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August 4, 2023

VIA ELECTRONIC FILING

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

Re: Docket No. 20230023-GU; Petition for Rate Increase by Peoples Gas System, Inc.

Docket No. 20220219-GU; Peoples Gas System's Petition for Rate Approval of 2022 Depreciation Study

Docket No. 20220212-GU; Peoples Gas System's Petition for Approval of Depreciation Rate and Subaccount for Renewable Natural Gas Facilities Leased to Others

Dear Mr. Teitzman:

Attached for filing in the above docket on behalf of Peoples Gas System, Inc. is its revised pages of Christian C. Richard rebuttal testimony (pages 9, 13 and 14).

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'J. Jeffrey Wahlen'.

J. Jeffrey Wahlen

JJW/ne

Attachment

cc: All parties of record (w/att.)

CERTIFICATE OF SERVICE


I HEREBY CERTIFY that a true and correct copy of the foregoing revised pages of Christian C. Richard rebuttal testimony, filed on behalf of Peoples Gas System, Inc., has been furnished by electronic mail on this 4th day of August, 2023 to the following:

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ATTORNEY

1 related infrastructure?

2

3 **A.** No. The Peoples natural gas system is growing in size and
 4 complexity and requires additional resources to ensure
 5 safe and reliable service. Peoples plans to hire 41
 6 employees in the ECT area in 2023 and 2024 and will go
 7 from 150 full-time equivalents in 2022 to 191 in 2024.
 8 Of the 41 employees to be hired, 17 are replacements
 9 (vacancies at the end of December 2022) and 24 are new.
 10 The 17 replacements are part of the ongoing employee
 11 vacancies created from promotions, retirements and
 12 attrition. Of the 24 new positions, five are Supply Chain
 13 (FERC Account "Admin and General Salaries"), four are Gas
 14 Control and Measurement and Regulation (FERC Account
 15 "Other Exp"), seven are in support of improved capital
 16 management, while the balance (8) are to support design,
 17 engineering and construction (FERC Account "Operations,
 18 Supervision and Engineering"). It is worth noting the
 19 majority of the costs associated with the new ECT
 20 positions are in support of Peoples' capital plan and are
 21 charged to capital.

22

23 **Q.** Why are the five additional Supply Chain positions
 24 necessary?

25

1 budgets. The team will also implement and continuously
 2 improve the capital governance process and work to ensure
 3 efficient capital execution, resource planning, execution
 4 monitoring and management. Driven by growth, Peoples'
 5 average annual capital budget has grown in recent years
 6 and this team will ensure that capital continues to be
 7 optimized to provide value to customers. The company's
 8 improved capital governance may also mitigate the need
 9 for future base rate increases by achieving greater
 10 efficiencies in capital investments.

11

12 **Q.** Why are the other 5 support positions necessary?

13

14 **A.** Of the remaining 8 new positions, 5 support increased
 15 workload related to residential and commercial customer
 16 growth throughout the state and RRE projects, including
 17 municipal improvement projects. There has been a
 18 particularly noticeable increase in Municipal Improvement
 19 projects driven by the Inflation Reduction Act. Local
 20 and state governments are taking advantage of this funding
 21 to improve transportation infrastructure, which in turn
 22 requires Peoples to relocate some of its assets. Some
 23 areas of the state also have new, more strict permitting
 24 requirements. These new permitting requirements impact
 25 design and require more oversight, including more

1 stringent restoration requirements after construction,
2 additional asphalt work, and additional well pointing.
3 The additional resources are not only targeted in areas
4 with increased permitting requirements, they are also
5 targeted in areas of the state with higher growth rates
6 such as Jacksonville, Ocala, and Fort Myers where local
7 design and construction oversight is performed. These
8 areas of higher growth of residential and commercial
9 customers typically also includes higher municipal
10 improvement relocation projects. The positions required
11 to support the increased workload includes four Gas Design
12 Technicians, four Construction Inspectors, two
13 administrative positions, and one Gas Design Supervisor.

14
15 The remaining three new positions (of the 8) includes one
16 GIS position, one engineer for large project engineering
17 design and project management and one position to support
18 system modelling for new gas infrastructure and
19 reliability of existing infrastructure.

20
21 The one GIS position is required to help manage increased
22 workload driven by growth and increased locate tickets as
23 described in Witness Timothy O'Connor's testimony. The
24 new position will also improve safety by continuing to
25 reduce the average number of days to record system