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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas facilities relocation cost recovery clause.	DOCKET NO. 20260011-GU ORDER NO. PSC-2026-0321-PHO-GU ISSUED: September 8, 2026

PREHEARING ORDER

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on August 27, 2026, in Tallahassee, Florida, before Commissioner Gary F. Clark, as Prehearing Officer.

APPEARANCES:

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South Monroe Street, Suite 601, Tallahassee, Florida 32301.
On behalf of Florida City Gas (FCG) and Florida Public Utilities Company (FPUC)

J. JEFFRY WAHLEN, VIRGINIA L. PONDER, and MATTHEW J. JONES, ESQUIRES, Ausley McMullen, 123 S. Calhoun Street Tallahassee, Florida 32301-1517.
On behalf of Peoples Gas System, Inc. (PGS)

WALT TRIERWEILER, CHARLES J. REHWINKEL, OCTAVIO SIMOES-PONCE, AUSTIN A. WATROUS, and SAVANNAH JACOBS, ESQUIRES, c/o The Florida Legislature, 111 West Madison Street, Suite 812, Tallahassee, Florida 32399-1400.
On behalf of the Office of Public Counsel (OPC)

CARLOS M. MARQUEZ II and SHAW P. STILLER, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.
On behalf of Florida Public Service Commission Staff (Staff)

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.
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Florida Public Service Commission General Counsel

I. CASE BACKGROUND

In 2024, the Florida Legislature passed House Bill 1645 which enacted Section 366.99, Florida Statutes (F.S.), entitled "Natural gas facilities relocation costs." The statute permits investor-owned gas utilities to seek approval from the Florida Public Service Commission (Commission) to recover natural gas facilities relocation costs. Section 366.99(3), F.S., requires the Commission to conduct an annual proceeding to determine allowable costs (reasonable projected costs and prudently incurred actual costs), which may be recovered through a charge separate and apart from base rates. Section 366.99(1)(d), F.S., defines "natural gas facilities relocation costs" as "the costs to relocate or reconstruct facilities as required by a mandate, a statute, a law, an ordinance, or an agreement between the utility and an authority, including, but not limited to, costs associated with reviewing plans provided by an authority. The term does not include any costs recovered through the public utility's base rates." Furthermore, only costs incurred on or after July 1, 2024, may be included. Section 366.99(1)(a), F.S., defines "authority" by reference to Section 337.401(1)(a), F.S., which definition includes the Florida Department of Transportation (FDOT) and local government entities that have jurisdiction and control over public roads or publicly owned rail corridors.

Section 366.99(3), F.S., limits the Commission's review to the prudence of costs already incurred and the reasonableness of projected costs. Rule 25-7.150, Florida Administrative Code (F.A.C.), implements the statute and sets forth the process and requirements for a utility to file its petition for recovery of natural gas facilities relocation costs through the annual Natural Gas Facilities Relocation Cost Recovery Clause (NGFRCRC). The rule contemplates a process similar to other cost recovery clauses, with filings addressing a final true-up and prudence review of the previous year's actual costs, actual/estimated costs for the current year, and projected costs for the subsequent year. The rule also sets forth eligibility requirements for costs to be allowed through this proceeding, namely proof that each facility relocation project was required by an authority. Also, pursuant to Section 366.99(1)(d), F.S., a utility filing cannot include costs that are being recovered through the utility's base rates.

As part of the Commission's continuing natural gas facilities relocation cost recovery proceeding, an administrative hearing in this docket was set for September 15–17, 2026.

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

III. JURISDICTION

The Commission is vested with subject matter jurisdiction to approve natural gas facilities relocation cost recovery pursuant to Section 366.99, F.S. This hearing shall be governed by Chapters 120 and 366, F.S., and Chapters 25-7, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of the Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093(3), F.S., at the hearing shall adhere to the following:

(1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary Staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

(2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties (and Staff) has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to three minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple "Yes" or "No" answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness' direct testimony is adverse to its interests.

All parties must refer to the Exhibit Number established by the Comprehensive Exhibit List when referencing an exhibit during cross-examination.

