

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO. 20230023-GU**

**IN RE: PEOPLES GAS SYSTEM, INC.'S  
PETITION FOR AN INCREASE IN BASE RATES**



**SYNOPSIS OF RATE REQUEST**

THIS DOCUMENT IS PROVIDED BY PEOPLES GAS SYSTEM, INC. PURSUANT TO THE REQUIREMENTS OF RULE 25-22.0406, FLORIDA ADMINISTRATIVE CODE, NOTICE AND PUBLIC INFORMATION ON GENERAL RATE INCREASE REQUESTS

## I. SUMMARY OF RATE CASE

On April 4, 2023, Peoples Gas System, Inc. ("Peoples" or the "company") petitioned the Florida Public Service Commission ("Commission") for an increase in its permanent base rates and charges.

The Commission, under Florida law, regulates rates, charges, and services provided by Florida investor-owned utilities. The Commission assigned Docket No. 20230023-GU to the case.

Peoples filed its test year letter on February 3, 2023, advising that, based on a review of the company's projected 2023 and 2024 financial performance, it must seek an increase in base rates to continue to meet the natural gas needs of existing and new customers, continue to provide safe, reliable, high-quality customer service, and have an opportunity to earn a fair rate of return on the company's investment.

Peoples' last rate case was filed in June 2020, with a final order issued in December 2020. In the two years since Peoples' last rate case, many factors have contributed to the necessity for the company to now seek rate relief, including: (1) growth in rate base; (2) increase in depreciation expense associated with rate base growth; (3) increasing costs associated with safely operating the company's system and complying with federal safety and security requirements; (4) high levels of inflation and resulting increases in the costs of labor, contractors, materials, insurance, and healthcare benefits; and (5) rising costs of long- and short-term borrowing and common equity.

Peoples has requested an increase of \$139.3 million in base revenues and charges, which includes \$11.6 million of 2024 revenue requirements related to moving \$93.3 million of net Cast Iron/Bare Steel Replacement Rider investments made through December 31, 2023, into rate base effective January 1, 2024. The result is a net revenue increase of \$127.7 million.

A more complete description of Peoples' request is provided in the petition and direct testimony of Peoples' witnesses and the detailed data supporting the request is contained in the Minimum Filing Requirement Schedules ("MFRs"), all of which were submitted to the Commission in the proceeding. An Executive Summary of the case is included in the A Schedules of the MFRs and in Exhibit A to this synopsis. A bill comparison showing typical monthly rates is contained in Exhibit B.

A copy of Peoples' entire rate request filing with the Commission, including a complete set of MFRs, is available for inspection at [www.peoplesgas.com/rates/our-rate-request](http://www.peoplesgas.com/rates/our-rate-request)

## **II. COMPARISON OF THE PRESENT AND PROPOSED RATES FOR CUSTOMER RATE CLASSES**

Based on current projections for fuel and other clauses, Peoples' typical residential bill (RS-2) under its proposed rates will increase by about 21 percent from 2023 to 2024.

Attached to this synopsis as Exhibit B are the current and proposed residential and commercial rates.

Under Peoples' proposal, customer classes would receive bill increases when the proposed new rates are put into effect on and after the first billing cycle period in January 2024.

### **MAJOR RATE CASE ISSUES**

At the start of a general base rate case, it is not possible to anticipate all the issues that may arise, but potential major revenue requirement issues involved in the case could include:

1. Are the company's test year and sales forecasts reasonable?
2. What should be the value of the company's test year investment in rate base?
3. What should be the company's test year operating revenues?
4. What should be the company's test year operating expenses?
5. What should be the company's test year overall rate of return?
6. What should be the company's test year allowed rate of return on equity?
7. What will be the company's test year revenue deficiency?
8. What is the appropriate cost-of-service methodology to use in designing rates?
9. What will be the appropriate rate levels for each customer class of service?
10. What will be the appropriate charge for each miscellaneous service?

The specific issues in the case will be identified in a prehearing order issued prior to the hearing.

### III. DESCRIPTION OF THE RATE CASE PROCESS

All public utilities, as defined in Section 366.02, Florida Statutes, must petition the Commission to increase their rates to retail customers. After the filing of the request, the Commission has eight months to conduct the case. The filing to request a base rate increase consists of the petition; direct testimony and exhibits from the company witnesses; and the MFRs, which are an extensive set of documents containing detailed data in support of the rate increase, including figures about a utility's costs, investment, and operations for the specified test year. The formal request is distributed to the Commissioners, the Public Service Commission staff, the Office of the Public Counsel ("Public Counsel"), and other parties who express interest in the case.

