find the Testimony and Exhibits DR-1 through DR-2 of Devon Rudloff.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

(Document 9 of 27)

Sincerely,

A handwritten signature in black ink that reads "Beth Keating".

Beth Keating  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 20220067-GU: Petition for rate increase by Florida Public Utilities Company,  
Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities Company -  
Fort Meade, and Florida Public Utilities Company - Indiantown Division.

Prepared Direct Testimony of Devon Rudloff

Date of Filing: May 24, 2022

1   **Q.    Please state your name and business address.**

2    A.    My name is Devon Rudloff. My business address is 208 Wildlight Avenue, Yulee,  
3         Florida, 32097.

4   **Q.    By whom are you employed and in what capacity?**

5    A.    I am employed by Chesapeake Utilities Corporation as the Assistant Vice President  
6         of Human Resources.

7   **Q.    Please describe your educational background and professional experience.**

8    A.    I received a bachelor's degree in Psychology from Florida State University and have  
9         been in the energy industry for 32 years. I have 30 years' experience in Human  
10        Resources ("HR"), as well as my Senior Professional Human Resource ("SPHR")  
11        certification and SHRM-SCP certification (Society Human Resources Management  
12        Senior Certified Professional). I have been in HR leadership roles for over 25 years  
13        and was promoted to Assistant Vice President in 2015.

14   **Q.    Please describe your current responsibilities.**

15    A.    Currently, I am responsible for multiple key Human Resources functions for  
16         Chesapeake and its subsidiaries, including talent acquisition, professional  
17         development and training, employee relations, employee retention and reward,  
18         succession planning, compensation and benefits, policy management, compliance. I

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1 am also responsible for enhancing and expanding our HR programs as we continue  
2 to grow our businesses. I will be transitioning to focus on talent acquisition,  
3 professional development and training, and succession planning for the greater  
4 Chesapeake platform in the near future.

5 **Q. How will you refer to the Company?**

6 A. For purposes of clarity and ease of reference, I'd like to explain how I will refer to  
7 the various Florida business entities under the Chesapeake Utilities Corporation  
8 umbrella. When referring to the Florida local distribution company ("LDC")  
9 business units as a whole; i.e., Florida Public Utilities Company (Natural Gas  
10 Division), Florida Public Utilities Company-Fort Meade, Florida Public Utilities  
11 Company-Indiantown Division, and the Florida Division of Chesapeake Utilities  
12 Corporation d/b/a Central Florida Gas, I will refer to these entities jointly as "FPUC"  
13 or "the Company".

14 When referring to Chesapeake Utilities Corporation, the parent company, I will refer  
15 to it as the "CUC or the "Corporation."

16 **Q. Have you filed testimony before the Florida Public Service Commission in prior  
17 cases?**

18 A. No.

19 **Q. Have you previously provided testimony before other regulatory bodies?**

20 A. No.

21 **Q. What is the purpose of your testimony in this proceeding?**

22 A. My testimony will discuss the following topics:

23 1. Corporate philosophy and compensation

1           2. Covid-19 Pandemic response

2           3. Current market and talent acquisition challenges

3   **Q.    Do you have any exhibits to which you will refer in your testimony?**

4   A.    Yes. Exhibit DR-1 is the organization chart and DR-2 is the MFR I co-sponsored.

5

6   **CORPORATE PHILOSOPHY AND COMPENSATION**

7   **Q.    Please describe the Company's compensation philosophy.**

8   A.    Consistent with the enterprise-wide organizational construct of the Corporation, our  
9        compensation philosophy recognizes that our employees perform the most critical  
10       role in ensuring that all our business units are providing safe, reliable, and efficient  
11       service to customers. Our compensation philosophy is an important part of our  
12       corporate culture and mirrors our corporate values:

13       CARE: We put people first, both our customers and our employees. As such, safety is  
14       at the core of everything we do. We also focus on building trusting relationships, as  
15       well as fostering a culture of equity, diversity, and inclusion. We strive to make a  
16       meaningful difference everywhere we live and work.

17       INTEGRITY: We tell the truth. Moral and ethical principles drive our decision  
18       making every day, and we do the right thing even when no one is watching.

19       EXCELLENCE: We know we can achieve great things together. As such, we hold  
20       each other accountable to do the work that makes us better every day. Our mindset is  
21       to never give up and to strive to achieve excellence in everything we do, every day.

