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July 28, 2025

ELECTRONIC FILING

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

Re: Docket 20250029-GU, Petition for Rate Increase by Peoples Gas System, Inc.

Dear Mr. Teitzman:

Attached for filing on behalf of Peoples Gas System, Inc. in the above-referenced docket is the Rebuttal Testimony of Helen Wesley and Exhibit No. HW-2.

Thank you for your assistance with this matter.

(Document 4 of 7)

Sincerely,

A handwritten signature in blue ink, appearing to read 'V. Ponder'.

Virginia Ponder

cc: Major Thompson, OGC
Jacob Imig, OGC
Walt Trierweiler, Public Counsel
Jon Moyle, FIPUG

VLP/dh
Attachments



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250029-GU

PETITION FOR RATE INCREASE
BY PEOPLES GAS SYSTEM, INC.

REBUTTAL TESTIMONY AND EXHIBIT
OF
HELEN WESLEY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REBUTTAL TESTIMONY

OF

HELEN WESLEY

I. INTRODUCTION

Q. Please state your name, address, occupation and employer.

A. My name is Helen Wesley. My business address is 3600 Midtown Drive, Tampa, FL 33607. I am employed by Peoples Gas System, Inc. ("Peoples" or the "company") as the President and Chief Executive Officer ("CEO").

Q. Are you the same Helen Wesley who filed direct testimony in this proceeding?

A. Yes, I am.

Q. What are the purposes of your rebuttal testimony?

A. My rebuttal testimony addresses comments by Office of Public Counsel ("OPC") witness Lane Kollen regarding Emera investor presentations and the development of the company's 2026 test year budget.

1 Q. Have you prepared an exhibit supporting your rebuttal
2 testimony?

3
4 A. Yes. Exhibit No. HW-2, entitled "Rebuttal Exhibit of Helen
5 Wesley," was prepared under my direction and supervision. My
6 exhibit consists of one document:

7
8 Document No. 1 Emera's Relative Positioning
9

10 **II. EMERA INVESTOR PRESENTATION**

11 Q. Do you agree with Mr. Kollen's characterization of Emera's
12 investor presentations?

13
14 A. No. Investor presentations provide a structured platform for
15 publicly traded companies to share key financial data,
16 operational updates and strategic initiatives which foster
17 trust and accountability with many stakeholders. They are
18 useful tools to communicate the company's value proposition,
19 growth potential, plans to deliver value to customers, and
20 competitive advantages to potential investors. These
21 presentations, however, must be reviewed in their entirety
22 rather than select parts or pieces.

23
24 Mr. Kollen selects parts of the Emera investor presentation
25 that appear to support his arguments and asserts that the

1 forecast of test year costs is overstated to achieve Emera's
2 corporate objectives. Mr. Kollen, however, fails to recognize
3 that Emera's projections for rate base growth and earnings
4 growth fall within the middle of the range when compared to
5 a large representation of North American investor-owned
6 utilities.

7
8 Document No. 1 of my exhibit presents rate base growth and
9 earnings growth projections from Emera's industry peers.
10 Peoples' team members independently verified these
11 projections from publicly-available information under my
12 direction and supervision. As shown on Document No. 1 of my
13 exhibit, Emera's 6 percent midpoint for earnings growth
14 projections is towards the low end of projections from
15 industry peers. The range is 5.5 percent to 9.5 percent, and
16 the average is 6.8 percent, nearly 100 bps higher than Emera's
17 6 percent midpoint. In terms of rate base growth, peer
18 utilities state a range from 6 percent to 14 percent and
19 average of 8.8 percent, with Emera at 7.5 percent. This
20 demonstrates that Emera's growth projections and rate base
21 projections are not overstated, but rather in line with, and
22 even slightly lower than, similarly situated peer utilities.

23
24 **Q.** Do you agree with Mr. Kollen's characterization of Emera's
25 references to Florida's constructive regulatory environment

1 in the investor presentation?