After the filing is made, the discovery process begins. During this process, the utility responds to requests for information (interrogatories) and requests to produce documents from the Commission staff and the parties (intervenor) to the case. The Commission staff performs a field audit of the company's filed data to ensure compliance with Commission rules and the accuracy of the information provided. Formal depositions (interviews) with company witnesses may also be conducted to gather information and better identify issues.

Intervenors in the case often present their own witnesses, testimony, and exhibits in response to the company's filing. They use the company's initial filing materials, as well as discovery responses from the company, as a basis for the positions they take in the case. The parties, their witnesses, testimony, and exhibits are subject to discovery as well. The company will then have the opportunity to present rebuttal testimony and exhibits to any intervenors who file testimony.

Toward the end of the discovery process and just before the hearing commences, the company, staff, and intervenors prepare issue lists and preliminary positions for the case. These lists of issues are then combined and narrowed in a Prehearing Order in an effort to help the Commission focus on the important facets of the case during the hearing.

The first hearings in a rate case – called "service hearings" – generally commence a few months after filing and are scheduled by the Commission. Some service hearings will be held in person, while others will be held virtually and conducted via the Go-To-Meeting platform. Details on how to participate by audio-only are provided on the Commission's website ([www.floridapsc.com](http://www.floridapsc.com)), under "Hot Topics." These hearings will enable customers to express their views regarding the company's rate request. The Commission takes these views into account when ruling on the case.

The Commission has scheduled service hearings for the following dates:

Wednesday, June 28, 2023 at 2:00 p.m.

Thursday, June 29, 2023 at 2:00 p.m.

Monday, July 10, 2023 at 10:00 a.m. and 2:00 p.m. (Virtual)

Tuesday, July 11, 2023 at 2:00 p.m. and 6:00 p.m. (Virtual)

Customers interested in participating can contact the Commission by emailing: [speakersignup@psc.state.fl.us](mailto:speakersignup@psc.state.fl.us) or calling (850)413-7080. Customers should reference the Peoples Rate Case and specific hearing date if interested in participating.

The service hearings dates and times will be published in newspapers of general circulation in the Company's service areas and will also be available on the Company's website at [www.peoplesgas.com/rates](http://www.peoplesgas.com/rates).

Public Counsel has intervened in this docket and will be present at the service hearings to represent the public. Public Counsel may be contacted prior to the hearing at 111 West Madison Street, Suite 812, Claude Pepper Building, Tallahassee, Florida 32399-1400, or by phone at (800) 342-0222.

The next hearing in a rate case is a technical hearing. At this hearing, the legal "record" is further established for deciding the case through direct, rebuttal, and cross-examination testimony and the introduction of exhibits and other relevant evidence. The technical hearing in this case will be held on August 29, 2023, through September 1, 2023, at the Betty Easley Conference Center, Room 148, located at 4075 Esplanade Way in Tallahassee, Florida.

After the technical hearing, legal briefs are filed by the parties to summarize their positions. The Commission staff reviews the briefs and the record produced at the hearing and then produces a recommendation to the Commission that addresses each issue identified in the case.

The Commission then holds a Special Agenda Conference and votes on the revenue requirements and then a subsequent hearing will be held at a later date on the rate issues. After the votes, Commission attorneys prepare a final order that reflects the Commission's votes and provides background for the case, the basis for each of the decisions reached, the new approved rates, and the effective dates of the new rates. After the Commission order is issued, parties will have an opportunity to ask the Commission to reconsider its decision on the issues.