VI. ORDER OF WITNESSES

Witness	Proffered By	Issues Nos.
Direct		
Diana Williams	FCG	2A–8A
Solomon McCloskey	FCG	1A–4A
Diana Williams	FPUC	2B–8B

Witness	Proffered By	Issues Nos.
Solomon McCloskey	FPUC	1B–4B
Kristopher J. Kelley	PGS	1C
Matthew E. Elliott	PGS	2C–9C, 10

If the parties and Staff are later willing to excuse witnesses, Staff shall confirm with each hearing Commissioner whether a particular witness may be excused. If no Commissioner has any question for those witnesses, then the witnesses may be excused from the hearing with his or her testimony entered into the record as though read and exhibits admitted.

VII. BASIC POSITIONS

FCG/FPUC: The factors proposed by each utility have been developed through projections and calculations made in accordance with Rule 25-7.150, F.A.C., and the associated depreciation expense has been calculated in accordance with the rates approved in the companies' respective last approved depreciation studies. The factors are based upon actual, prudently incurred costs associated with "facilities relocations" as that term is defined in Section 366.99(1)(b), F.S.; thus, the costs incurred are consistent with "natural gas facilities relocation costs" as that term is defined in Section 366.99(1)(d), F.S. Projects and project costs for 2025 and 2026 are likewise consistent with the Commission's decision in Order No. PSC-2026-0052-TRF-GU, issued February 23, 2026. As such, the companies ask that they be allowed to implement their proposed NGFRCRC Factors for the January–December 2027 period.

PGS: The Commission should determine that the utility properly calculated its natural gas facilities relocation cost recovery true-up and projections and the natural gas facilities relocation cost recovery factors set forth in the testimony and exhibits of PGS witnesses Kristopher J. Kelley and Matthew E. Elliott and for the period January 2027 through December 2027.

OPC: OPC supports the Commission providing a mechanism for utilities to recover legitimate costs associated with relocating natural gas facilities when those costs are imposed by governmental authorities and are beyond the utility's control. However, the focus of the Commission in this docket must be ensuring those costs are prudently incurred actual costs and reasonable projected costs, as well as to ensure that customers pay only those costs the Legislature intended to make recoverable.

The costs must be tied to the relocation or reconstruction of existing natural gas facilities caused by a governmental mandate. This clause should not become a means of shifting ordinary growth, expansion, or new construction costs to customers simply because a governmental project is involved. The Commission must also protect customers against double recovery. Some relocation costs may already be reflected in a utility's base rates. If those same costs are subsequently recovered through the new clause, customers pay twice. The utility (not the OPC) should be required to demonstrate that the costs it seeks to recover through the clause have not already been recovered through base rates.[1]

At the same time, the Commission should recognize utilities that do more than simply pass costs through to customers. When utilities plan ahead, coordinate with governmental entities, or develop creative alternatives that avoid or reduce relocation costs, those efforts should be considered. Doing so gives the Commission a better measure of utility performance, and creates an incentive to find efficiencies that benefit customers. Capturing these wins presents the Commission with a more complete picture of the entire process for their analysis, while promoting creative solutions and encouraging cost savings.

The Legislature created this mechanism to address costs that are unexpected and outside of a utility's control. However, it did not create a blank check. The Commission should implement the clause accordingly and ensure that only costs properly within the scope of Section 366.99, F.S., are recovered from customers.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

VIII. ISSUES AND POSITIONS

ISSUE 1A: What natural gas facilities relocation projects and associated costs of FCG are eligible for recovery through the Natural Gas Facilities Relocation Cost Recovery Clause?

FCG: "Natural gas facilities relocation costs" are defined in Section 366.99(1)(d), F.S., as, "the costs to relocate or reconstruct facilities as required by a mandate, a statute, a law, an ordinance, or an agreement between the utility and an authority,

[1] Section 366.99(1)(d), F.S., specifically excludes any costs recovered through the utility's base rates from the definition of relocation costs.

including, but not limited to, costs associated with reviewing plans provided by an authority." As set forth in the statute, recoverable costs do not include costs already recovered in the utility's base rates, but does include depreciation expense on recoverable capital expenditures. For FCG, the costs associated with the following projects are eligible for recovery through the NGFRCRC:

Project List

Line	Project Title	Project Number	Authority	Overall Cost	Total Requested 2027 (**)
P	0361-DOT-OSLO RD RELO	431521-1-52-01	FDOT	$ 149,957	$ 115,147
P	Okeechobee Rd Relocation FDOT	423251-4-52-01	FDOT	$ 11,740,782	$ 11,418,647
1	DOT RELOC South Miami Bridge Demo -00101	00101#875400	FDOT-MIA	$ 41,373	$ 41,373
2	SW 33RDST _ SR7S US441_ 60TH AVE- MIRAMAR	429576-8-52-01	FDOT	$ 31,252	$ 31,252
3	780 Oak Park Dr. Relo		Brevard County	$ 10,000	$ 10,000
4	Espanola Baffle Box Gas Main Conflict	20120	City of Melbourne	$ 15,000	$ 15,000
	Total			$ 11,988,364	$ 11,631,419

(**) *Represents Costs Requested for Recovery in this Docket on Active Current Projects. Projects Previously Approved in Docket No. 20250121-GU and Completed Projects are not reflected. Projects designated with a "P" were approved in the prior docket but remain open.*

OPC: OPC is not in agreement at this time that FCG has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing. OPC is not in a position to agree, given these circumstances, that the facilities relocation projects and associated costs are eligible for recovery can necessarily be deemed reasonable and prudent.

STAFF: Staff has no position at this time.

<u>ISSUE 1B</u>: What natural gas facilities relocation projects and associated costs of FPUC are eligible for recovery through the Natural Gas Facilities Relocation Cost Recovery Clause?

FPUC: "Natural gas facilities relocation costs" are defined in Section 366.99(1)(d), F.S., as, "the costs to relocate or reconstruct facilities as required by a mandate, a statute, a law, an ordinance, or an agreement between the utility and an authority, including, but not limited to, costs associated with reviewing plans provided by an authority." As set forth in the statute, recoverable costs do not include costs already recovered in the utility's base rates, but does include depreciation expense on recoverable capital expenditures. For FPUC, the costs associated with the following projects are eligible for recovery through the NGFRCRC:

Project List

Line	Project Title	Project Number	Authority	Overall Cost	Total Requested 2027 (**)
P	Australian Ave (Steel GM Replaced with PE GM)	2,021,827	Palm Beach County	$ 782,120	$ 734,322
P	MR PH4 CR491 Wide Road Prjt	FPID-434498-2-54-01	Citrus County	$ 111,143	$ (12,905)
P	SR39 James Redman Pkwy FR s of Rayburn RD to N of Golden Rule LN (Install 4" PE)	447235-1-52-01	FDOT	$ 10,000	$ 10,000
P	Spirit Lake Rd at Sheffield Rd (Install PE)	County Prjt #5400193	County	$ 100,000	$ 100,000
P	Fort Fraser Trail over SR 60 (Install 4" PE)	440272-1-52-01	FDOT	$ 10,000	$ 10,000
P	Pine Tree Lake Clarke Shore Bridge (PE GM Reloc)	450650-01-54-1	Lake Clarke Shores	$ 71,872	$ 5,490
P	Earman River Bridget Over the C-17 Canal Bridge #930003 (PE GM Reloc)	FDOT 442891-2-52-01	FDOT	$ 200,000	$ 211,814
1	Rifle Range Road		Polk County	$ 68,814	$ 68,814
2	Tropic Isle Neighborhood Improvements	19-015	Delray Beach	$ 35,035	$ 35,035
3	SR 5/ US -1 From Camino Real to NE 8th Street/ Mizner Blvd BR	FDOT FPID 438386-5-52-01	FDOT	$ 80,000	$ 80,000

4	Federal Hwy and NE 20th St BR	FPID 451579-2-52-01	FDOT	$16,000	$ 16,000
5	Florida Mango Road - L-7 Culvert Replacement PBC# 2017517 Final Utility WPB	PBC#2017517	Palm Beach County	$ 250,000	$ 20,000
6	Englewood Estates Drainage Improvement Project LW	PBC#2021606	Palm Beach County	$ 65,000	$ 65,000
7	State Rd 544 Sidewalk Improvements	446535-1-52-01	FDOT	$ 10,000	$ 10,000
8	Prosperity Road SFWMD C-17 Canal Bridge	PBC#2018800	Palm Beach County	$ 300,000	$ 300,000
	Total			$ 2,109,984	$ 1,653,570

(**) *Represents Costs Requested for Recovery in this Docket on Active Current Projects. Projects Previously Approved in Docket No. 20250121-GU and Completed Projects are not reflected. Projects designated with a "P" were approved in the prior docket but remain open.*

OPC: OPC is not in agreement at this time that FPUC has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing. OPC is not in a position to agree, given these circumstances, that the facilities relocation projects and associated costs are eligible for recovery can necessarily be deemed reasonable and prudent.