2

3 **A.** No. To the extent Mr. Kollen is implying that Emera and
4 Peoples view Florida as a jurisdiction with a legal framework
5 that supports favorable rate increases devoid of scrutiny,
6 his characterization is incorrect. Page 12 of the investor
7 presentation included in Exhibit LK-2 describes constructive
8 regulatory environments as jurisdictions "where we (the
9 company) and the regulatory bodies work together to ensure
10 long-term value creation for both our customers and the
11 utility." Peoples understands it has a responsibility to
12 create value for our customers and understands the robust
13 regulatory process associated with any rate increase request.

14

15 **Q.** What input did Emera have during the development and approval
16 of the company's 2025 and 2026 capital spending budgets?

17

18 **A.** The corporate budgeting process at Emera is a bottom-up
19 process. Each affiliate prepares a budget based on its needs
20 and submits the budget to Emera. Emera then consolidates all
21 the budgets from its affiliates and the corporate center to
22 create a consolidated Emera budget.

23

24 Emera's input to the process is typical of other parent
25 company relationships I've been involved in, wherein the

parent wants to understand the basic assumptions inherent in the budget, including revenue growth, O&M growth relative to revenue growth, and capital expenditures.

Q. Did Peoples prepare its 2025 and 2026 capital spending budgets to achieve Emera's financial objectives?

A. No. We prepare our budgets to ensure reliable service to our customers.

Peoples' bottom-up budgeting process begins with soliciting input from those closest to the work across the company. Typically, our initial draft budget includes all possible O&M and capital expenditures. My role is to manage the amount and timing of expenses and capital spending by determining the highest and best use for these funds. This involves balancing priorities, including safety, reliability, security, efficiency, and attracting and retaining talent through competitive salaries and benefits. Safety and reliability always come first. I am ultimately accountable for ensuring safe, reliable operations that, over time, deliver the Florida Public Service Commission's ("Commission") authorized rate of return for all investors and stakeholders.

III. PEOPLES' 2026 BUDGET

1 **Q.** Do you agree with Mr. Kollen's characterization of the
2 company's 2026 budget as a "rate case" budget?
3

4 **A.** No. As explained in Peoples' witness Luke Buzard's rebuttal
5 testimony, the company adjusted the schedule for preparing
6 the 2026 budget but followed the normal budgeting process to
7 develop that budget. While it is true that Peoples prepares
8 budgets for two years when preparing for a rate case, the
9 company follows the same process to prepare the second-year
10 budget. This is necessary to comply with the Commission's
11 projected test year mechanism for rate cases. Furthermore,
12 Peoples explained how it prepared the capital budget and the
13 need for the projects that make up that budget in the direct
14 testimony of witnesses Christian Richard, Timothy O'Connor,
15 and Rebecca Washington.
16

17 **Q.** Does the company consider the timing and planned in-service
18 dates of capital projects in the normal course of business as
19 it develops its capital spending budgets?
20

21 **A.** Yes. We must consider the timing and planned in-service dates
22 to fulfil customer expectations, compliance requirements,
23 Florida Department of Transportation requirements, manage
24 weather windows, and manage availability of parts to optimize
25 capital planning and ensure work is completed as cost

1 effectively as possible. When we build our budgets, we
2 integrate multiple sources of data from 14 different service
3 areas, with a holistic, state-wide view. The timing and in-
4 service dates of projects are important considerations in
5 this work.

6
7 Additionally, as a utility that operates responsibly, we are
8 thoughtful about the timing of projects relative to customer
9 demand and when it is optimal for safety and reliability
10 reasons. This is our duty to serve, and we operate within
11 these expectations. We must effectively manage our business
12 to best serve our multiple stakeholders.

13
14 **Q.** Are Peoples' proposed capital expenditures for 2025 and 2026
15 reasonable and prudent?

16
17 **A.** Yes. Our capital expenditures reflect the requirements of our
18 system to safely and reliably serve customers and are
19 reasonable. As discussed in the direct testimony of witness
20 Richard, we use a structured approach with our integrated
21 resource planning process to plan our capital investments.