#### IV. RATE CASE TIME SCHEDULE

Below is a tentative schedule of Peoples Gas System Inc.'s rate case established by the Commission as of May 19, 2023:

Description	Due Date
Petition, MFRs, and Direct Testimony Filed	April 4, 2023
Agenda – Suspension of Rates	May 2, 2023
Customer Service Hearing Pembroke Pines	June 28, 2023 at 2:00 p.m.
Customer Service Hearing Brandon	June 29, 2023 at 2:00 p.m.
Customer Service Hearing (Virtual)	July 10, 2023 at 10:00 a.m. and 2:00 p.m.
Customer Service Hearing (Virtual)	July 11, 2023 at 2:00 p.m. and 6:00 p.m.
Testimony - Intervenor	June 22, 2023
Testimony - Staff	July 6, 2023
Testimony – Rebuttal	July 20, 2023
Notice of Prehearing and Hearing	August 8, 2023
Prehearing Statements	August 10, 2023
Discovery Actions Complete	August 17, 2023
Prehearing	August 21, 2023
Hearing	August 29, 2023 August 30, 2023 August 31, 2023 September 1, 2023
Briefs Due	October 5, 2023

**NOTE: THIS SCHEDULE IS TENTATIVE AND SUBJECT TO REVISION.**

## V. WEBSITE ADDRESS AT WHICH COMPLETE MFRS ARE AVAILABLE

The entire filing, including MFRs, is available on Peoples' website and the Commission website at the following links:

Peoples' Website: [www.peoplesgas.com/rates/our-rate-request](http://www.peoplesgas.com/rates/our-rate-request)

Commission Website: <https://www.psc.state.fl.us/clerks-office-dockets-level2?DocketNo=20230023>

# **EXHIBIT A**

## **MINIMUM FILING REQUIREMENTS SCHEDULE A - EXECUTIVE SUMMARY**



FLORIDA PUBLIC SERVICE COMMISSION  
 EXPLANATION: PROVIDE A SCHEDULE SHOWING THE MAGNITUDE  
 OF CHANGE - PRESENT vs PRIOR RATE CASE.

TYPE OF DATA SHOWN:  
 HISTORIC BY LAST CASE: 12/31/19  
 PROJECTED BY LAST CASE: 12/31/21  
 PROJECTED BY CURRENT CASE: 12/31/24

COMPANY: PEOPLES GAS SYSTEM, INC.

DOCKET NO. 20230023-GU

WITNESS: R. PARSONS

LINE NO.	ITEM	LAST RATE CASE				CURRENT RATE CASE						
		(1)* HISTORICAL N/A	(2)* ATTRITION N/A	(3)* TOTAL N/A	(4)* PROJECTED TEST YEAR 12/31/21	(5)* HISTORICAL N/A	(6)* ATTRITION N/A	(7)* TOTAL	(8)* PROJECTED TEST YEAR 12/31/21	(9) PROJECTED TEST YEAR 12/31/24	(10)* DOLLAR OR PERCENT DIFFERENCE	(11) PERCENTAGE CHANGE
1	DOCKET NUMBER				20200051-GU				20200051-GU	20230023-GU		
2	HISTORICAL DATA OR TEST YEAR				12/31/21				12/31/21	12/31/24		
3	PROJECTED TEST YEAR											
4	RATE INCREASE - PERMANENT				\$85,324,894				\$58,000,000	\$139,271,846	\$81,271,846	140.12%
5	RATE INCREASE - INTERIM				\$0				\$0	\$0	\$0	0.00%
6	JURISDICTIONAL RATE BASE BEFORE RATE RELIEF				\$1,578,725,509				\$1,536,815,825	\$2,366,788,452	\$829,972,627	54.01%
7	JURISDICTIONAL NET OPERATING INCOME BEFORE RATE RELIEF				\$40,779,039				\$47,771,603	\$72,337,240	\$24,565,637	51.42%
8	RATE OF RETURN BEFORE RATE RELIEF				2.58%				N/A	3.06%	3.06%	N/A
9	SYSTEM CAPITALIZATION				\$1,578,725,509				\$1,536,815,825	\$2,366,788,452	\$829,972,627	54.01%
10	OVERALL RATE OF RETURN				6.63%				5.93%	7.42%	1.49%	25.05%
11	COST OF LONG-TERM DEBT				4.47%				3.85%	5.54%	1.09%	43.77%
12	COST OF PREFERRED STOCK				N/A				N/A	N/A	N/A	N/A
13	COST OF SHORT-TERM DEBT				2.80%				1.15%	4.85%	3.70%	321.74%
14	COST OF CUSTOMER DEPOSITS				2.51%				2.53%	2.53%	-0.01%	-0.39%
15	COST OF COMMON EQUITY				10.75%				9.90%	11.00%	1.10%	11.11%
16	NUMBER OF CUSTOMERS - AVERAGE				425,508				425,508	490,125	64,617	15.19%
17	DATE NEW PERMANENT RATES EFFECTIVE				1/1/2021				1/1/2021	1/1/2024 (A)		

(A) AS DETERMINED BY THE "FILE AND SUSPEND" PROVISIONS OF SECTION 366.06 (4), FLORIDA STATUTES.