22       Consistent with this philosophy, the Company's compensation philosophy is to  
23       reward employees by providing pay and benefits that are competitive in comparison

1 to the utility industry, as well as general industry (non-utility) employers, in order to  
2 attract, retain and motivate employees who are qualified to perform the functions  
3 needed by the Company for the ultimate benefit of our customers. This philosophy  
4 enables the Company to meet its obligations to provide safe, reliable and affordable  
5 service to its customers. When combined with our Chesapeake Cares program and  
6 our Mentoring Program, which I will explain later in my testimony, our corporate  
7 culture ensures our employees know we care and recognize their value. The result  
8 has been that the Corporation has been awarded Top Workplace for ten consecutive  
9 years in Delaware, two years in Florida and received an inaugural National Top  
10 Workplace in 2021.

11 **Q. What is the organization construct of CUC, and how has that impacted its**  
12 **approach to compensation**

13 A. In 2019, there was a change in the President and Chief Executive Officer (“CEO”)  
14 role for Chesapeake. Jeffry Householder was appointed to this position. Under his  
15 leadership, CUC has instituted an enterprise-wide approach to gain efficiencies,  
16 implement best practices, maintain consistency and compliance, reduce costs and be  
17 the best in class. A key to this approach has been the implementation of structural  
18 changes designed to better enable our businesses that operate on similar platforms to  
19 view and leverage best practices implemented by sister entities within the  
20 corporation. To accomplish this, Mr. Householder appointed one leader to oversee  
21 all the regulated entities and another leader to oversee all the unregulated entities.  
22 This enterprise-wide concept has allowed CUC to gain standardization, and  
23 efficiencies throughout the organization. As a result of these changes, new roles

1           were created and added to the Senior Leadership Team. Additionally, new positions  
2           have been created to reflect the over-arching, enterprise-wide scope of  
3           responsibilities. There are now officer roles (Assistant Vice President) for  
4           Operations Services and Energy Logistics. In addition, there are now Director roles  
5           for enterprise-wide scope of Construction Services, Operations Compliance, and  
6           Continuous Improvement. Please reference Exhibit DR-1, attached to my testimony,  
7           for a current organizational chart. This new structure better facilitates our ability to  
8           accomplish our corporate mission, which is, “We deliver energy that makes life  
9           better for the people and communities we serve.” Consistent with these  
10          organizational changes to effect enterprise-wide efficiencies and the implementation  
11          of best practices, we have implemented a holistic approach in compensation to  
12          ensure we attract and retain the best employees through a competitive compensation  
13          and benefits package. Our employees are our most critical resource when it comes to  
14          providing service to our customers. We like to say that our employees are the  
15          creative and powerful heart of our Company.

16       **Q.    What are the Chesapeake Cares program and the Mentoring Program you**  
17       **mentioned?**

18       **A.**    The Chesapeake Cares program is one of our many engagement programs where  
19          employees gather each quarter to celebrate and recognize others. Prior to Covid,  
20          these meetings were held onsite once a month. We’ve moved them to virtual  
21          quarterly meetings for now. During these meetings, we introduce all new  
22          employees, along with announcing birthdays and job anniversaries of employees  
23          celebrating during this quarter. It is also a time to have peer recognitions. We have

1 nomination forms that are tied to our Core Values. If an employee wants to  
2 recognize another employee for displaying one of our core values, they are  
3 encouraged to do so. The nomination card is read aloud so that the employee knows  
4 who nominated them and for what reason. Senior Officers usually lead these  
5 meetings and announce the employees. Our Engagement Coordinator along with our  
6 Cares Champions plan these meetings which are well received by our employees.

7 Our formal Chesapeake Mentoring Program was officially launched in June 2021.  
8 Each Officer is a Mentor to one or more mentees. There have been several informal  
9 mentorship relationships and Chesapeake wanted to have a more structured program.  
10 The program allows any employee to apply to be mentored. They are then paired  
11 with a Mentor. For the first launch we had just our Officer team be the Mentors.  
12 There are 52 mentees paired with 24 Officers. This is a yearlong program. The next  
13 phase of the program will be Officers selecting other Mentors to expand the  
14 program. We have received great feedback on this program, and it has allowed  
15 mentees to build relationships and learn about other areas of the company.

16 **Q. What are the components of the Company's total compensation package?**

17 A. Chesapeake Utilities Corporation offers the following components as part of our total  
18 compensation package: Competitive salaries; annual incentive performance plans;  
19 Sign-On Bonuses; Driver incentives; Relocation assistance; Tuition Reimbursement;  
20 Company provided Life Insurance; Company provided Long Term Disability  
21 insurance; Four Medical plan options including a Health Saving Account;  
22 Prescription plan; Vision Plan Flexible Spending Accounts and generous 401k  
23 Retirement Plan and a Roth 401(k) Savings Plan.

