

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-

DATE: March 4, 2026

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Todd M. Brown, Chief of Safety, Division of Engineering *TMB*
Susan Sapoznikoff, Special Counsel, Office of the General Counsel *SS*

RE: Rule 25-12.100, F.A.C. – Annual Review of Civil Penalties

APM 2.07 C.5.k requires an annual review of the civil penalties established in Rule 25-12.100, Florida Administrative Code (F.A.C.), for violation of the Gas Safety Law of 1967. In its review, Florida Public Service Commission (Commission) staff considered the Consumer Price Index (CPI), penalties established by federal law for pipeline safety violations, and information received during the annual program evaluation conducted by the Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding the Commission's ongoing certification to enforce pipeline safety.

During staff's last annual program evaluation in March 2025, there was no mention of increasing the civil penalty amounts and no deficiency was noted for the civil penalties that were in place at that time. Until June 30, 2025, penalties stood at \$266,015 for each violation for each day that such violation persists, except that the maximum civil penalty may not exceed \$2,660,135 for any related series of violations. During rulemaking in 2025, the penalty amount included in Rule 25-12.100, F.A.C., was increased to match the civil penalties set by PHMSA for 2025. As of July 1, 2025, when Rule 25-12.100, F.A.C., took effect, civil penalties increased to \$272,926 for each violation for each day, up to a total of \$2,729,245 for any related series of violations.

PHMSA uses a CPI calculation to perform an annual inflation adjustment to its civil penalties as required by federal law. In a February 23, 2026, email from the Acting Director of State Programs with PHMSA, the 2026 annual adjustment to civil penalties has been delayed due to the lingering impacts of the previous government shutdown. When the adjustment becomes available, the adjustment will be published in the Federal Register. Until then, PHMSA has communicated to state program managers that previous penalty maximums will stay in place.

As such, staff does not believe that changes to the civil penalties referenced in Rule 25-12.100, F.A.C., are necessary at this time and no rule change is required. First, as of today's date, the Commission's existing civil penalties match PHMSA's civil penalties. Second, PHMSA did not suggest that the Commission's civil penalties needed to be increased during its annual evaluation or at any other time since that evaluation. Third, even when PHMSA publishes the 2026 civil

penalty amounts, the Commission's civil penalties should remain substantially compliant with the amounts set by PHMSA.