STAFF: Staff has no position at this time.

<u>**ISSUE 1C**</u>**: What natural gas facilities relocation projects and associated costs of PGS are eligible for recovery through the Natural Gas Facilities Relocation Cost Recovery Clause?**

PGS: Projects 1 through 19 and Projects 21 through 47 identified in Exhibit No. KJK-1, and Projects 48 through 66 identified in Exhibit No. KJK-2 are eligible for recovery through the NGFRCRC. (Kelley)

OPC: OPC is not in agreement at this time that PGS has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing. OPC is not in a position to agree, given these circumstances, that the facilities relocation projects and associated costs are eligible for recovery can necessarily be deemed reasonable and prudent.

STAFF: Staff has no position at this time.

<u>ISSUE 2A</u>: What amounts should the Commission approve as FCG's final prudently incurred costs and final true-up revenue requirement amounts for the Natural Gas Facilities Relocation Cost Recovery Clause for the period July 2024 through December 2025?

FCG: For 2025, FCG over-recovered $5,968.

OPC: OPC is not in agreement at this time that FCG has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

<u>ISSUE 2B</u>: What amounts should the Commission approve as FPUC's final prudently incurred costs and final true-up revenue requirement amounts for the Natural Gas Facilities Relocation Cost Recovery Clause for the period July 2024 through December 2025?

FPUC: For 2025, FPUC over-recovered $5,027.

OPC: OPC is not in agreement at this time that FPUC has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

ISSUE 2C: **What amounts should the Commission approve as PGS's final prudently incurred costs and final true-up revenue requirement amounts for the Natural Gas Facilities Relocation Cost Recovery Clause for the period July 2024 through December 2025?**

PGS: Incurred costs of $33,386,147 for July 2024 through December 2025 and a final true-up revenue requirement of $2,816,198, including interest. (Elliott)

OPC: OPC is not in agreement at this time that PGS has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery

in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

ISSUE 3A: **What amounts should the Commission approve as FCG's reasonably estimated 2026 costs and estimated true-up revenue requirement amounts for the Natural Gas Facilities Relocation Cost Recovery Clause?**

FCG: As set forth in Order No. PSC-2026-0052-TRF-GU, FCG's total, approved revenue requirement to be recovered for 2026 is $971,338. With the prior period over-recovery applied, as well as the actual/estimated over-recovery of $433,478 for 2026, the appropriate amount to be recovered for 2026 is $531,892.

OPC: OPC is not in agreement at this time that FCG has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

ISSUE 3B: **What amounts should the Commission approve as FPUC's reasonably estimated 2026 costs and estimated true-up revenue requirement amounts for the Natural Gas Facilities Relocation Cost Recovery Clause?**

FPUC: As also set forth in Order No. PSC-2026-0052-TRF-GU, FPUC's total, approved revenue requirement to be recovered for 2026 is $505,317. With the prior period over-recovery applied, as well as the actual/estimated over-recovery of $13,108 for 2026, the appropriate amount to be recovered for 2026 is $487,182.

OPC: OPC is not in agreement at this time that FPUC has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

ISSUE 3C: What amounts should the Commission approve as PGS's reasonably estimated 2026 costs and estimated true-up revenue requirement amounts for the Natural Gas Facilities Relocation Cost Recovery Clause?

PGS: Estimated costs of $9,177,308 for 2026 and an estimated true-up revenue requirement of $7,842,930, including interest. (Elliott)

OPC: OPC is not in agreement at this time that PGS has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

ISSUE 4A: What amounts should the Commission approve as FCG's reasonably projected 2027 costs and projected revenue requirement amounts for the Natural Gas Facilities Relocation Cost Recovery Clause?

FCG: FCG projects a revenue requirement of $1,686,279 for projects in 2027.

OPC: OPC is not in agreement at this time that FCG has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

ISSUE 4B: **What amounts should the Commission approve as FPUC's reasonably projected 2027 costs and projected revenue requirement amounts for the Natural Gas Facilities Relocation Cost Recovery Clause?**

FPUC: The projected revenue requirement is $384,904 for 2027.