1 **Q. Please describe the Company's rewards package.**

2 A. In addition to the compensation related items listed above, FPUC also rewards our  
3 employees with Vacation Time and Sick Time. These hours are accrued each pay  
4 period. We also provide nine (9) Company paid holidays annually. FPUC's  
5 rewards package also includes free identity Theft Protection, Paid Holidays;  
6 Bereavement Leave, Jury Duty Leave, Employee Assistance Program, Wellness  
7 initiative, volunteer opportunities, and employee discounts for certain vendors such  
8 as Legoland, Wild Water Kingdom, and Six Flags Great Adventure.

9 At FPUC, we provide employees base pay and short-term incentive pay through the  
10 Company's Incentive Performance Plan ("IPP") which is based upon the employees'  
11 annual performance. In addition, employees within certain leadership roles are  
12 eligible for long-term incentive pay. This rewards structure is comparable to what is  
13 available in the market in both the utility and non-utility industry. FPUC offers  
14 employees a reasonable total rewards package, along with the opportunity to develop  
15 and grow within the Company.

16 In addition to the IPP, there are many other offerings for our employees such as  
17 flexible work hours, remote eligible roles, volunteer opportunities, training and  
18 development.

19 **Q. Please describe the IPP.**

20 A. The Incentive Performance Plan provides an opportunity to earn a portion of your  
21 salary in a onetime payment if certain Company and Individual Goals are achieved.  
22 The plan has a target of 6% of base pay. Targets are based on salary grade. Targets  
23 range from 6-20% of pay.



1 The primary objectives of the IPP are as follows:

- 2 • Reward each employee's individual contribution to the overall performance results  
3 consistent with their eligibility.
- 4 • Create alignment and link performance metrics related to CUC's and the individual  
5 business units' vertical strategy, operational objectives and financial targets to  
6 individual compensation;
- 7 • Create a line of sight for each employee to clearly understand how their performance  
8 contributes to the overall success of the Company;
- 9 • Recognize and reward performance achievement of departmental / team goals and  
10 metrics.

11 The IPP has the following distinct performance categories:

- 12 1. The Individual's Performance Rating (PR) annual score.
- 13 2. Chesapeake Corporate Earnings Per Share (EPS) overall annual results.
- 14 3. Consolidated Return on Equity (ROE)
- 15 4. Identified Non-financial goals (Safety for 2021)

16 **Q. Does the IPP apply to all employees?**

17 A. All non-union, non-officer, active employees are eligible for the IPP excluding those  
18 that are on commission-based plans, seasonal employees, summer help, and interns.  
19 Employees covered by a collective bargaining agreement will follow the provisions  
20 negotiated.

21 **Q. Does the Company utilize at-risk pay as part of its compensation structure?**

22 A. Yes. Commissioned employees in sales and marketing have at-risk pay as part of  
23 their compensation structure at FPUC.

1 **Q. (If yes to above) What are the percentages allocated between base pay and at-**  
2 **risk pay in the Company's compensation structure?**

3 A. After a commissioned sales employee at FPUC is hired, they receive a base pay with  
4 an initial salary "bridge" for the first few months of employment. That salary bridge  
5 is removed, and the employee is eligible for unlimited commissions based on sales.  
6 Most percentage allocations are approximately 25% base pay with 75% of pay at  
7 risk.

8 **Q. Why does the Company utilize this structure for compensation?**

9 A. We only use this structure for sales employees at FPUC. We believe the unlimited  
10 opportunities to earn commissions helps with sales and grows our business.

11 **Q. In your experience, is this compensation structure unique to the Company?**

12 A. No. This type of compensation structure for sales employees is very common.

13 **Q. How are goals set for an employee's at-risk compensation?**

14 A. The manager and the employee define the territory and the sales goals for each year  
15 and incorporate them into their Performance Review Form. Goals are based on prior  
16 territory sales quota goals and are designed to be realistic and achievable goals.

17 **Q. Are the goals focused on financial goals only, or do they include operational**  
18 **goals?**

19 A. The goals are operational goals based on sales quota and are for commissioned  
20 employees only. FPUC does not have an at-risk compensation structure for other  
21 roles. Only the IPP is at risk and is not part of base pay.

22 **Q. How does this aspect of the Company's compensation mechanism benefit its**  
23 **customers?**

1 A. Our at risk pay for commissioned employees helps customers by encouraging  
2 employees to build relationships with our customers and invest in educating them on  
3 the benefits of natural gas. We firmly believe that the direct use of gas is most  
4 efficient and as our customers use gas, this can help them save money on their  
5 overall energy bills.

