



Florida Public Service Commission

RATE CASE OVERVIEW

SEPTEMBER 2020

Application for a rate increase by
Peoples Gas System

DOCKET NO. 20200051-GU

On June 8, 2020, Peoples Gas System (Peoples or Utility) filed an application with the Florida Public Service Commission (PSC or Commission) for a rate increase. Peoples currently serves more than 400,000 residential, commercial, and industrial natural gas customers in 14 geographical service areas.

QUESTIONS & ANSWERS

1 Why is Peoples requesting a rate increase?

Peoples is requesting a rate increase in order to recover the cost of operating the utility and allow the company the opportunity to earn a fair rate of return on its investment.

2 When was Peoples' last approved rate increase?

Peoples' rates for gas were last approved by the Commission in a rate case in 2009.

3 Is there an opportunity for public input on this rate case?

Yes. As part of the evaluation process for Peoples' rate request, the Commission will conduct three virtual service hearings to allow feedback about Peoples and the rate-setting process. Comments will be reviewed before the Commission reaches a decision. Commissioners will attend and participate during the service hearings.

If you want to testify before the PSC by phone at one of the virtual service hearings, you must sign up by contacting the PSC by emailing speakersignup@psc.state.fl.us or calling 1-850-413-7080. You will need to provide your name, address, Peoples Gas System Docket No. 20200051-GU, and the date/time of the hearing you want to attend. Once you sign up to speak at the virtual service hearing, you will be provided further instructions from PSC staff on how to participate.

Please note, the order in which customers testify is based upon the order in which they sign up. Please sign up as soon as possible, but at least two business days prior to the service hearing you plan to attend. This will allow PSC staff the time necessary to compile the list of customers wanting to testify. If you have questions about the sign-up process, please call 1-850-413-7080.

VIRTUAL SERVICE HEARINGS

Thursday, October 1, 2020
2:00 p.m.

Wednesday, October 7, 2020
6:30 p.m.

Thursday, October 8, 2020
9:30 a.m.

4 What if I cannot attend the virtual service hearings or prefer not to speak? Are there other ways to comment on this case?

Any interested person who wants to comment or provide information to the Commission regarding this matter may do so orally at the virtual service hearings or in writing. Written comments should be mailed to:

(Continued)

If canceled, notice of service hearing cancellation will be provided on the Commission's website, (www.floridapsc.com), under Hot Topics found on the home page. Cancellation can also be confirmed by contacting the Office of General Counsel at (850) 413-6199.

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

The PSC will also accept emailed comments at:

clerk@psc.state.fl.us

Please be sure to include the docket number, **20200051-GU**.

Comments are placed on the correspondence side of the docket file. In accordance with Florida Statutes, the PSC will also consider Peoples' quality of service and other matters. If you have questions, contact the PSC's Office of Consumer Assistance & Outreach at 1-800-342-3552.

5 How much is the current monthly bill (including fuel charge) for a residential customer of Peoples' RS-2 rate class using 20 therms?

The Utility's current monthly bill (including fuel charge) for a residential customer of Peoples' RS-2 rate class using 20 therms is \$39.93.

6 Using the Utility's proposed rates, how much would the monthly bill (including fuel charge) be for a residential customer of Peoples' RS-2 rate class using 20 therms?

Using the Utility's proposed rates, the monthly bill (including fuel charge) for a residential customer of Peoples' RS-2 rate class using 20 therms would be \$44.59.

7 Can I obtain more detailed information online?

Detailed docket information is available on the PSC website at www.FloridaPSC.com. Click on Clerk's Office then Dockets. Type in the docket number 20200051.

** Any email or other correspondence sent to a Florida Public Service Commissioner, or any other public official and/or employee of the PSC, in the transaction of public business is considered a public record and is subject to Florida's Public Records Law. This means that Florida law generally requires the PSC to provide a copy of any such email or correspondence, upon request, for inspection and copying to any Florida citizen or to any member of the media.*

8 Who can answer technical or legal questions?

For technical questions, contact:

Tripp Coston
(850) 413 - 6814

Phillip Ellis
(850) 413 - 6626

Curt Mouring
(850) 413 - 6427

For legal questions, contact:

Kurt Schrader
(850) 413 - 6234

9 Who provides legal representation for customers in utility related matters before the Public Service Commission?

The Office of Public Counsel was established by the Florida Legislature to advocate on behalf of you and the other utility consumers before the Commission and other state and federal regulatory authorities. The Public Counsel is independent from the Commission, and accountable only to the people of the state of Florida through the Florida Legislature. You can reach the Office of Public Counsel at (800) 342-0222 or www.floridapsc.gov.

10 When will the PSC make a decision?

The PSC staff is scheduled to file a recommendation with the Commission regarding revenue requirements on December 22, 2020. The Commissioners are expected to vote on revenue requirements at the January 5, 2021 Commission Conference.

The PSC staff is scheduled to file a recommendation with the Commission regarding rates on January 21, 2021. The Commissioners are expected to vote on rates at the February 2, 2021 Commission Conference.

11 How can I follow the Commission Conference?

You can watch the virtual service hearings and Commission Conference live from the PSC website at www.floridapsc.com. Look for the "Watch Live Broadcast" icon on the left side of the webpage. If you do not have access to the internet, a call-in number may be obtained from Tripp Coston, PSC staff, at 1-850-413-6814. If you are hearing or speech impaired, you may contact the PSC by using the Florida Relay Service at 1-800-955-8771 (TDD).