OPC: OPC is not in agreement at this time that FPUC has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

ISSUE 4C: **What amounts should the Commission approve as PGS's reasonably projected 2027 costs and projected revenue requirement amounts for the Natural Gas Facilities Relocation Cost Recovery Clause?**

PGS: Projected costs and projected revenue requirement for 2027 of $528,934 and $5,391,319, respectively. (Elliott)

OPC: OPC is not in agreement at this time that PGS has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

ISSUE 5A: **What are the Natural Gas Facilities Relocation Cost Recovery Clause total cost recovery amounts, including true-ups, to be included in establishing 2027 Natural Gas Facilities Relocation Cost Recovery factors for FCG?**

FCG: When the over-recoveries for 2025 and 2026 are subtracted from the projected revenue requirement, the amount to be recovered by FCG in 2027 is $1,246,833. Trued-up for taxes, the amount is $1,253,104.

OPC: OPC is not in agreement at this time that FCG has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

ISSUE 5B: What are the Natural Gas Facilities Relocation Cost Recovery Clause total cost recovery amounts, including true-ups, to be included in establishing 2027 Natural Gas Facilities Relocation Cost Recovery factors for FPUC?

FPUC: When the over-recoveries for 2025 and 2026 are subtracted from the projected revenue requirement, the amount to be recovered in 2027 for FPUC is $366,769. Trued-up for taxes, the amount is $368,614.

OPC: OPC is not in agreement at this time that FPUC has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

ISSUE 5C: What are the Natural Gas Facilities Relocation Cost Recovery Clause total cost recovery amounts, including true-ups, to be included in establishing 2027 Natural Gas Facilities Relocation Cost Recovery factors for PGS?

PGS: A total cost recovery amount of $13,234,249, including true-ups. (Elliott)

OPC: OPC is not in agreement at this time that PGS has demonstrated that it has met its burden to demonstrate that costs are reasonable and/or prudent. A significant percentage of the costs on a customer's bill is based on clause recovery in this docket and others. The Commission has not held a contested proceeding where testimony from witnesses was heard and discussed in open hearing.

STAFF: Staff has no position at this time.

ISSUE 6A: What depreciation rates should be used to develop the depreciation expense included in the total 2027 Natural Gas Facilities Relocation Cost Recovery Clause amounts for FCG?

FCG: For FCG, the appropriate depreciation rates are those approved by the Commission in Docket No. 20250035-GU.

OPC: The last approved depreciation rates for FCG should be used to calculate any depreciation expense.

STAFF: Staff has no position at this time.

ISSUE 6B: What depreciation rates should be used to develop the depreciation expense included in the total 2027 Natural Gas Facilities Relocation Cost Recovery Clause amounts for FPUC?

FPUC: For FPUC, the appropriate depreciation rates are those approved by the Commission in Docket No. 20220067-GU.

OPC: The last approved depreciation rates for FPUC should be used to calculate any depreciation expense.

STAFF: Staff has no position at this time.

ISSUE 6C: What depreciation rates should be used to develop the depreciation expense included in the total 2027 Natural Gas Facilities Relocation Cost Recovery Clause amounts for PGS?

PGS: The depreciation rates approved by the Commission in Order No. PSC-2023-0388-FOF-GU issued December 27, 2023. (Elliott)

OPC: The last approved depreciation rates for PGS should be used to calculate any depreciation expense.

STAFF: Staff has no position at this time.

ISSUE 7A: What are the appropriate 2027 Natural Gas Facilities Relocation Cost Recovery Clause factors for each rate class for FCG?

FCG:

RATE SCHEDULE	RELOCATION FACTORS PER THERM
RS-1	$0.05244
RS-100	$0.02704
RS-600	$0.01746
GS-1	$0.01160

RATE SCHEDULE	RELOCATION FACTORS PER THERM
GS-6000	$0.00726
GS-25000	$0.00700
GS-120K	$0.00538
GS-1250M	$0.00391
GS-11M	$0.00000
GS-25M	$0.00000
Gas Lights	$0.00000
CSG, RSG	$0.00000

OPC: The factors ultimately approved should be based on costs deemed reasonable or prudent in a hearing.

