

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas facilities relocation cost
recovery clause.

DOCKET NO. 20260011-GU
ORDER NO. PSC-2026-0351-FOF-GU
ISSUED: October 5, 2026

The following Commissioners participated in the disposition of this matter:

GABRIELLA PASSIDOMO SMITH, Chairman
GARY F. CLARK
MIKE LA ROSA
BOBBY PAYNE
ANA ORTEGA

FINAL ORDER APPROVING NATURAL GAS FACILITIES RELOCATION
COST RECOVERY AMOUNTS AND RELATED TARIFFS AND ESTABLISHING
RELOCATION RECOVERY FACTORS FOR THE PERIOD
JANUARY 2027 THROUGH DECEMBER 2027

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 and AUSTIN A. WATROUS, 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.

Advisor to the Florida Public Service Commission

ADRIA E. HARPER, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

Florida Public Service Commission General Counsel

BY THE COMMISSION:

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 this Florida Public Service Commission (Commission) to recover natural gas facilities relocation costs. Section 366.99(3), F.S., requires us 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 our 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.

An administrative hearing in this docket was held on September 15, 2026. We are vested with subject matter jurisdiction pursuant to Section 366.99, F.S.

DECISION

The three investor-owned gas utilities have reached proposed Type 2 stipulations¹ with Commission staff concerning all issues identified for resolution at hearing. The position of the Office of Public Counsel (OPC) on each of these Type 2 stipulations is as follows:

OPC takes no position on these issues nor does it have the burden of proof related to them. As such, OPC represents that it will not contest or oppose the Commission taking action approving a proposed stipulation between the utilities and another party or Commission staff as a final resolution of these issues. No person is authorized to state that OPC is a participant in, or party to, a stipulation on these issues, either in this docket, in an order of the Commission, or in a representation to a Court.

Florida City Gas (FCG), Florida Public Utilities Company (FPUC), and Peoples Gas System, Inc. (PGS) each presented testimony and exhibits in support of their proposed final and estimated true-up amounts, total natural gas facilities relocation cost recovery amounts, and natural gas facilities relocation factors. Commission staff supplemented the record with audit reports, interrogatory responses from the utilities, and documents produced by the utilities during the discovery process. Exhibit Nos. 1–34 were admitted into evidence without objection and the prefiled testimony of all witnesses listed in Section VI of the Prehearing Order, Order No. PSC-2026-0321-PHO-GU, were entered as though read. After reviewing the evidence before us and being duly advised in the premises, we find that the Type 2 stipulations reflected in Exhibit No. 34 are reasonable and supported by sufficient evidence.

I. Florida City Gas

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?

STIPULATION:

Projects 1 through 8 identified in Exhibit No. DW-2 were previously found to be eligible by Order No. PSC-2026-0052-TRF-GU, while Projects 1 through 4 identified in Exhibit No. SM-2 are eligible for recovery through the Natural Gas Facilities Relocation Cost Recovery Clause. The total associated project costs are \$12,609,015.

¹ A “Type 2 stipulation” occurs on an issue when the utility and Commission staff, or the utility and at least one party adversarial to the utility, agree on the resolution of the issue and the remaining parties (including Commission staff if it does not join in the agreement) do not object to the Commission relying upon the agreed language to resolve that issue in a final order.

ISSUE 2A: 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?

STIPULATION:

The Commission should approve incurred costs of \$977,596 for the period July 2024 through December 2025, and a final true-up revenue requirement over-recovery of \$5,968, including interest.

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?

STIPULATION:

The Commission should approve estimated costs for 2026 of \$11,631,419, and an estimated 2026 true-up revenue requirement over-recovery of \$433,482, including interest.

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?

STIPULATION:

The Commission should approve projected costs for 2027 of \$0, and a projected revenue requirement for 2027 of \$1,686,267.

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?

STIPULATION:

A total cost recovery amount of \$1,253,088, including true-ups and taxes.

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?

STIPULATION:

The appropriate depreciation rates are those approved by the Commission in Order No. PSC-2026-0055-FOF-GU. Furthermore, amounts in Issue Nos. 3A–5A were adjusted to reflect a 3.0% annual depreciation rate specifically for the Services – Plastic account, in order to correct the depreciation rate that was used in error by FCG in its filings.

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

STIPULATION:

For the period January 2027 through December 2027, FCG’s cost recovery factors are as follows:

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

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

STIPULATION:

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.

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?

STIPULATION:

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.

ISSUE 10A: Should this docket be closed?

STIPULATION:

No. While a separate docket number is assigned each year for administrative convenience, the Natural Gas Facilities Relocation Cost Recovery Clause is a continuing docket and should remain open.

