

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.

DOCKET NO. 20240004-GU
ORDER NO. PSC-2024-0486-FOF-GU
ISSUED: November 25, 2024

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO SMITH

FINAL ORDER APPROVING NATURAL GAS CONSERVATION COST RECOVERY
AMOUNTS AND ESTABLISHING NATURAL GAS CONSERVATION COST RECOVERY
FACTORS FOR JANUARY 2025 THROUGH DECEMBER 2025

APPEARANCES:

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South
Monroe St., Suite 601, Tallahassee, Florida 32301-1804
On behalf of FLORIDA PUBLIC UTILITIES COMPANY (FPUC), FLORIDA
CITY GAS (FCG), and SEBRING GAS SYSTEM (SEBRING).

J. JEFFRY WAHLEN, MALCOLM N. MEANS, and VIRGINIA PONDER,
ESQUIRES, Ausley McMullen, 123 S. Calhoun St., Tallahassee, Florida 32301-
1517
On behalf of PEOPLES GAS SYSTEM, INC. (PGS).

DEBBIE STITT, P.O. Box 549, Port St. Joe, Florida 32457-0549
On behalf of ST. JOE NATURAL GAS COMPANY, INC. (SJNG).

WALT TRIERWEILER, CHARLES J. REHWINKEL, PATRICIA A.
CHRISTENSEN, MARY A. WESSLING, and OCTAVIO PONCE, ESQUIRES,
111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of OFFICE OF PUBLIC COUNSEL (OPC).

TIMOTHY SPARKS, and SAAD FAROOQI, ESQUIRES, Florida Public Service
Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the FLORIDA PUBLIC SERVICE COMMISSION (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.

KEITH C. HETRICK, 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

As part of this Commission's continuing Environmental Cost Recovery Clause proceedings, a hearing was held in this docket on November 5, 2024. The clause proceedings allow natural gas companies to seek recovery of their costs for approved natural gas conservation programs on an annual basis, pursuant to Sections 366.80-366.83, Florida Statutes (F.S.), and Chapter 25-17, Florida Administrative Code (F.A.C.). Florida City Gas (FCG), Florida Public Utilities Company (FPUC), Peoples Gas System, Inc. (PGS), Sebring Gas System (Sebring), and St. Joe Natural Gas Company, Inc. (SJNG) submitted testimony and exhibits in support of their proposed final and estimated true-up amounts and their conservation cost recovery factors. Prior to the hearing, the parties reached an agreement concerning all issues identified for resolution at the hearing. OPC took no position. SJNG was excused from participating at the hearing. We have jurisdiction over this subject matter by the provisions of Chapter 366, F.S., including Sections 366.04, 366.05, and 366.06, F.S.

DECISION

Prior to the hearing, the utilities reached Type 2 stipulations¹ on all issues identified for resolution at hearing, with the utilities agreeing to proposed stipulations to the final and estimated true-up amounts and purchased gas cost recovery factors appropriate for each utility, and with OPC taking no position on these proposed stipulations. The OPC position on each Type 2 stipulation is as follows:

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

¹ A Type 2 stipulation occurs on an issue when the utility and the 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 staff if they do not join in the agreement) do not object to us relying on the agreed language to resolve that issue in a final order.

The proposed stipulations were presented to us for approval. We accept and approve the proposed stipulations as reasonable and supported by competent, substantial evidence of record, as set forth below.

Consolidation of Conservation Cost Recovery Amounts and Factors Between FCG and FPUC

FPUC and FCG are now owned by the same corporate parent, Chesapeake Utilities Corporation. Beginning in 2025, the corporate parent stated its desire to consolidate the natural gas conservation costs and recovery amounts of FPUC and FCG. Although the factors derived from consolidated costs are likely to result in some subsidization of costs between FPUC and FCG customers, cost efficiencies are expected to materialize as well. Therefore, FPUC and FCG should be authorized to consolidate the natural gas conservation costs and recovery amounts.

Conservation Cost Recovery Amounts and Factors

We find the appropriate final conservation cost recovery true-up amounts for the period January 2023 through December 2023 are as follows:

FCG	\$161,423	Under-recovery
FPUC	\$239,390	Under-recovery
PGS	\$840,690	Over-recovery
Sebring	\$5,301	Under-recovery
SJNG	\$341	Under-recovery

We find the appropriate conservation cost adjustment actual/estimated true-up amounts for the period January 2024 through December 2024 are as follows:

FCG/FPUC	\$512,828	Over-recovery
PGS	\$2,324,526	Under-recovery
Sebring	\$490	Under-recovery
SJNG	\$21,545	Under-recovery

We find the appropriate total conservation adjustment true-up amounts to be collected/refunded from the period January 2024 through December 2024 are as follows:

FCG/FPUC	\$112,015	Over-recovery
PGS	\$1,483,836	Under-recovery
Sebring	\$5,791	Under-recovery
SJNG	\$21,886	Under-recovery

We find the total conservation cost recovery amounts to be collected during the period January 2025 through December 2025 are as follows:

FCG/FPUC	\$11,435,110
PGS	\$37,821,603
Sebring	\$42,074
SJNG	\$140,341

We find the appropriate conservation cost recovery factors for the period January 2025 through December 2025 are as follows:

FCG

Rate Schedule	Conservation Recovery Factor (\$/therm)
RS1	0.25141
RS-100	0.11554
RS-600	0.06816
GS-1	0.04592
GS-6K	0.03291
GS-25K	0.03059
Gas Lights	0.03615
GS-120K	0.02165
GS-1250K	0.01252
GS11M	0.00000
GS-25M	0.00000

FPUC

Rate Schedule	Conservation Recovery Factor (\$/therm)
Residential-1; Residential Transportation-1 (≤ 100 therms)	0.23352
Residential-2; Residential Transportation-2 (>100 and ≤ 250 therms)	0.12933
Residential-3; Residential Transportation-3 (>250 therms)	0.07241
Residential Standby Generator	0.26598
General Service-1; GS Transportation-1 ($\leq 1,000$ therms)	0.11003
General Service-2; GS Transportation-2 ($> 1,000$ and $\leq 5,000$ therms)	0.05653

General Service-3; GS Transportation-3 (> 5,000 and ≤ 10,000 therms)	0.04941
General Service-4; GS Transportation-4 (> 10,000 and ≤ 50,000 therms)	0.04376
General Service-5; GS Transportation-5 (> 50,000 and ≤ 250,000 therms)	0.03305
General Service-6; GS Transportation-6 (> 250,000 and ≤ 500,000 therms)	0.03080
General Service-7; GS Transportation-7 (> 500,000 and ≤ 1,000,000 therms)	0.02520
General Service-7; GS Transportation-7 (> 500,000 and ≤ 1,000,000 therms)	0.02520
General Service-8A; GS Transportation-8A (> 1,000,000 and ≤ 1,500,000 therms)	0.02415
General Service-8B; GS Transportation-8B (> 1,500,000 and ≤ 2,000,000 therms)	0.02218
General Service-8C; GS Transportation-8C (> 2,000,000 and ≤ 4,000,000 therms)	0.01262
General Service-8D; GS Transportation-8D (> 4,000,000 therms)	0.01035
Commercial – NGV; Commercial NGV Transportation	0.02907
Commercial Standby Generator	0.31940

PGS

Rate Schedule	Conservation Recovery Factor (\$/therm)
RS, RS-SG, and RS-GHP	0.17732
SGS	0.11074
GS-1, CS-SG, and CS-GHIP	0.05851
GS-2	0.04497
GS-3	0.03793
GS-4	0.02739
GS-5	0.01918
NGVS	0.00000
CSLS	0.03822

Sebring

Rate Schedule	Conservation Recovery Factor (\$/therm)
TS-1	0.13621
TS-2	0.05907
TS-3	0.03875
TS-4	0.03353

SJNG

Rate Schedule	Conservation Recovery Factor (\$/therm)
RS-1	0.33942
RS-2	0.23749
RS-3	0.18439
GS-1	0.10405
GS-2	0.06096
FTS4/GS-4	0.03724

Tariff Revisions Reflecting Natural Gas Conservation Cost Recovery Amounts and Establishing Natural Gas Conservation Cost Recovery Factors

The revised tariffs reflecting the new energy conservation cost charges determined to be appropriate in this proceeding are hereby approved. We direct our staff to verify that the revised tariffs are consistent with this Order.

Conservation Cost Recovery Effective Date for 2023 Billing Cycle

The factors we approved as reflected above shall be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2025 through December 2025. Billing cycles may start before January 1, 2025 and the last cycle may be read after December 31, 2025, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

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 conservation cost recovery amounts and utilize the factors approved herein for the period beginning with the specified conservation cost recovery cycle and thereafter for the period January 2025 through December 2025. Billing cycles may start before January 1, 2025, and the last cycle may be read after December 31, 2025, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. It is further

ORDERED that the utilities' revised tariffs, reflecting the natural gas conservation cost recovery amounts and establishing natural gas conservation cost recovery factors determined to be appropriate herein are approved. Our staff shall verify that the revised tariffs are consistent with this Order. It is further

ORDERED that the Natural Gas Conservation Cost Recovery Clause docket is on-going and the docket shall remain open.

By ORDER of the Florida Public Service Commission this 25th day of November, 2024.

ADAM J. 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.

TPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service 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 or the First District Court of Appeal in the case of a water and/or wastewater 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.