6 **Q. What has the Company's approach been to corporate governance initiatives on**  
7 **Equity, Diversity, and Inclusion (EDI) from an HR perspective?**

8 A. Equity, Diversity and Inclusion have always been important to the organization.  
9 From an HR perspective, it has always been our culture to look at things through the  
10 lens of EDI. In recent years the company has expanded our EDI efforts and created  
11 Employee Resource Groups also known as ERG's. We are committed to equality  
12 and believe that an inclusive workplace culture is key to achieving our mission. Our  
13 EDI Council is focused on developing and supporting initiatives that strengthen  
14 diversity, equity and inclusion within Chesapeake and its subsidiaries, as well as in  
15 our communities. Our emphasis on equity, diversity and inclusion in the workplace  
16 means that we strive to create a work environment where everyone feels engaged,  
17 valued and respected regardless of race, age, physical ability, sexual orientation,  
18 gender, ethnicity or religion. This can also include diverse facets like income levels,  
19 education levels, parental status, geographic location and positions as well as other  
20 aspects that make us all unique.

21 Our vision is for everyone to embrace their differences and share their diverse  
22 experiences and backgrounds, which will transform our workplace, the communities  
23 that we serve and the world into a better place.

1 Our Company fosters an environment where people are valued, respected, and  
2 empowered to succeed. Our commitment to equity, diversity, and inclusion advances  
3 our culture and business success.

4 We created the Women In Energy Employee Resource Group (“ERG”) at  
5 Chesapeake several years ago. In 2020, we expanded this ERG initiative by creating  
6 5 additional ERGs, each with a different focus. They include our Black Employee  
7 Network (BEN); Veterans Resource Group; Wisdom Seekers & Sharers; SPARC  
8 which stands for Support-Promote-Attract-Retain-Connect aimed at millennial and  
9 younger employees; and EPIC, which stands for Equal Parts of Inclusive Cultures.

10 In 2022, we stood up two additional ERG’s: Diversabilities is on a mission to  
11 increase awareness, empathy, inclusion and advocacy for people with different levels  
12 of ability within our work family and community. HOPE, provides prayer, positive  
13 affirmation and knowledge of personal experiences to employees. It stands for  
14 heartfelt openly praying every day. We hope to continue to expand our ERGs based  
15 on what our employees are interested in. Each ERG has a Chair, and a co-chair, as  
16 well as steering committee of members that help plan their initiatives and goals for  
17 the year. We also conduct monthly EDI Wise educational opportunities for all  
18 Employees. For example, in May, our Veteran’s ERG Chair will present on  
19 Memorial Day and heroes that have given us our freedom today.

20 **Q. Is this consistent with CUC’s corporate philosophy on EDI?**

21 A. Yes.

22 **Q. Has the Company conducted a compensation study since its last rate case?**

1 A. Yes. Over the approximately 13 years since the Company's last rate case, the market  
2 for both technical and professional employees in the natural gas industry has,  
3 understandably, changed. Recognizing this, the Company engaged a third-party  
4 vendor, Willis, Towers & Watson, to help us evaluate the labor market and  
5 benchmark our compensation and benefit programs against the external market.  
6 Based on the results, we were able to appropriately adjust the salaries of four (4) of  
7 the Company's employees in Florida to ensure they were compensated at a level  
8 comparable to market. While this resulted in a total salary increase of only \$19,263  
9 across these four employees, the correction to compensation was important to  
10 demonstrate to our employees that they are valued by the Company. Moreover, the  
11 results indicated that our compensation for Florida employees was otherwise  
12 comparable to market.