\* IF COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3) AND COLUMNS (5) - (7) UNDER THE HEADING "LAST RATE CASE". IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMNS (4) AND (8) UNDER THE HEADING "LAST RATE CASE".

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (7). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (8).

\*\*\* Reflects Stipulation and Settlement Agreement approved by the Commission in in Order No. PSC-2020-0485-FOF-GU in Docket No. 20200051-GU.



FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PEOPLES GAS SYSTEM, INC.  
 DOCKET NO. 20230023-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
 OF PERMANENT RATE INCREASE REQUESTED

TYPE OF DATA SHOWN  
 PROJECTED TY LAST CASE: 12/31/21  
 PROJECTED TY CURRENT CASE: 12/31/24

WITNESS: R. PARSONS

LINE NO.	DESCRIPTION	INCREASE IN GROSS REVENUE DOLLARS	% OF TOTAL
1	RESTORE ADJUSTED NET OPERATING INCOME TO PREVIOUSLY ALLOWED OVERALL RATE OF RETURN OF 5.93%	\$ 4,044,662	2.90%
2	INCREASE IN REQUESTED OVERALL RATE OF RETURN FROM 5.93% TO 7.42%	34,765,712	24.96%
3	EFFECT OF PROJECTED TEST YEAR	<u>100,461,472</u>	<u>72.13%</u>
4	TOTAL PERMANENT RATE INCREASE REQUESTED	<u>\$139,271,846</u>	<u>100.00%</u>

5 Totals may be affected due to rounding.  
 SUPPORTING SCHEDULES: A-1, B-2, G-3 p.2, G-4, G-5

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PEOPLES GAS SYSTEM, INC.  
 DOCKET NO. 20230023-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS OF JURISDICTIONAL RATE BASE

TYPE OF DATA SHOWN:  
 HISTORIC BY LAST CASE: 12/31/19  
 PROJECTED BY LAST CASE: 12/31/21  
 PROJECTED BY CURRENT CASE: 12/31/24

WITNESS: R. PARSONS

LINE NO.	ITEM	RATE BASE DETERMINED BY COMMISSION IN LAST RATE CASE**			PROJECTED TEST YEAR 12/31/21	RATE BASE REQUESTED BY COMPANY IN CURRENT RATE CASE			PERCENT DIFFERENCE	
		(1)*	(2)*	(3)*		(4)*	(5)	(6)**		(7)**
	HISTORIC N/A	ATTRITION N/A	TOTAL							
<u>UTILITY PLANT</u>										
1	PLANT IN SERVICE	\$0	\$0	\$0	N/A			\$3,308,320,402		N/A
2	CONSTRUCTION WORK IN PROGRESS	0	0	0	N/A			24,309,448		N/A
3	UTILITY PLANT ACQUISITION ADJUSTMENT	0	0	0	N/A			5,031,897		N/A
4	GROSS UTILITY PLANT	0	0	0	N/A			3,337,661,747		N/A
<u>DEDUCTIONS</u>										
5	ACCUMULATED DEPRECIATION	0	0	0	N/A			(882,007,676)		N/A
6	ACCUMULATED AMORTIZATION	0	0	0	N/A			(35,790,455)		N/A
7	LIMITED TERM UTILITY PLANT	0	0	0	N/A			0		N/A
8	ACQUISITION ADJUSTMENT	0	0	0	N/A			(5,028,153)		N/A
9	CUSTOMER ADVANCES FOR CONSTRUCTIO	0	0	0	N/A			(20,000,000)		N/A
10	TOTAL DEDUCTIONS	0	0	0	N/A			(942,826,284)		N/A
11	NET UTILITY PLANT	0	0	0	N/A			2,394,835,463		N/A
12	ALLOWANCE FOR WORKING CAPITAL	0	0	0	N/A			(28,047,011)		N/A
13	RATE BASE	\$0	\$0	\$0	\$1,536,815,825			\$2,366,788,452		154.01%

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

\*\*\* Reflects Stipulation and Settlement Agreement approved by the Commission in in Order No. PSC-2020-0485-FOF-GU in Docket No. 20200051-GU. Rate base details were not included, only total rate base.

