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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.	DOCKET NO. 20260004-GU ORDER NO. PSC-2026-0398-PHO-GU ISSUED: October 30, 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 October 20, 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 32301-1804
On behalf of FLORIDA PUBLIC UTILITIES COMPANY (FPUC), FLORIDA CITY GAS (FCG), and SEBRING GAS SYSTEM (SEBRING).

J. JEFFRY WAHLEN, VIRGINIA L. PONDER amd MATTHEW J. JONES, ESQUIRES, Ausley McMullen, 123 South Calhoun Street, Tallahassee, Florida 32301-1517
On behalf of PEOPLES GAS SYSTEM, INC. (PGS).

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

WALT TRIERWEILER, CHARLES J. REHWINKEL, and AUSTIN WATROUS, ESQUIRES, c/o The Florida Legislature, 111 West Madison Street, Suite 812, Tallahassee, Florida 32399-1400
On behalf of OFFICE OF PUBLIC COUNSEL (OPC).

TIMOTHY SPARKS, ESQUIRE, 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.

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

I. CASE BACKGROUND

Pursuant to Rule 25-17.015(1), Florida Administrative Code (F.A.C.), the Florida Public Service Commission (Commission) has set a hearing for its continuing Natural Gas Conservation Cost Recovery (NGCCR) docket for November 3-6, 2026. The NGCCR proceeding allows gas companies to seek recovery of their costs for approved gas conservation programs on an annual basis, pursuant to Sections 366.80-366.83, Florida Statutes (F.S.), and Chapter 25-17, F.A.C.

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

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapters 120 and 366, Florida Statutes (F.S.). This hearing will be governed by said Chapters 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 this 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, 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

Each witness whose name is preceded by a plus sign (+) is excused from appearing at the final hearing. Their respective testimonies will be entered into the record as though read and exhibits admitted.

Witness	Proffered By	Issues #
Direct		
+Kira I. Lake	FPUC/FCG	1-8
+Charles T. Morgan, II	PGS	1-8
+Jerry H. Melendy	Sebring	1-8
+Debbie K. Stitt	SJNG	1-7

VII. BASIC POSITIONS

FPUC/FCG: The Commission should approve FPUC's and FCG's final net true-ups for the period January through December, 2025, the estimated true-up for the period January through December, 2026, and the projected conservation program expenses and recovery factors for each for the period January through December, 2027.

PGS: The Florida Public Service Commission ("Commission") should determine that the company has properly calculated its conservation cost recovery true-up and projections and the natural gas conservation cost recovery factors set forth in the testimony and exhibits of Witness Charles T. Morgan II for the period January 2027 through December 2027.

SEBRING: The Commission should approve Sebring's respective final net true-ups for the period January through December 2025, the estimated true-up for the period January through December, 2026, and the projected conservation program expenses and recovery factors for the period January through December, 2027.

SJNG: The Commission should approve the final adjusted net true-up amount for the twelve- month period ending December 31, 2026 including interest, the projected conservation program expenses for the twelve-month period ending Dec 31, 2027 and the Conservation Cost Recovery Factors to be applied to customer bills rendered for the twelve-month period ending December 31, 2027 as filed by SJNG.

OPC: The utilities bear the burden of proof to justify the recovery of the costs that they request in this docket and must carry this burden regardless of whether or not the intervenors provide evidence to the contrary. Further, the utilities bear the burden of proof to support their proposal(s) seeking the Commission's adoption of policy statements (whether new or changed) or other affirmative relief sought. Even if the Commission has previously approved a program, recovery of a cost, factor, or adjustment as meeting the Commission's own requirements, the utilities still bear the burden of demonstrating that the costs submitted for final recovery meet any statutory test(s) and are reasonable in amount and prudently incurred. Further, the utilities bear the burden of proof to support that all costs sought to be recovered through this clause are correctly clause recovery costs and not base rate costs. Further, recovery of all costs is constrained by the Commission's obligation to set fair, just, and reasonable rates, based on projects that are prudent in purpose and scope and costs that are prudently incurred pursuant to Section 366.01, Florida Statutes. Additionally, the provisions of Chapter 366, Florida Statutes, must be liberally construed to protect the public welfare.