II. Florida Public Utilities Company

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

STIPULATION:

Projects 1 through 16 identified in Exhibit No. DW-1 were previously found to be eligible by Order No. PSC-2026-0052-TRF-GU, while Projects 1 through 8 identified in Exhibit No. SM-1 are eligible for recovery through the Natural Gas

Facilities Relocation Cost Recovery Clause. The total associated project costs are \$3,611,247.

ISSUE 2B: 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?

STIPULATION:

The Commission should approve incurred costs of \$1,957,677 for the period July 2024 through December 2025, and a final true-up revenue requirement over-recovery of \$5,027, including interest.

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?

STIPULATION:

The Commission should approve estimated costs for 2026 of \$1,227,974, and an estimated 2026 true-up revenue requirement over-recovery of \$13,108, including interest.

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?

STIPULATION:

The Commission should approve projected costs for 2027 of \$425,596, and a projected revenue requirement for 2027 of \$384,904.

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?

STIPULATION:

A total cost recovery amount of \$368,614, including true-ups and taxes.

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?

STIPULATION:

The appropriate depreciation rates are those approved by the Commission in Order No. PSC-2023-0103-FOF-GU.

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

STIPULATION:

For the period January 2027 through December 2027, FPUC's cost recovery factors are as follows:

RATE SCHEDULE	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
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

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

STIPULATION:

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.

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?

STIPULATION:

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.

ISSUE 10B: Should this docket be closed?

STIPULATION:

No. While a separate docket number is assigned each year for administrative convenience, the Natural Gas Facilities Relocation Cost Recovery Clause is a continuing docket and should remain open.

III. Peoples Gas System, Inc.

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

STIPULATION:

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 Natural Gas Facilities Relocation Cost Recovery Clause. The total associated project costs for these 65 projects are \$43,092,389.

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?

STIPULATION:

The Commission should approve incurred costs of \$33,386,147 for the period July 2024 through December 2025 and a final true-up revenue requirement under-recovery of \$2,816,198, including interest.

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?

STIPULATION:

The Commission should approve estimated costs of \$9,177,308 for 2026 and an estimated 2026 true-up revenue requirement under-recovery of \$4,964,430, including interest.

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?

STIPULATION:

The Commission should approve projected costs for 2027 of \$528,934, and a projected revenue requirement for 2027 of \$5,330,567.

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?

STIPULATION:

A total cost recovery amount of \$13,111,195, including true-ups and taxes.

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?

STIPULATION:

The depreciation rates approved by the Commission in Order No. PSC-2023-0388-FOF-GU.

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

STIPULATION:

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

<u>Rate Schedule</u>	<u>Cost Recovery Factors (Dollars per Therm)</u>
RS & RS-SG & RS-GHP	\$0.06905
SGS	\$0.05962
GS-1 & CS-SG & CS-GHP	\$0.00634
GS-2	\$0.01109

GS-3	\$0.01071
GS-4	\$0.00853
GS-5	\$0.00743
CSLS	\$0.00370
WHS	\$0.00982
SIS	\$0.00462
IS	\$0.00306
ISLV	\$0.00000
SPECIAL CONTRACTS	\$0.00001 ^(a)

^(a) Only some special contract customers are subject to this charge, therefore, this will cause a shortfall in revenue in the clause of up to \$9,353.

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

STIPULATION:

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.

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?

STIPULATION:

Yes. The Commission should approve revised tariffs reflecting the natural gas facilities relocation cost recovery 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.

ISSUE 10C: Should this docket be closed?

STIPULATION:

No. While a separate docket number is assigned each year for administrative convenience, the Natural Gas Facilities Relocation Cost Recovery Clause is a continuing docket and should remain open.

CONCLUSION

We find each Type 2 stipulation reasonable and supported by sufficient evidence and, therefore, accept and approve them.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations and findings set forth in the body of this Order are hereby approved. It is further

ORDERED that each utility that was a party to this docket shall abide by the stipulations and findings herein which are applicable to it. It is further

ORDERED that the utilities named herein are authorized to collect the natural gas facilities relocation cost recovery amounts and utilize the factors approved herein for the period January 2027 through December 2027. Billing cycles may start before January 1, 2027, and the last cycle may read after December 31, 2027, so that each customer is billed for 12 months regardless of when the adjustment factor became effective. These charges shall continue in effect until modified by this Commission. It is further

ORDERED that the revised tariffs reflecting the natural gas facilities relocation cost recovery factors determined to be appropriate in this proceeding are hereby approved and we direct Commission staff to verify that the revised tariffs are consistent with our decision herein. It is further

ORDERED that while a separate docket number is assigned each year for administrative convenience, the Natural Gas Facilities Relocation Cost Recovery Clause is a continuing docket and shall remain open.

By ORDER of the Florida Public Service Commission this 5th day of October, 2026.



ADAM TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas, or telephone utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.