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PEOPLES GAS SYSTEM, INC.  
 DOCKET NO. 20230023-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS OF JURISDICTIONAL NET OPERATING INCOME

TYPE OF DATA SHOWN:  
 PROJECTED TY LAST CASE: 12/31/21  
 PROJECTED TY CURRENT CASE: 12/31/24  
 WITNESS: R. PARSONS

LINE NO.	ITEM	NET OPERATING INCOME AS DETERMINED BY COMMISSION IN LAST RATE CASE***			PROJECTED TEST YEAR 12/31/24	DOLLAR DIFFERENCE	PERCENT DIFFERENCE
		(1)*	(2)*	(3)*			
HISTORIC	ATTRITION	TOTAL	PROJECTED				
N/A	N/A		TEST YEAR				
			12/31/21				
1	OPERATING REVENUES (A)	\$0	\$0	\$0	N/A	\$485,338,866	N/A
OPERATING REVENUE DEDUCTIONS:							
2	COST OF GAS						
3	OPERATING & MAINTENANCE EXPENSE	0	0	0	N/A	151,207,936	N/A
4	DEPRECIATION & AMORTIZATION	0	0	0	N/A	87,613,968	N/A
5	AMORTIZATION - OTHER	0	0	0	N/A	1,000,000	N/A
6	TAXES OTHER THAN INCOME	0	0	0	N/A	32,397,700	N/A
7	INCOME TAXES (FEDERAL & STATE)	0	0	0	N/A	15,626,278	N/A
8	DEFERRED TAXES (FEDERAL & STATE)	0	0	0	N/A	22,489,825	N/A
9	INTEREST SYNCHRONIZATION	0	0	0	N/A	0	N/A
10	GAIN ON SALE OF PROPERTY	0	0	0	N/A	(495,917)	N/A
11	TOTAL OPERATING REVENUE DEDUCTIONS	0	0	0	N/A	309,839,790	N/A
12	NET OPERATING INCOME	\$0	\$0	\$0	\$91,181,527	\$175,499,075	192.47%

(A) EXCLUDES FUEL AND CONSERVATION REVENUE.

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

\*\*\* Reflects Stipulation and Settlement Agreement approved by the Commission in in Order No. PSC-2020-0485-FOF-GU in Docket No. 20200051-GU. NOI details were not included, only required return.

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PEOPLES GAS SYSTEM, INC.  
 DOCKET NO. 20230023-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING  
 OVERALL RATE OF RETURN COMPARISON

TYPE OF DATA SHOWN:  
 PROJECTED TY LAST CASE: 12/31/21  
 PROJECTED TY CURRENT CASE: 12/31/24

WITNESS: R. PARSONS

PROJECTED TEST YEAR 12/31/21 (AUTHORIZED)

LINE NO.	ITEM	DOLLARS	RATIO	EMBEDDED COST	WEIGHTED COST
DOCKET NO. 080318-GU					
ORDER NO. PSC-10-0208-S-GU					
LAST RATE CASE (AUTHORIZED)					
1	LONG-TERM DEBT	\$502,960,000	32.73%	3.85%	1.26%
2	SHORT-TERM DEBT	83,783,000	5.45%	1.15%	0.06%
3	CUSTOMER DEPOSITS	25,098,000	1.63%	2.54%	0.04%
4	COMMON EQUITY	708,454,000	46.10%	9.90%	4.57%
5	TAX CREDITS	0	0.00%		0.00%
6	DEFERRED TAXES	216,521,000	14.09%		0.00%
7	TOTAL CAPITALIZATION	<u>\$1,536,816,000</u>	<u>100.00%</u>		<u>5.93%</u>

PROJECTED TEST YEAR 12/31/24 (REQUESTED)

LINE NO.	ITEM	DOLLARS	RATIO	EMBEDDED COST	WEIGHTED COST
1	LONG-TERM DEBT	\$832,185,531	35.16%	5.54%	1.95%
2	SHORT-TERM DEBT	99,671,451	4.21%	4.85%	0.20%
3	CUSTOMER DEPOSITS	27,528,183	1.16%	2.53%	0.03%
4	COMMON EQUITY	1,124,006,187	47.49%	11.00%	5.22%
5	TAX CREDITS	3,156,892	0.13%	8.49%	0.01%
6	DEFERRED TAXES	280,240,209	11.84%		0.00%
7	TOTAL CAPITALIZATION	<u>\$2,366,788,452</u>	<u>100.00%</u>		<u>7.42%</u>

FLORIDA PUBLIC SERVICE COMMISSION

TYPE OF DATA SHOWN:

COMPANY: PEOPLES GAS SYSTEM, INC.

