

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of 2025 true-up, projected 2026 true-up; and 2027 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider; and request to extend rider from 1/28 through 12/31, by Peoples Gas System, Inc.

DOCKET NO. 20260136-GU
ORDER NO. PSC-2026-0382-PCO-GU
ISSUED: October 26, 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

ORDER SUSPENDING TARIFF

BY THE COMMISSION:

Background

On September 1, 2026, Peoples Gas System, Inc. (Peoples) filed a petition for approval of the 2025 true-up, projected 2026 true-up, and the 2027 revenue requirement and surcharges associated with the cast iron/bare steel (CI/BSR) pipe replacement rider. Additionally, Peoples is requesting to extend the rider from January 1, 2028 to December 31, 2031. The rider was originally approved by Order No. PSC-12-0476-TRF-GU (2012 Order) to recover the cost of accelerating the replacement of cast iron and bare steel pipes through a surcharge on customers' bills.¹ As established by the 2012 Order, Peoples would roll replaced infrastructure into rate base during a rate case, and the CI/BSR surcharge would be "reset to zero."² The surcharge is set to terminate when all applicable CI/BSR pipes have been replaced and included in rate base. Since the 2012 Order was issued, investments have been rolled into rate base at the end of every rate case.

¹ Order No. PSC-12-0476-TRF-GU, issued September 18, 2012, in Docket No. 20110320-GU, *In re: Petition for approval of Cast iron/Bare Steel Pipe Replacement Rider (Rider CI/BSR), by Peoples Gas System.*

² *Id.*, p. 3.

By Order No. PSC-17-0066-AS-GU, we approved a comprehensive settlement agreement (2017 Agreement) between Peoples and the Office of Public Counsel.³ The 2017 Agreement, in part, added problematic plastic pipe (PPP) installed in the company's distribution system to eligible replacements under the rider beginning in 2017 and continuing through December 31, 2027. PPP was manufactured before 1983 and has significant safety concerns. In certain areas, the PPP is interspersed with, or connected to, the cast iron/bare steel pipe that is being replaced under the rider. As provided for in the 2017 Agreement, PPP replacements are included in the calculation of the 2027 rider surcharges.

Peoples' last rate case was in 2025 and it settled with a stipulation and settlement agreement (2025 Agreement), which was approved by Order No. PSC-2025-0413-S-GU.⁴ Pursuant to paragraph 3(a) of the 2025 Agreement, \$6,733,295 of CI/BSR revenues were transferred into base rates. Additionally, pursuant to paragraph 5(b) of the 2025 Agreement, Peoples is prohibited from seeking recovery through the CI/BSR of PPP costs associated with the Tampa Downtown project or any other PPP costs included for recovery in the 2025 rate case filing.

As part of its petition in the instant docket, Peoples is requesting our approval of the final true-up amount for the calendar year of 2025 of \$473,480 over-recovery (including interest). Additionally, Peoples is requesting an estimated end of period total true-up for 2026 of an over-recovery of \$2,013,859, and projected capital expenditures for replacement during 2027 of \$75,992,318. Peoples is requesting approval of revised CI/BS replacement rider surcharges that would go into effect January 1, 2027. Peoples' current surcharges were approved by Order No. PSC-2025-0451-TRF-GU.⁵

This order addresses suspension of the proposed tariffs. We have jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

Decision

We find that Peoples' proposed CI/BSR rates and associated tariff for the period January through December 2027 shall be suspended to allow Commission staff sufficient time to review the petition and gather all pertinent information in order to present us with an informed recommendation on the tariff proposal. Pursuant to Section 366.06(3), F.S., we 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. We find that the reason stated above is a good cause consistent with the requirements of Section 366.06(3), F.S.

³ Order No. PSC-17-0066-AS-GU, issued February 28, 2017, in Docket No. 20160159-GU, *In re: Petition for approval of settlement agreement pertaining to Peoples Gas System's 2016 depreciation study, environmental reserve account, problematic plastic pipe replacement, and authorized ROE*.

⁴ Order No. PSC-2025-0413-S-GU, issued October 31, 2025, in Docket No. 20250029-GU, *In re: Petition for rate increase, by Peoples Gas System, Inc.*

⁵ Order No. PSC-2025-0451-TRF-GU, issued December 12, 2025, in Docket No. 20250106-GU, *In re: Petition for approval of 2024 true-up, projected 2025 true-up, and 2026 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System.*

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Peoples Gas System, Inc.'s proposed CI/BSR rates and associated tariff for the period January through December 2027 shall be suspended to allow Commission staff sufficient time to review the petition and gather all pertinent information in order to present us Commission with an informed recommendation on the tariff proposal. It is further

ORDERED that this docket shall remain open pending our decision on the proposed tariffs.

By ORDER of the Florida Public Service Commission this 26th day of October, 2026.



ADAM TEITZMAN
Commission Clerk
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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.

JSC

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.