22
23 **Q.** Is the level of Peoples' proposed capital spending influenced
24 by factors beyond the company's control?

1 **A.** Yes. There are multiple influences on the company's capital
2 budget that are outside of the company's control. These
3 include damage to pipelines, facilities relocations, leak
4 repairs, and compliance requirements. Peoples is also
5 required to extend service to customers that meet the
6 requirements of our tariff, and the company does not control
7 Florida's growth. Finally, the importance and use of natural
8 gas as an energy source and in supporting resilience is
9 growing.

10

11 **Q.** How is the importance of natural gas growing?

12

13 **A.** Over 70 percent of electricity in Florida is generated by
14 natural gas. The retirement of several coal facilities and
15 the limited ability to use renewable energy to supply
16 electricity on a reliable basis (given the inability to store
17 it) means that natural gas is critical to energy security and
18 stability in the state. Interstate pipeline companies are
19 also recognizing the importance of natural gas, with several
20 large pipeline companies planning to build major expansions
21 and extensions of their existing networks to serve current
22 and future demand in Florida.

23

24 Natural gas is a safe and reliable source of energy at a
25 competitive price, particularly for large industrial users.

1 It serves as critical energy infrastructure to healthcare
2 facilities, schools, and nursing homes. Residential and
3 commercial customers find natural gas to be the right product
4 to fuel their homes and businesses. Furthermore, both
5 residential customers and businesses are increasingly turning
6 to natural gas service to protect them during and after storm
7 events by providing back-up generation. This shift represents
8 an evolving change in the capacity demands on our distribution
9 system.

10
11 **Q.** Do you agree with Mr. Kollen's assessment that there are no
12 market forces that provide restraints on natural gas
13 distribution pricing?

14
15 **A.** No. Floridians have several choices to meet their energy
16 needs, and natural gas is only one of these options. We must
17 earn our customers' business daily by providing excellent,
18 safe, and reliable natural gas distribution service at fair
19 and just rates.

20
21 **Q.** If the Commission adopts Mr. Kollen's recommendation to limit
22 growth in capital investments to the rate of inflation, how
23 would that affect Peoples?

24
25 **A.** As witness Richard explains in his rebuttal testimony, this

1 approach is overly simplistic and overlooks the fact that
2 Peoples' proposed capital projects are necessary to serve
3 customers, meet compliance requirements, and ensure safety
4 and reliability. If the Commission adopts his high-level
5 reduction in cost recovery for these projects, it could
6 accelerate Peoples' need to file a future rate case.

7
8 **Q.** Should the Commission limit the company's planned team member
9 additions based on the rate of customer growth?

10
11 **A.** No. Simple metrics or benchmarks do not account for the
12 multiple forces that affect the company, its customers, and
13 other stakeholders, nor for the company's historical
14 performance. Peoples has an outstanding customer service
15 record, a strong safety and compliance record, and is working
16 hard to meet one of the highest demand and growth rates for
17 our services of any utility in the nation, by many standards.
18 Witness Buzard addresses Mr. Kollen's proposed limitation on
19 team member additions in greater detail in his rebuttal
20 testimony.

21
22 **IV. SUMMARY**

23 **Q.** Please summarize your rebuttal testimony.

24
25 **A.** Mr. Kollen mischaracterizes an Emera investor presentation in

1 an attempt to discredit the company's 2026 capital budget. To
2 the contrary, and as my rebuttal testimony explains, Peoples
3 followed its regular bottom-up budgeting process when
4 preparing the 2026 budget and did not prepare the budget to
5 achieve Emera's financial objectives. Peoples' proposed 2026
6 budget is reasonable and is explained by the company's direct
7 testimony. For these reasons, the Commission should reject
8 Mr. Kollen's recommended limitations on the company's
9 proposed capital and O&M budgets for 2026.

10
11 **Q.** Does this conclude your rebuttal testimony?