13 **Q. How does CUC review the level of compensation for its officers?**

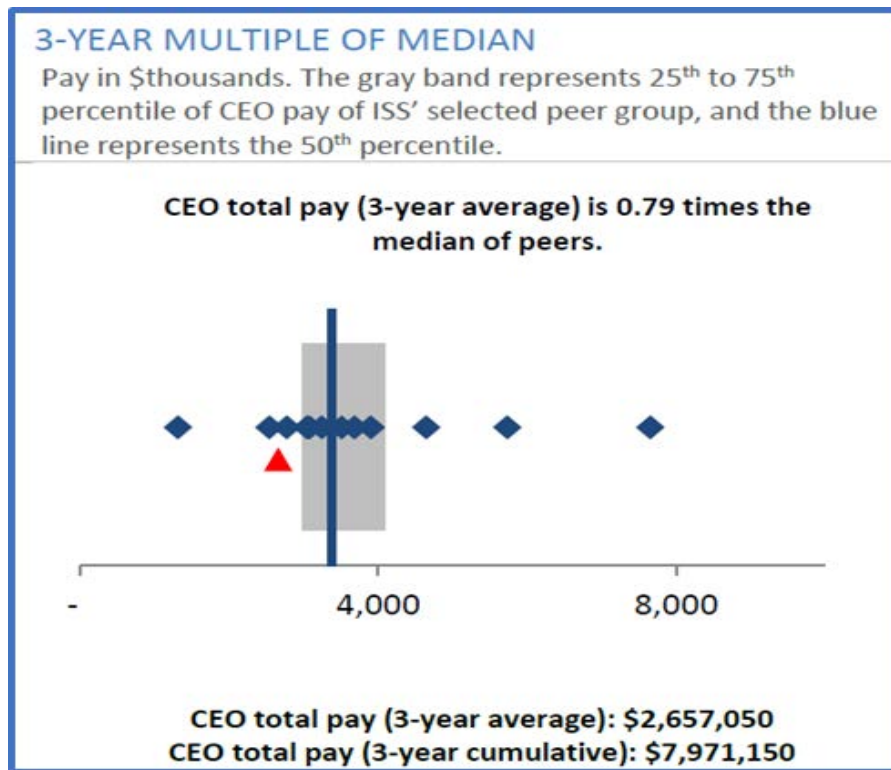
14 A. Compensation of the named executive officers of Chesapeake, which include the  
15 CEO, Executive Vice Presidents, Senior Vice Presidents, and Vice Presidents  
16 reporting to the CEO, is reviewed by the Compensation Committee of Chesapeake's  
17 Board of Directors. The Compensation Committee engages an outside consulting  
18 firm, F.W. Cook, to review executive compensation in the market and make  
19 recommendations to the Board of Directors on potential adjustments. Annually, each  
20 February, the Compensation Committee reviews base salaries of the named  
21 executive officers based on a market analysis prepared by the third-party  
22 compensation consultant. Any changes recommended in February, if approved by  
23 the Board of Directors, would be effective in April.

1 **Q. Has the Company reviewed its executive officer compensation compared to the**  
2 **market?**

3 A. Yes, Institutional Shareholder Services Inc. (“ISS”) provided the Company an  
4 analysis evaluating the CEO’s pay and the Company’s performance over the past  
5 three years.

6 **Q. What were the results of the comparison?**

7 A. As shown in the graph below, our CEO’s total pay is within a reasonable range when  
8 compared to peer companies, as it is slightly below the total median pay given to  
9 CEOs at the other peer companies over the past three years.

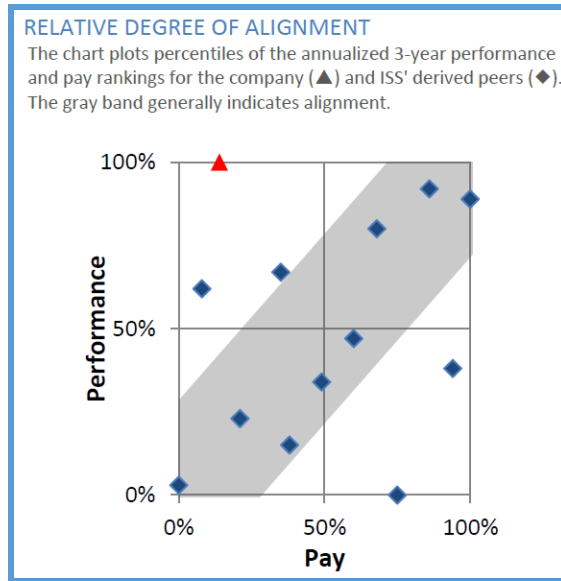


10

11 **Q. What did ISS conclude regarding the performance of the Company under Mr.**  
12 **Householder’s leadership compared to its peer companies over the past three**  
13 **years?**

14

1 A. Based on these four Economic Value Added (“EVA”) criteria: EVA Margin, EVA  
2 Spread, EVA Momentum (Sales) and EVA Momentum (Capital), ISS determined  
3 that the Company’s performance has exceeded all of its peers over the past three  
4 years.



5

6 **Q. Is the executive compensation provided reasonable?**

7 A. Yes, while the executive pay is within the lower end of the range offered to CEOs at  
8 peer utilities, it is reasonably aligned with performance, and the appropriate  
9 allocation should be recovered from customers in this rate proceeding.

