

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** April 24, 2025

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Engineering (T. Thompson, Ellis, Ramos, King) *TE*  
Division of Economics (Hampson) *CH*  
Office of the General Counsel (M. Thompson, Imig, Bloom) *JSC*

**RE:** Docket No. 20250029-GU – Petition for rate increase by Peoples Gas System, Inc.

**AGENDA:** 05/06/25 – Regular Agenda – Tariff Suspension - Participation is at the Discretion of the Commission

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Fay

**CRITICAL DATES:** 05/30/2025 (60-Day Suspension Date)

**SPECIAL INSTRUCTIONS:** None

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### Case Background

On March 31, 2025, Peoples Gas System, Inc. (PGS or Utility) filed its petition for a permanent rate increase. PGS provides natural gas service to approximately 508,000 customers across 43 Florida counties.

PGS has requested a \$103.6 million annual increase in its general base rates and charges effective January 2026. This amount includes approximately \$6.7 million of revenue currently being recovered through PGS's Cast Iron/Bare Steel Replacement Rider, which results in a net annual incremental revenue increase request of approximately \$96.9 million in 2026. In addition, the Utility has requested an incremental rate increase of approximately \$26.7 million effective January 2027. PGS also requested that it be allowed a return on common equity of 11.10 percent. PGS based its request on a projected test year period of January 1, 2026, through December 31, 2026. The Utility did not request interim rate relief.

PGS's last general rate case was in 2023. In that case, the Commission approved a net annual revenue increase of approximately \$106.7 million.<sup>1</sup>

On February 3, 2025, the Commission acknowledged the Office of Public Counsel's Notice of Intervention in this proceeding.<sup>2</sup> Additionally, on February 10, 2025, the Florida Industrial Power Users Group petitioned the Commission to intervene in this proceeding.<sup>3</sup> This recommendation addresses the suspension of the requested permanent rate increase and all associated tariff revisions. The Commission has jurisdiction over this matter pursuant to Section 366.06, Florida Statutes (F.S.).

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<sup>1</sup> Order No. PSC-2023-0388-FOF-GU, issued December 27, 2023, in Docket No. 20230023-GU, *In re: Petition for rate increase by Peoples Gas System, Inc.*

<sup>2</sup> Order No. PSC-2025-0036-PCO-GU, issued February 3, 2025, in Docket No. 20250029-GU, *In re: Petition for rate increase by Peoples Gas System, Inc.*

<sup>3</sup> Document No. 00903-2025, filed February 10, 2025, in Docket No. 20250029-GU, *In re: Petition for rate increase by Peoples Gas System, Inc.*

Date: April 24, 2025

### **Discussion of Issues**

**Issue 1:** Should Peoples Gas System, Inc.'s proposed tariffs to implement the request for a permanent increase in rates and charges be suspended?

**Recommendation:** Yes. Staff recommends that PGS's proposed tariffs be suspended to allow staff and the parties time to analyze the request and for the Commission to conduct an administrative hearing. (Hampson, T. Thompson)

**Staff Analysis:** Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such a change, a reason, or written statement of good cause for doing so within 60 days. Staff recommends that allowing staff and the parties time to analyze the request and for the Commission to conduct an administrative hearing is a good cause, consistent with the requirement of Section 366.06(3), F.S. Accordingly, PGS's proposed tariffs should be suspended.

**Issue 2:** Should this docket be closed?

**Recommendation:** No. This docket should remain open to process PGS's revenue increase request. (M. Thompson, Imig, Bloom)

**Staff Analysis:** This docket should remain open pending the Commission's final resolution of the Utility's requested permanent base rate increase.