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.

VIII. ISSUES AND POSITIONS

ISSUE 1: What are the final conservation cost recovery adjustment true-up amounts for the period January 2025 through December 2025?

Proposed stipulation – See Section X.

ISSUE 2: What are the appropriate conservation adjustment actual/estimated true-up amounts for the period January 2026 through December 2026?

Proposed stipulation – See Section X.

ISSUE 3: **What are the appropriate total conservation adjustment true-up amounts to be collected/refunded during the period January 2027 through December 2027?**

Proposed stipulation – See Section X.

ISSUE 4: **What are the total conversation cost recovery amounts to be collected during the period January 2027 through December 2027?**

Proposed stipulation – See Section X.

ISSUE 5: **What are the conservation cost recovery factors for the period January 2027 through December 2027?**

Proposed stipulation – See Section X.

ISSUE 6: **What should be the effective date of the new conservation cost recovery factors for billing purposes?**

Proposed stipulation – See Section X.

ISSUE 7: **Should the Commission approve revised tariffs reflecting the natural gas conservation cost recovery factors determined to be appropriate in this proceeding?**

Proposed stipulation – See Section X.

ISSUE 8: **Should this docket be closed?**

Proposed stipulation – See Section X.

IX. EXHIBIT LIST

Witness	Proffered By		Description
Direct			
Kira I. Lake	FPUC/FCG	KIL-1	True-Up Variance Analysis [Schedules CT1-CT6]
Kira I. Lake	FPUC/FCG	KIL-2 *Revised 9/18/26*	Projections: Estimated ECCR charges by rate class [Schedules C-1 through C-3 and C5]
Charles T. Morgan, II	PGS	CTM-1	Schedules supporting cost recovery factor, actual January 2025 – December 2025
Charles T. Morgan, II	PGS	CTM-2	Schedules supporting conservation costs projected for the period July 2026 – December 2027
Jerry H. Melendy	Sebring	JHM-1 *Revised 5/29/26*	True-Up Variance Analysis [Schedules CT1-CT6]
Jerry H. Melendy	Sebring	JHM-2	Projections: Estimated ECCR charges by rate class [Schedules C-1 through C-4]
Debbie K. Stitt	SJNG	DKS-1	Schedules CT-1, CT-2, CT-3, CT-4, and CT-5
Debbie K. Stitt	SJNG	DKS-2	Schedules C1, C2, C3, and C4

X. PROPOSED STIPULATIONS

ISSUE 1: What are the final conservation cost recovery adjustment true-up amounts for the period January 2025 through December 2025?

Stipulation: The appropriate final conservation cost recovery true-up amounts for the period January 2025 through December 2025 are as follows:

People's Gas System
$874,452, over-recovery, as reflected in Schedule CT-1, Page 1 of 1, in Exhibit CTM-1.

Florida Public Utilities Company / Florida City Gas
$1,548,091, under-recovery, as reflected in Schedule CT-1, Page 1 of 1, in Exhibit KIL-1.

Sebring Gas System
$3,552, under-recovery, as reflected in Schedule CT-1, Page 1 of 1, in Revised Exhibit JHM-1.

St. Joe's Natural Gas Company
$107,679, over-recovery, as reflected in Schedule CT-1, Page 1 of 1, in Exhibit DKS-1.

ISSUE 2: What are the appropriate conservation adjustment actual/estimated true-up amounts for the period January 2026 through December 2026?

Stipulation: The appropriate conservation cost adjustment actual/estimated true-up amounts, including interest, for the period January 2026 through December 2026 are as follows:

People's Gas System
$2,383,298, over-recovery, as reflected in Schedule C-3, Page 3 of 4, in Exhibit CTM-2.

Florida Public Utilities Company / Florida City Gas
On a consolidated basis, the appropriate conservation cost adjustment actual/estimated true-up amounts, including interest, for the period January 2026 through December 2026, is $1,300,700 over-recovery, as reflected in Schedule C-3, Page 4 of 5, in Revised Exhibit KIL-2.