STAFF: Staff has no position at this time.

ISSUE 7B: What are the appropriate 2027 Natural Gas Facilities Relocation Cost Recovery Clause factors for each rate class for FPUC?

FPUC:

RATE SCHEDULE	RELOCATION FACTORS PER THERM
RES-1 and REST-1	$0.01432
RES-2 and REST-2	$0.01014
RES-3 and REST-3	$0.00295
RES-SG and SGT	$0.01203
GS-1 and GTS-1	$0.00158
GS-2 and GTS-2	$0.00315
GS-3 and GTS-3	$0.00296
GS-4 and GTS-4	$0.00286

RATE SCHEDULE	RELOCATION FACTORS PER THERM
GS-5 and GTS-5	$0.00192
GS-6 and GTS-6	$0.00202
GS-7 and GTS-7	$0.00118
GS-8 A and GTS-8A	$0.00103
GS-8 B and GTS-8B	$0.00154
GS-8 C and GTS-8C	$0.00028
GS-8 D and GTS-8D	$0.00085
COM-INT and COM-INTT	$0.00137
COM-NGV and COM-NGVT	$0.00212
COM-OL and COM-OLT	$0.00412
COM-SG and COM-SGT	$0.01089

OPC: The factors ultimately approved should be based on costs deemed reasonable or prudent in a hearing.

STAFF: Staff has no position at this time.

ISSUE 7C: What are the appropriate 2027 Natural Gas Facilities Relocation Cost Recovery Clause factors for each rate class for PGS?

PGS: For the period January 2027 through December 2027, the cost recovery factors are as follows:

Rate Schedule	Cost Recovery Factors (Dollars per Therm)
RS & RS-SG & RS-GHP	0.06970
SGS	0.06018
GS-1 & CS-SG & CS-GHP	0.00640
GS-2	0.01119
GS-3	0.01081

GS-4	0.00861
GS-5	0.00750
CSLS	0.00373
WHS	0.00992
SIS	0.00466
IS	0.00309
ISLV	0.00000
SPECIAL CONTRACTS	N/A [a]

(Elliott)

[a] Special Contracts are shown only to carve out the allocated dollars attributable to Special Contract therms that were not included in the original allocation. No NGFRCRC Factor is proposed or billed to Special Contract customers on this line; those customers continue to pay under their normal contract rate/terms.

OPC: The factors ultimately approved should be based on costs deemed reasonable or prudent in a hearing.

STAFF: Staff has no position at this time.

<u>ISSUE 8A</u>: What should be the effective date of the 2027 Natural Gas Facilities Relocation Cost Recovery Clause factors for billing purposes for FCG?

FCG: The effective date for FCG's cost recovery factors should be the first billing cycle for January 1, 2027, which could include some consumption from the prior month. Thereafter, customers should be billed the approved factors for a full 12 months, unless the factors are otherwise modified by the Commission.

OPC: The effective date of any Commission approved NGFRCRC billing factors should be effective no sooner than the first day of the first billing cycle for January 2027.

STAFF: Staff has no position at this time.

<u>ISSUE 8B</u>: What should be the effective date of the 2027 Natural Gas Facilities Relocation Cost Recovery Clause factors for billing purposes for FPUC?

FPUC: The effective date for FPUC's cost recovery factors should be the first billing cycle for January 1, 2027, which could include some consumption from the prior month. Thereafter, customers should be billed the approved factors for a full 12 months, unless the factors are otherwise modified by the Commission.

OPC: The effective date of any Commission approved NGFRCRC billing factors should be effective no sooner than the first day of the first billing cycle for January 2027.

STAFF: Staff has no position at this time.

ISSUE 8C: What should be the effective date of the 2027 Natural Gas Facilities Relocation Cost Recovery Clause factors for billing purposes for PGS?

PGS: The factors should be effective beginning with the specified natural gas facilities relocation cost recovery cycle and thereafter for the period January 2027 through December 2027. Billing cycles may start before January 1, 2027, and the last cycle may be read after December 31, 2027, so long as each customer is billed for 12 months regardless of when the factors became effective. (Elliott)

OPC: The effective date of any Commission approved NGFRCRC billing factors should be effective no sooner than the first day of the first billing cycle for January 2027.

STAFF: Staff has no position at this time.