10 **Q. Has the Company made an adjustment in Schedule G-2 Page 19j for a vacancy  
11 rate?**

12 A. Yes, there are always some positions that are open when someone leaves the  
13 Company and before the re-hiring takes place. To account for this timing delay, we  
14 have reduced in payroll based on the assumption that 3% of our salaries are not  
15 currently filled. This adjustment is included in the over and under adjustment to  
16 account 920.

1 **Q. Why is it appropriate to allocate a portion executive compensation to FPUC?**

2 A. Consistent with the enterprise-wide organizational construct of CUC, our  
3 compensation philosophy recognizes that our executive officers perform a critical  
4 role in ensuring that all our business units are providing safe, reliable, and efficient  
5 service to customers. As such, our compensation packages reflect a combined  
6 package of compensation and benefits designed to attract and retain skilled leaders  
7 within the industry. Said another way, our compensation packages for all our  
8 employees are designed to ensure we have the right people in place to maintain safe  
9 and reliable service to our customers in an ever-evolving industry. As shown above,  
10 the executive compensation allocated to FPUC is reasonable based upon the  
11 Company's performance and the market rate for executive compensation at peer  
12 companies.

13

14 **BENEFITS**

15 **Q. What is the Company's approach to designing benefits packages for employees?**

16 A. FPUC annually reviews our benefit packages and makes changes as needed that we  
17 believe will be enhancements that will attract and retain top talent. One recent  
18 example is that we heard from our Employee Resource Groups that employees  
19 wanted to celebrate Martin Luther King as a paid holiday. The Company added that  
20 holiday as another paid day off so that employees would no longer have to use their  
21 PTO/vacation time to celebrate that particular day.

22

23 **PENSION**



1 **Q. Does the Company provide a pension plan for its employees?**

2 A. The Company does not have a pension plan. The FPUC Pension plan was frozen in  
3 2010. However, the Company does offer a Retirement Savings Plan through a 401k  
4 and Roth 401k with a Company match up to 6 percent of contributions. Employees  
5 can defer 1% to 80% of their eligible earnings on a pre-tax basis. There are a wide  
6 variety of investment options available in the plan. We will match 100% of your pre-  
7 tax contributions up to a maximum of 6% of compensation. There is also an  
8 “automatic deferral feature” in the plan. If the employee does not specifically elect  
9 an alternate deferral amount (including zero), the Company will automatically  
10 withhold 3% from the paycheck each pay period and deposit that amount into the  
11 Plan as a salary deferral. If the employee is age 50 or older, or will reach age 50 at  
12 any time during the Plan Year, the employee will be eligible to make Catch-Up  
13 Contributions. To be fully vested in the “safe harbor” matching contribution, the  
14 employee will have to complete two years of service. Employees also have the  
15 option to contribute to a Roth Savings Plan. Roth contributions are deducted from  
16 the employee’s paycheck after taxes are withheld. Employees may elect Roth  
17 Contributions to your 401 (k) account in addition to or instead of your Pre-Tax  
18 Contributions. The employee’s combined Pre-Tax Contribution and Roth  
19 Contribution must meet certain limitations. We will match 100% of your pre-tax  
20 contributions up to a maximum of 6% of compensation.

21 In addition to the 401(k) and the Roth 401(k), there is a discretionary 401k  
22 Supplemental Employer Contribution if certain Company financial goals are met.  
23 This supplemental payment is paid out in Company stock if Company goals are

1           achieved. Payout is based on your age plus years of service times \$12.50 plus 1.25%  
2           added to eligible annual salary and is paid out in stock.

3

4           **COVID-19 PANDEMIC RESPONSE**

5           **Q.     How has the COVID-19 Pandemic (“COVID”) impacted FPUC’s HR function?**

6           A.     As we know, COVID is an ongoing pandemic impacting FPUC and companies  
7           across the United States. In March of 2020, FPUC, as well as Chesapeake as a  
8           whole, had to pivot and change the way we do business every day. The CEO  
9           strategically canceled all large gatherings and had 80% of our workforce become  
10          “remote” workers virtually overnight. We, along with the rest of the world thought  
11          this would be a temporary situation that would only last for a few weeks, though this  
12          was not the case. The Company formed several task forces to help guide the  
13          Company through this unprecedented event. One of these task forces is comprised  
14          of our HR department. The HR Task Force, known as the Pandemic Task Force, is  
15          responsible for screening, monitoring health status, and tracking employees  
16          (virtually) that have been exposed to the COVID virus. The HR Task Force  
17          maintains a confidential Employee Tracker of how many employees had been  
18          exposed, how many were out of work, and when the employees was/is “cleared” to  
19          return to work. The HR Task Force also helps in the planning of issues, frequently  
20          changing policies, and safety of our operations employees and customers.  
21          Additionally, there is a Communication Task Force and a Business Transformation  
22          Task Force set up to ensure that our Company culture would be preserved as best as  
23          possible throughout the prolonged periods of isolation.