Sebring Gas System
$4,954, over-recovery, as reflected in Schedule C-3, Page 4 of 5, in Exhibit JHM-2.

St. Joe's Natural Gas Company
$6,823, under-recovery, as reflected in Schedule C-3, Page 4 of 5, in Exhibit DKS-2.

ISSUE 3: What are the appropriate total conservation adjustment true-up amounts to be collected/refunded from the period January 2026 through December 2026?

Stipulation: The appropriate total conservation adjustment true-up amounts, including interest, to be collected/refunded from the period January 2026 through December 2026 are as follows:

People's Gas System
$3,257,750, over-recovery, as reflected in Schedule C-3, Page 3 of 4, in Exhibit CTM-2

Florida Public Utilities Company / Florida City Gas
On a consolidated basis, the appropriate total conservation adjustment true-up amounts, including interest, to be collected/refunded from the period January 2025 through December 2025, is $247,391 under-recovery, as reflected in Schedule C-3, Page 4 of 5, in Revised Exhibit KIL-2.

Sebring Gas System
$1,402, under-recovery, as reflected in Schedule C-3, Page 4 of 5, in Exhibit JHM-2.

St. Joe's Natural Gas Company
$100,856, over-recovery, as reflected in Schedule C-3, Page 4 of 5, in Exhibit DKS-2.

ISSUE 4: What is the total conservation cost recovery amounts to be collected during the period January 2027 through December 2027?

Stipulation: The appropriate total conservation cost recovery amounts to be collected during the period January 2027 through December 2027 are as follows:

People's Gas System
$22,403,158, which is calculated by subtracting the over-recovery reflected in Issue 3 from the Total Estimated Program Costs of $25,660,908 as reflected in Schedule C-1, Page 1 of 1, in Exhibit CTM-2.

Florida Public Utilities Company / Florida City Gas
On a consolidated basis, the appropriate total conservation cost recovery amounts to be collected during the period January 2026 through December 2025 is $16,426,641, which is calcuated by adding the under-recovery in Issue 3 to the Total estimated Program costs of $16,179,250 as reflected in Schedule C-1, Page 1 of 3, in Revised Exhibit KIL-2.

Sebring Gas System
$37,711, which is calculated by adding the under-recovery in Issue 3 to the Total Estimated Program Costs of $39,113 as reflected in Schedule C-1, Page 1 of 1, in Exhibit JHM-2.

St. Joe's Natural Gas Company
$21,844, which is calculated by adding the under-recovery in Issue 3 to the Total Estimated Program Costs of $21,844, as reflected in Schedule C-1, Page 1 of 1, in Exhibit DKS-2.

ISSUE 5: What are the conservation cost recovery factors for the period January 2027 through December 2027?

Stipulation: The appropriate conservation cost recovery factors for the period January 2027 through December 2027 are as follows:

People's Gas System
The appropriate total conservation cost recovery factors for the period January 2027 through December 2027 are shown below:

2027 Conservation Cost Recovery Factors for People's Gas System, as reflected in Schedule C-1, Page 1 of 1, from Exhibit CTM-2	
Rate Schedule	**Conservation Recovery Factor ($/therm)**
RS, RS-SG, and RS-GHP	0.12379
SGS	0.10689
GS-1, CS-SG, and CS-GHP	0.01136
GS-2	0.01988
GS-3	0.01920
GS-4	0.01530
GS-5	0.01332
CSLS	0.00663

Florida Public Utilities Company / Florida City Gas
The appropriate total conservation cost recovery factors for the period January 2027 through December 2027 are shown below:

2027 Conservation Cost Recovery Factors for Florida Public Utilities Company (based on consolidated costs), as reflected in Schedule C-1, Page 1 of 2, from Revised Exhibit KIL-2	
Rate Schedule	**Conservation Recovery Factor ($/therm)**
Residential-1; Residential Transportation-1 (≤ 100 therms)	0.30464
Residential-2; Residential Transportation-2 (>100 and ≤ 250 therms)	0.19168
Residential-3; Residential Transportation-3 (>250 therms)	0.10047
Residential Standby Generator	0.36078
General Service-1; GS Transportation-1 (≤ 1,000 therms)	0.07687
General Service-2; GS Transportation-2 (> 1,000 and ≤ 5,000 therms)	0.07272
General Service-3; GS Transportation-3 (> 5,000 and ≤ 10,000 therms)	0.06614
General Service-4; GS Transportation-4 (> 10,000 and ≤ 50,000 therms)	0.05857
General Service-5; GS Transportation-5 (> 50,000 and ≤ 250,000 therms)	0.04414
General Service-6; GS Transportation-6 (> 250,000 and ≤ 500,000 therms)	0.04221
General Service-7; GS Transportation-7 (> 500,000 and ≤ 1,000,000 therms)	0.03484
General Service-8A; GS Transportation-8A (> 1,000,000 and ≤ 1,500,000 therms)	0.03399
General Service-8B; GS Transportation-8B (> 1,500,000 and ≤ 2,000,000 therms)	0.03197
General Service-8C; GS Transportation-8C (> 2,000,000 and ≤ 4,000,000 therms)	0.02126
General Service-8D; GS Transportation-8D (> 4,000,000 therms)	0.01416
Commercial – NGV; Commercial NGV Transportation	0.03857
Commercial Standby Generator	0.29413

2027 Conservation Cost Recovery Factors for Florida City Gas (based on consolidated costs), as reflected in Schedule C-1, Page 2 of 2, from Revised Exhibit KIL-2	
Rate Schedule	**Conservation Recovery Factor ($/therm)**
RS1	0.38306
RS-100	0.18318
RS-600	0.11359
GS-1	0.07171
GS-6K	0.05156
GS-25K	0.04835
Gas Lights	0.07296
GS-120K	0.02914
GS-1250K	0.01459
GS11M	0.00000
GS-25M	0.00000

Sebring Gas System

The appropriate total conservation cost recovery factors for the period January 2027 through December 2027 are shown below:

2027 Conservation Cost Recovery Factors for Sebring Gas System, as reflected in Schedule C-1, Page 1 of 1, from Exhibit JLM-2	
Rate Schedule	**Conservation Recovery Factor ($/therm)**
TS-1	0.12872
TS-2	0.06322
TS-3	0.03511
TS-4	0.03250

St. Joe's Natural Gas Company
The appropriate total conservation cost recovery factors for the period January 2027 through December 2027 are shown below:

2027 Conservation Cost Recovery Factors for St. Joe's Natural Gas Company, as reflected in Schedule C-1, Page 1 of 1, from Exhibit DKS-2	
Rate Schedule	**Conservation Recovery Factor ($/therm)**
RS-1	-
RS-2	0.03627
RS-3	0.02631
GS-1	0.02014
GS-2	0.01112
FTS4/GS-4	0.00604

ISSUE 6: Should the Commission approve revised tariffs reflecting the natural gas conservation cost recovery factors determined to be appropriate in this proceeding?

Stipulation: Yes. The Commission should approve revised tariffs reflecting the new energy conservation cost 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 7: What should be the effective date of the new conservation cost recovery factors for billing purposes?

Stipulation: The factors should be effective beginning with the first billing cycle of January 2027. Billing cycles may start before January 1, 2027 and the last cycle may be read after December 31, 2027, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. The charges shall continue in effect until modified by subsequent order of this Commission.

ISSUE 8: Should this docket be closed?

Stipulation: Yes. While a separate docket number is assigned each year, this is a continuing docket and should remain open for administrative convenience.

XI. PENDING MOTIONS

There are no pending motions at this time.

XII. PENDING CONFIDENTIALITY MATTERS

There are no pending confidentiality matters at this time.

XIII. POST-HEARING PROCEDURES

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. RULINGS

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

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 30th day of October, 2026.



GARY F. CLARK
Commissioner and Prehearing Officer
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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.

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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.

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, or the First District Court of Appeal, in the case of a water or wastewater 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.