ISSUE 9A: Should the Commission approve revised tariffs reflecting the 2027 Natural Gas Facilities Relocation Cost Recovery Clause factors determined to be appropriate in this proceeding for FCG?

FCG: Yes. The Commission should approve revised tariffs reflecting the NGFRCRC factors determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision.

OPC: The tariffs ultimately approved should be based on costs deemed reasonable or prudent in a hearing.

STAFF: Staff has no position at this time.

ISSUE 9B: Should the Commission approve revised tariffs reflecting the 2027 Natural Gas Facilities Relocation Cost Recovery Clause factors determined to be appropriate in this proceeding for FPUC?

FPUC: Yes. The Commission should approve revised tariffs reflecting the NGFRCRC factors determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision.

OPC: The tariffs ultimately approved should be based on costs deemed reasonable or prudent in a hearing.

STAFF: Staff has no position at this time.

ISSUE 9C: Should the Commission approve revised tariffs reflecting the 2027 Natural Gas Facilities Relocation Cost Recovery Clause factors determined to be appropriate in this proceeding for PGS?

PGS: Yes. The Commission should approve revised tariffs reflecting the NGFRCRC amounts determined to be appropriate in this proceeding. (Elliott)

OPC: The tariffs ultimately approved should be based on costs deemed reasonable or prudent in a hearing.

STAFF: Staff has no position at this time.

ISSUE 10: Should this docket be closed?

FCG: This is a continuing docket and should remain open.

FPUC: This is a continuing docket and should remain open.

PGS: Yes. Docket No. 20260011-GU should be closed once the Commission's decisions on all the issues in the docket have become final and the Commission has concluded that the docket has otherwise met the requirements for closure. (Elliott)

OPC: No. The NGFRCRC is a continuing docket and should remain open.

STAFF: No. While a separate docket number is assigned each year for administrative convenience, the NGFRCRC is a continuing docket and should remain open.

IX. EXHIBIT LIST

Witness	Proffered By	Exhibit #	Description	Issues
Direct				
Diana Williams	FPUC	DW-1	FPUC NGFRCRC Schedules 1X–1Y and Forms A and B	2B
Diana Williams	FCG	DW-2	FCG NGFRCRC Schedules 1X–1Y and Forms A and B	2A
Diana Williams	FPUC	DW-3	FPUC NGFRCRC Schedules E and P	5B–7B
Diana Williams	FCG	DW-4	FCG NGFRCRC Schedules E and P	5A–7A
Solomon McCloskey	FPUC	SM-1	NGFRCRC Schedules 1X, 1Y, Documents Supporting Project Eligibility	1B, 3B–9B
Solomon McCloskey	FCG	SM-2	NGFRCRC Schedules 1X, 1Y, Documents Supporting Project Eligibility	1A, 3A–9A
Kristopher J. Kelley	PGS	KJK-1	Project listing, eligibility, description, and construction cost for July 2024 – December 2025	1C
Kristopher J. Kelley	PGS	KJK-2	Project listing, eligibility, description, and construction cost projected for the period January 2026 – December 2027	1C
Matthew E. Elliott	PGS	MEE-1	Calculation of final true-up for July 2024 – December 2025	2C
Matthew E. Elliott	PGS	MEE-2	Calculation of estimated true-up for January 2026 – December 2026; total true-up to be collected in 2027; calculation of NGFRCRC factors for January 2027-December 2027.	3C–9C, 10

X. <u>PROPOSED STIPULATIONS</u>

There are no proposed stipulations at this time.

XI. <u>PENDING MOTIONS</u>

There are no pending motions at this time.

XII. <u>PENDING CONFIDENTIALITY MATTERS</u>

There are no pending confidentiality matters at this time.

XIII. <u>POST-HEARING PROCEDURES</u>

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

XIV. <u>RULINGS</u>

Opening statements, if any, shall not exceed three minutes per party.

Staff shall have administrative authority to excuse witnesses as set forth in Section VI of this Order.

It is therefore,

ORDERED by Commissioner Gary F. Clark, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Gary F. Clark, as Prehearing Officer, this 8th day of September, 2026.

GARY F. CLARK
Commissioner and Prehearing Officer
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

CMM

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission (Commission) is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural, or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas, or telephone utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural, or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.