1 **Q. What steps did FPUC take to protect its employees and customers during**  
2 **COVID?**

3 A. Our number one priority was, and is, the safety of our customers and employees.  
4 The Company decided to pay employees to stay home even if the Company was not  
5 allowing them to work. The HR Task Force created protocols where employees had  
6 to report to HR if they were sick. If they had any of the COVID symptoms, HR  
7 asked them to stay home until the employee was symptom free for 48 hours without  
8 fever reducing medicine. This impacted the Company financially, as we were not  
9 asking employees to use their own sick time or Paid Time Off (“PTO”) hours to  
10 cover these expenses.

11 **Q. How did the Company address staffing issues during the pandemic if employees**  
12 **could not work due to illness or because their childcare facilities were closed?**

13 A. FPUC wanted employees to care for the needs of their families while keeping  
14 employees protected from the spread of COVID. Therefore, the Company allowed  
15 employees to stay home, on paid leave, if they were sick with COVID or displayed  
16 COVID symptoms, or had been exposed to someone with COVID. FPUC called this  
17 “Pandemic Pay” and did not require the employees to use their sick or Paid Time Off  
18 (“PTO”) banks of time. Additionally, if the employee did not have daycare or the  
19 employee’s children were at home due to school closures, the Company also paid  
20 employees Pandemic Pay for these situations.

21 **Q. Did the Company do anything else “above and beyond” for employees during**  
22 **COVID-19?**

1 A. Yes. In addition to pandemic pay for employees, the Company also paid a pandemic  
2 premium for all field employees that were not remote. This premium pay was a 25%  
3 adder on base pay and continued from April 2020 to August 2020.

4

5 **CURRENT JOB MARKET AND TALENT ACQUISITION CHALLENGES**

6 **Q. What is the current job market like for the Company and what are some of the**  
7 **talent acquisition challenges?**

8 A. The pandemic has brought a major change in the job market. To our surprise, we  
9 have seen a reduction in the number of applicants in some of our job postings  
10 compared to the responses we received before the pandemic. Like other companies  
11 throughout the United States, the Company has felt the impact of what has been  
12 called the “Great Resignation,” which for us has resulted in a significant shift in  
13 employment trends. For our Company, we are now challenged to find qualified  
14 applicants, particularly in areas such as Business Information Systems (“BIS”), HR,  
15 and regulatory affairs, as compared to pre-Covid when these job openings would  
16 have been filled relatively quickly.

17 **Q. What are some of the challenges that the Company has seen in recruitment?**

18 A. In this competitive job environment, the Company has found that potential new hires  
19 expect incentives that we did not historically offer, such as “signing” bonuses and  
20 compensation for relocation. Not only have we had to adjust for these new  
21 expectations, but we have also experienced delays in background screening response  
22 time from our third party vendor, which has resulted in longer than normal times to  
23 process and onboard new hires. As a result, the Company has incurred additional

1 overtime and contractor expense in order to maintain safe and reliable service  
2 pending completion of the onboarding process for new employees.

3 The labor market continues to change. Roles that were once easy to recruit for are  
4 now difficult and costly. There are some roles that we have difficulty in receiving  
5 applicants. We've had to be creative in our recruiting strategies to find top talent.

6 **Q. Does the Company have an aging workforce that magnifies its recruitment**  
7 **concerns?**

8 A. Yes. We have an average age at FPUC of 49. We must be strategic in making sure  
9 we have successful knowledge transfer before employees retire. The Company will  
10 need to hire, in advance of retirement announcements, to ensure the safe, reliable  
11 operations continue daily.

