

Notice of Proposed Rule

PUBLIC SERVICE COMMISSION

SELECT A TYPE: New

RULE NO: RULE TITLE:

Rule 25-7.150: Natural Gas Facilities Relocation Cost Recovery Clause

PURPOSE AND EFFECT: To implement Section 366.99, F.S., which was enacted during the 2024 Legislative session. Section 366.99, F.S., allows for recovery of certain, mandated natural gas facilities relocation costs to be recovered in an annual clause proceeding, rather than in base rates.

Docket No. 20250020-GU

SUMMARY: Rule 25-7.150, F.A.C., is a new rule to implement Section 366.99, F.S., which was enacted by the Florida legislature in 2024. The rule sets forth what a utility must include in its petition for cost recovery, which includes a description of the scope of the mandated facilities relocation and an estimate of the associated costs. The rule also establishes a procedure that is in accord with other of the Commission's cost recovery clauses, by having a final true-up for the previous year and an estimated true-up for the current year, and requiring submission of projected costs for the subsequent year.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION: The agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has been prepared by the agency. The SERC examined the factors required by Section 120.541(2), F.S., and concluded that the rule will not likely increase regulatory costs, including any transactional costs or have an adverse impact on business competitiveness, productivity, or innovation in excess of \$1 million in the aggregate within five years of implementation. The proposed rule would have no impact on small business, would have no implementation cost to the Commission or other state and local government entities, and would have no impact on small cities or counties. The agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: based upon the information contained in the SERC.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 366.99, F.S.

LAW IMPLEMENTED: 366.99, F.S.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAR

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Susan Sapoznikoff, Office of General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, (850) 413-6630, [susan.sapoznikoff@psc.state.fl.us](mailto:susan.sapoznikoff@psc.state.fl.us)

THE FULL TEXT OF THE PROPOSED RULE IS:

**25-7.150 Natural Gas Facilities Relocation Cost Recovery Clause.**

(1) A utility may file a petition for recovery of natural gas facilities relocation costs through the annual natural gas facilities relocation cost recovery clause (NGFRCRC). The petition seeking such cost recovery must be supported by testimony that provides details of the facilities relocation activities and associated costs.

(2) As part of the NGFRCRC or by a separate filing, a utility must seek a determination that "natural gas facilities relocation costs" are eligible for recovery through the NGFRCRC by providing the following information:

(a) The notification by the authority requiring the facilities relocation per section 366.99(1), Florida Statutes,

(b) A description of the scope of the facilities relocation to be undertaken per the requirements imposed by the authority, and

(c) An estimate of the costs associated with the relocation of the natural gas facilities.

(3) Each year, pursuant to the order establishing procedure in the annual NGFRCRC, a utility must submit the following:

(a) Final True-Up for Previous Year. The final true-up of natural gas facilities relocation cost recovery

for a prior year must include revenue requirements based on a comparison of actual costs for the prior year and previously filed projected costs and revenue requirements for such prior year for each project determined to be eligible by the Commission. The final true-up must also include identification of each of the utility's eligible facilities relocation projects for which costs were incurred during the prior year, including a description of the work actually performed during such prior year.

(b) Estimated True-Up for Current Year. The actual/estimated true-up of natural gas facilities relocation cost recovery must include revenue requirements based on a comparison of current year actual/estimated costs and the previously-filed projected costs and revenue requirements for such current year for each eligible project. The actual/estimated true-up must also include identification of each of the utility's eligible facilities relocation projects for which costs have been and will be incurred during the current year, including a description of the work projected to be performed during such current year.

(c) Projected Costs for Subsequent Year. The projected natural gas facilities relocation cost recovery must include costs and revenue requirements for the subsequent year for each eligible project. The projection filing must also include identification of each of the utility's eligible facilities relocation projects for which costs will be incurred during the subsequent year, including a description of the work projected to be performed during such year.

(d) True-Up of Variances. The utility must report observed true-up variances, including sales forecasting variances, changes in the utility's prices of services and/or equipment, and changes in the scope of work relative to the estimates provided pursuant to paragraphs (2)(b) and (2)(c). The utility must also provide explanations for variances regarding the facilities relocation.

(e) Proposed Natural Gas Facilities Relocation Cost Recovery Factors. The utility must provide the calculations of its proposed factors and effective 12-month billing period.

(4) Natural gas facilities relocation cost recovery clause true-up amounts will be afforded deferred accounting treatment at the 30-day commercial paper rate.

(5) Subaccounts. To ensure separation of costs subject to recovery through the clause, the utility filing for cost recovery must maintain subaccounts for all items consistent with the Uniform System of Accounts prescribed by this Commission pursuant to Rule 25-7.014, F.A.C.

(6) Recovery of costs under this rule does not preclude a utility from proposing inclusion of unrecovered natural gas facilities relocation costs in base rates in a subsequent rate proceeding. Recovery of costs under this rule does not preclude inclusion of such costs in base rates in a subsequent rate proceeding, provided that such costs are removed from the NGFRCRC.

Rulemaking Authority 366.99, FS. Law Implemented 366.99, FS. History--New \_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: Cayce Hinton

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: March 4, 2025.

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: Volume 50, Number 212, Oct. 29, 2024.

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**Notices Submitted to ACR**

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ID	Rule No./ Organization	Rule Title	Section	Issue	Date
None					

**Notices Confirmed by ACR**

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ID	Rule No./ Organization	Rule Title	Section	Issue	Date
<a href="#">29337376</a>	25-7.150	Natural Gas Facilities Relocation Cost Recovery Clause	Proposed	3/6/2025 Vol. 51/45	3/5/2025