12
13 **A.** Yes, it does.
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25

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
WITNESS: WESLEY

REBUTTAL EXHIBIT

OF

HELEN WESLEY

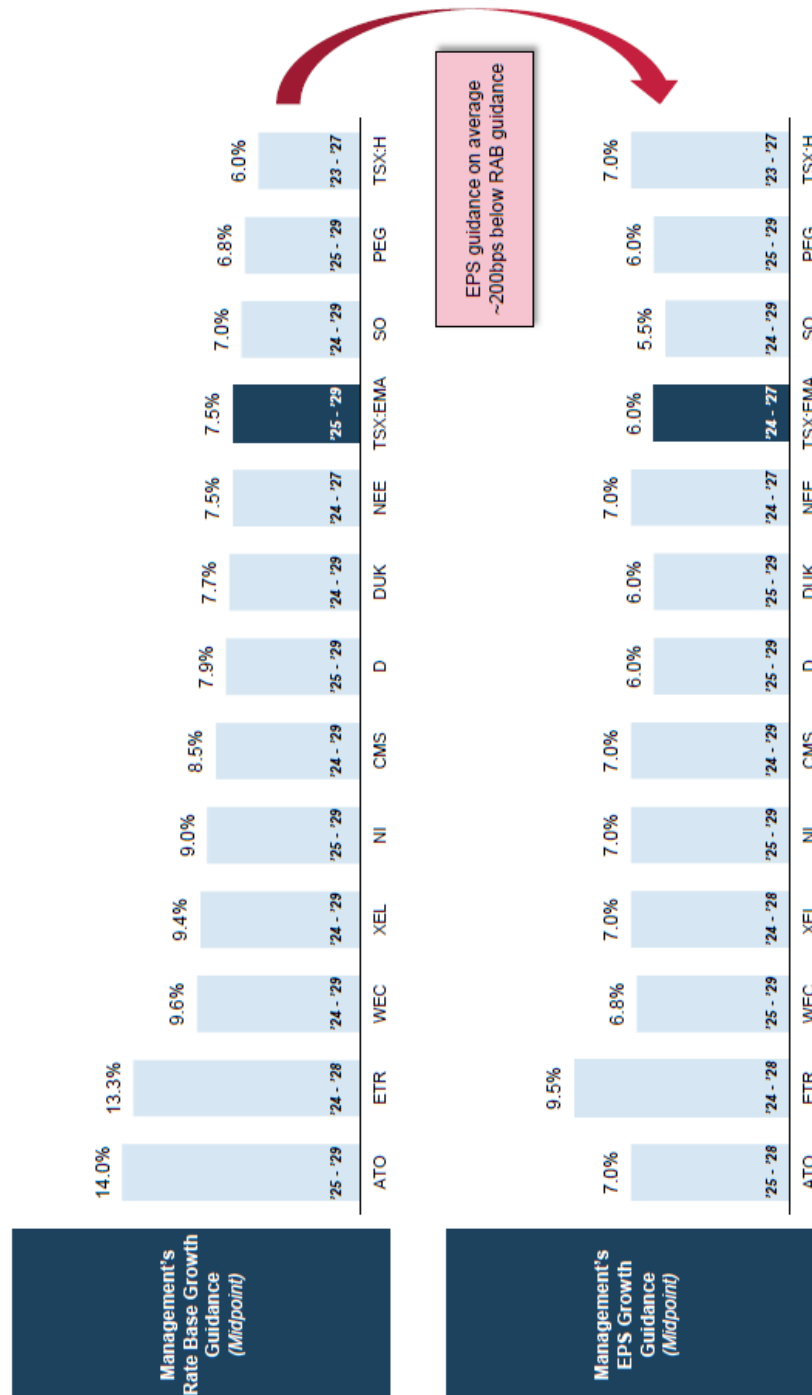
PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
EXHIBIT NO. HW-2
WITNESS: WESLEY
FILED: 07/28/2025

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1	Emera's Relative Positioning	14

II. Emera's Relative Positioning

2 Strong Growth Outlook: Benchmarking Emera's Growth Against Premium Utilities



Sources: Capital IQ, Company Disclosures as of April 30, 2025.

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