12 **Q. Has the Company experienced challenges with retaining employees?**

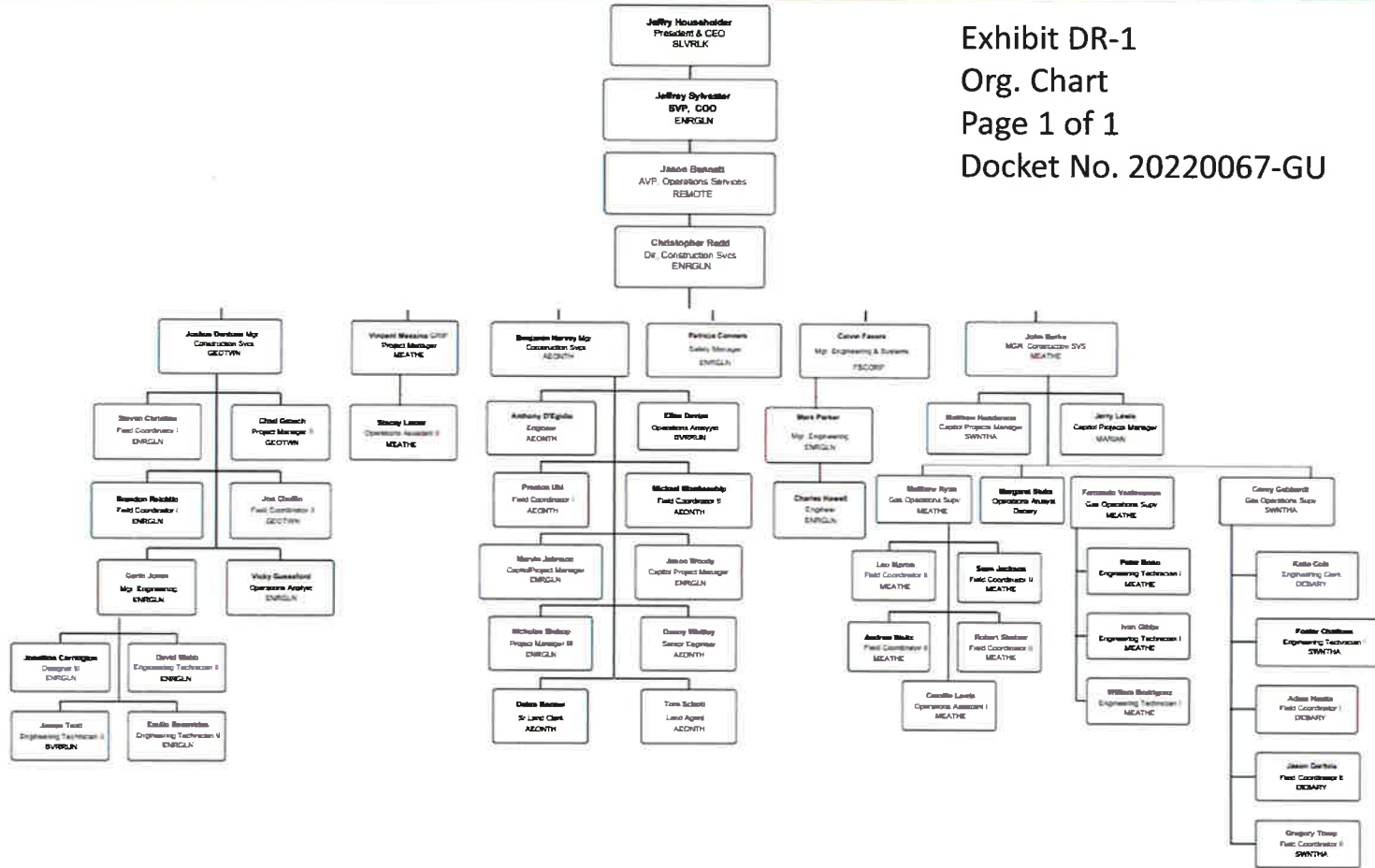
13 A. Yes, in addition to the additional efforts the Company has had to develop to recruit  
14 new employees, the Company has had to increase salaries to attract and retain top  
15 talent in this competitive environment. Our average years of service for our  
16 employee base is 13 years. Although we do have tenured employees, there have been  
17 challenges with retaining some employees. The market has changed since the Covid  
18 pandemic, and we are adapting to retain top talent.

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

20 A. Yes, it does.

# NATURAL GAS CONSTRUCTION

Exhibit DR-1  
 Org. Chart  
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 Docket No. 20220067-GU



SCHEDULE

TITLE

Witness

PROJECTED TEST YEAR

G2-19 a to d      Projected Test Year - Calculation of Operation and Main Expense Supplement

M. Cassel, J. Bennett, M. Galtman, V. Gadgil, M. Napier, K. Parmer, N. Russell, K. Lake, D. Rudloff, B. Hancock

G2-19f            Over and Under Adjustments

M. Cassel, J. Bennett, M. Galtman, V. Gadgil, M. Napier, K. Parmer, N. Russell, K. Lake, D. Rudloff, B. Hancock