PSC Commissioners



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COMMISSIONER
Art Graham



CHAIRMAN
Gary F. Clark



COMMISSIONER
Julie I. Brown



COMMISSIONER
Andrew Giles Fay

Peoples Gas System Monthly Gas Bills

BILL COMPARISONS - PRESENT VS. COMPANY PROPOSED RATES

RS - 1

Residential Usage between 0 and 99 therms per year

Average Usage: 6.2 therms per month

PRESENT RATES RS-1

Customer Charge
\$11.40

Energy Charge
(Cents per Therm)
\$0.25465

CIBS Rider
(Cents per Therm)
\$0.12635

PROPOSED RATES RS-1

Customer Charge
\$16.20

Energy Charge
(Cents per Therm)
\$0.34456

CIBS Rider
(Cents per Therm)
\$0.02199

Therm Usage Increment
2

<u>Monthly Therm Usage</u>	<u>Present Monthly Bill w/o Fuel</u>	<u>Present Monthly Bill With Fuel</u>	<u>Proposed Monthly Bill w/o Fuel</u>	<u>Proposed Monthly Bill With Fuel</u>	<u>Percent Increase w/o Fuel</u>	<u>Percent Increase With Fuel</u>
0	\$11.40	\$11.40	\$16.20	\$16.20	42.11%	42.11%
2	\$12.16	\$13.97	\$16.93	\$18.74	39.23%	34.16%
4	\$12.92	\$16.54	\$17.67	\$21.28	36.69%	28.68%
6	\$13.69	\$19.10	\$18.40	\$23.82	34.44%	24.67%
8	\$14.45	\$21.67	\$19.13	\$26.36	32.42%	21.62%
10	\$15.21	\$24.24	\$19.87	\$28.89	30.61%	19.21%

Bills do not include conservation costs, utility taxes, franchise fees, or gross receipts taxes.

Peoples Gas System Monthly Gas Bills

BILL COMPARISONS - PRESENT VS. COMPANY PROPOSED RATES

RS - 2

Residential Usage between 100 and 249 therms per year

Average Usage: 14.3 therms per month

PRESENT RATES RS-2

PROPOSED RATES RS-2

Customer Charge
\$14.25

Customer Charge
\$19.20

Energy Charge
(Cents per Therm)
\$0.25465

Energy Charge
(Cents per Therm)
\$0.34456

CIBS Rider
(Cents per Therm)
\$0.12635

CIBS Rider
(Cents per Therm)
\$0.02199

Therm Usage Increment
2

<u>Monthly Therm Usage</u>	<u>Present Monthly Bill w/o Fuel</u>	<u>Present Monthly Bill With Fuel</u>	<u>Proposed Monthly Bill w/o Fuel</u>	<u>Proposed Monthly Bill With Fuel</u>	<u>Percent Increase w/o Fuel</u>	<u>Percent Increase With Fuel</u>
8	\$17.30	\$24.52	\$22.13	\$29.36	27.95%	19.72%
10	\$18.06	\$27.09	\$22.87	\$31.89	26.61%	17.74%
12	\$18.82	\$29.66	\$23.60	\$34.43	25.38%	16.11%
14	\$19.58	\$32.22	\$24.33	\$36.97	24.24%	14.73%
16	\$20.35	\$34.79	\$25.06	\$39.51	23.19%	13.56%
18	\$21.11	\$37.36	\$25.80	\$42.05	22.22%	12.55%
20	\$21.87	\$39.93	\$26.53	\$44.59	21.31%	11.67%
22	\$22.63	\$42.50	\$27.26	\$47.13	20.47%	10.90%

Bills do not include conservation costs, utility taxes, franchise fees, or gross receipts taxes.

Peoples Gas System Monthly Gas Bills

BILL COMPARISONS - PRESENT VS. COMPANY PROPOSED RATES

RS - 3

Residential Usage between 250 and 1,999 therms per year

Average Usage: 35.4 therms per month

PRESENT RATES
RS-3

PROPOSED RATES
RS-3

Customer Charge
\$19.01

Energy Charge
(Cents per Therm)
\$0.25465

CIBS Rider
(Cents per Therm)
\$0.12635

Customer Charge
\$26.20

Energy Charge
(Cents per Therm)
\$0.34456

CIBS Rider
(Cents per Therm)
\$0.02199

<u>Monthly Therm Usage</u>	<u>Present Monthly Bill w/o Fuel</u>	<u>Present Monthly Bill With Fuel</u>	<u>Proposed Monthly Bill w/o Fuel</u>	<u>Proposed Monthly Bill With Fuel</u>	<u>Percent Increase w/o Fuel</u>	<u>Percent Increase With Fuel</u>
25	\$28.54	\$51.11	\$35.36	\$57.94	23.93%	13.36%
30	\$30.44	\$57.53	\$37.20	\$64.28	22.20%	11.75%
35	\$32.35	\$63.95	\$39.03	\$70.63	20.67%	10.45%
40	\$34.25	\$70.36	\$40.86	\$76.98	19.31%	9.40%
45	\$36.16	\$76.78	\$42.69	\$83.32	18.09%	8.52%
50	\$38.06	\$83.20	\$44.53	\$89.67	16.99%	7.77%
60	\$41.87	\$96.04	\$48.19	\$102.37	15.10%	6.58%
70	\$45.68	\$108.88	\$51.86	\$115.06	13.53%	5.67%
80	\$49.49	\$121.72	\$55.52	\$127.75	12.19%	4.96%
90	\$53.30	\$134.56	\$59.19	\$140.56	11.05%	4.38%
100	\$57.11	\$147.40	\$62.86	\$153.14	10.06%	3.90%
110	\$60.92	\$160.24	\$66.52	\$165.84	9.19%	3.50%
125	\$66.64	\$179.49	\$72.02	\$184.88	8.08%	3.00%
150	\$76.16	\$211.59	\$81.18	\$216.61	6.60%	2.37%

Bills do not include conservation costs, utility taxes, franchise fees, or gross receipts taxes.

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Tallahassee, FL 32399-0850

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