EXPLANATION: PROVIDE A SUMMARY OF FINANCIAL INDICATORS AS SPECIFIED BELOW FOR THE HISTORIC DATA BASE YEAR OF THE LAST RATE CASE, HISTORIC DATA BASE YEAR FOR THIS CASE, AND THE YEAR IMMEDIATELY FOLLOWING THE PRESENT HISTORIC DATA BASE YEAR.

HIS. BASE YR DATA CURRENT: 12/31/22  
 BASE YR + 1 CURRENT CASE: 12/31/23  
 PROJECTED TY CURRENT CASE: 12/31/24  
 WITNESS: R. PARSONS

DOCKET NO. 20230023-GU

LINE NO	INDICATORS	(1) DATA FROM HISTORIC BASE YR OR TY RELATED TO COMPANY'S PRIOR CASE	(2) DATA FROM HISTORIC BASE YEAR RELATED TO COMPANY'S CURRENT CASE	(3) YEAR AFTER CURRENT HISTORIC BASE YEAR WITHOUT ANY RATE INCREASE	(4) PROJECTED TEST YEAR WITHOUT ANY RATE INCREASE	(5) PROJECTED TEST YEAR INCLUDING REQUESTED RATE INCREASE
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INTEREST COVERAGE RATIOS:

1	INCLUDING AFUDC IN INCOME BEFORE INTEREST CHARGES	5.10	5.15	3.71	1.59	4.07
2	EXCLUDING AFUDC FROM INCOME BEFORE INTEREST CHARGES	5.06	5.00	3.56	1.46	3.94

OTHER FINANCIAL RATIOS:

3	AFUDC AS A PERCENT OF INCOME AVAILABLE FOR COMMON	1.08%	4.67%	6.65%	24.14%	4.85%
4	PERCENT OF CONSTRUCTION FUNDS GENERATED INTERNALLY	22.61%	20.05%	19.03%	24.66%	31.77%

PREFERRED DIVIDEND COVERAGE:

5	INCLUDING AFUDC	Not Applicable - Peoples Gas has no Preferred Dividends				
6	EXCLUDING AFUDC	Not Applicable - Peoples Gas has no Preferred Dividends				

RATIO OF EARNINGS TO FIXED CHARGES:

7	INCLUDING AFUDC	5.02	5.09	3.68	1.58	4.04
8	EXCLUDING AFUDC	4.98	4.93	3.53	1.46	3.92

EARNINGS PER SHARE:

9	INCLUDING AFUDC					
10	EXCLUDING AFUDC	Not Applicable - Peoples Gas has no publically traded stock				
11	DIVIDENDS PER SHARE					

12 Totals may be affected due to rounding.

SUPPORTING SCHEDULES: D-11 p.1-3, G-3 p.9-11

RECAP SCHEDULES:

## **EXHIBIT B**

### **COMPARISON OF PROPOSED MONTHLY RATES**

## Exhibit B

### Residential Rates and Charges Comparison

Rate Class	Annual Therm Usage	Current Monthly Rates		Proposed Monthly Rates	
		Customer Charge	Base Rate	Customer Charge	Base Rate
RS-1	0 - 99	\$ 15.10	\$ 0.27011	\$ 19.95	\$ 0.36738
RS-2	100 - 249	\$ 18.10	\$ 0.27011	\$ 25.50	\$ 0.36738
RS-3	250 - 1,999	\$ 24.60	\$ 0.27011	\$ 32.95	\$ 0.36738
RS-GHP	N/A	\$ 24.60	\$ 0.09598	\$ 32.95	\$ 0.12950
RSG (Residential Standby Generator)	< 19 therms	\$ 23.91	\$ 0.00000	\$ 32.95	\$ 0.29500
	> 20 therms	\$ 23.91	\$ 0.27011	\$ 32.95	\$ 0.29500

Miscellaneous Service Charges	Current	Proposed
Residential Meter Turn On	\$63.00 (\$29.00 per additional meter)	\$78.00 (\$34.00 per additional meter)
Residential Meter Reconnect	\$87.00 (\$28.00 per additional meter)	\$104.00 (\$33.00 per additional meter)
Account Opening	\$24.00	\$33.00
Temporary Turn-off Charge	\$30.00 per meter	\$33.00 per meter
Failed Trip Charge	\$25.00	\$25.00
Trip Charge/Premise Collection	\$25.00	\$29.00

*If approved, the proposed rates and service charges would be effective in January 2024.*

*The rates do not reflect the Purchased Gas Adjustment, which is passed through from gas and major pipeline suppliers and can fluctuate monthly based on the price of natural gas.*

*Rate schedules are subject to gross receipts taxes, city and state taxes and franchise fees, where applicable.*

*Base rates are part of the Customer Charge and Distribution Charge line items on customer bills. The Distribution Charge is a grouping of several costs, including the base rate, a charge for energy conservation programs, legacy pipeline replacement and other costs.*



## Business Rates Comparison Chart

Rate Class	Annual Therm Usage	Current Monthly Rates		Proposed Monthly Rates	
		Customer Charge	Base Rate	Customer Charge	Base Rate
SGS	0 - 1,999	\$ 30.60	\$ 0.38897	\$ 45.00	\$ 0.52000
GS-1	2,000 - 9,999	\$ 45.00	\$ 0.31190	\$ 69.00	\$ 0.48500
GS-2	10,000 - 49,999	\$ 82.00	\$ 0.26631	\$ 129.00	\$ 0.41500
GS-3	50,000 - 249,999	\$ 420.00	\$ 0.21781	\$ 525.00	\$ 0.35500
GS-4	250,000 - 499,999	\$ 670.00	\$ 0.17785	\$ 995.00	\$ 0.27500
GS-5	> 500,000	\$ 1,380.00	\$ 0.11880	\$ 2,195.00	\$ 0.18699
CS-GHP	N/A	\$ 45.00	\$ 0.19605	\$ 55.00	\$ 0.27500
CSG (Commercial Standby Generator)	< 39 therms	\$ 45.00	\$ 0.00000	\$ 55.00	\$ 0.29500
	> 40 therms	\$ 45.00	\$ 0.42315	\$ 55.00	\$ 0.29500
Wholesale	N/A	\$ 420.00	\$ 0.17054	\$ 695.00	\$ 0.23917
Commercial Street Lighting	N/A	\$ 0.00	\$ 0.27513	\$ 0.00	\$ 0.42500
SIS	1,000,000 - 3,999,999	\$ 1,380.00	\$ 0.07817	\$ 2,550.00	\$ 0.10963
IS	4,000,000 - 49,999,999	\$ 1,580.00	\$ 0.04050	\$ 2,950.00	\$ 0.05680
ISLV	> 50,000,000	\$ 1,720.00	\$ 0.01050	\$ 3,250.00	\$ 0.01473

Miscellaneous Service Charges	Current	Proposed
Commercial Meter Turn On	\$100.00 (\$34.00 per additional meter)	\$107.00 (\$46.00 per additional meter)
Commercial Meter Reconnect	\$100.00 (\$32.00 per additional meter)	\$114.00 (\$42.00 per additional meter)
Account Opening	\$24.00	\$33.00
Temporary Turn-off Charge	\$30.00 per meter	\$33.00 per meter
Failed Trip Charge	\$25.00	\$25.00
Trip Charge/Premise Collection	\$25.00	\$29.00

*If approved, the proposed rates and service charges would be effective in January 2024.*

*The rates do not reflect your cost for natural gas. Depending on your usage, you either purchase your gas through a third-party supplier or use the Purchased Gas Adjustment, which is passed through from gas and major pipeline suppliers and can fluctuate monthly based on the price of natural gas.*

*Rate schedules are subject to gross receipts taxes, city and state taxes and franchise fees, where applicable.*

*Base rates are part of the Customer Charge and Distribution Charge line items on customer bills. The Distribution Charge is a grouping of several costs, including the base rate, a charge for energy conservation programs, legacy pipeline replacement and other costs.*