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Attorneys and Counselors at Law  
123 South Calhoun Street  
P.O. Box 391 32302  
Tallahassee, FL 32301

P: (850) 224-9115  
F: (850) 222-7560

[ausley.com](http://ausley.com)

May 1, 2026

**VIA: ELECTRONIC FILING**

Mr. Adam J. Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Docket No. 20260004-GU; Natural Gas Conservation Cost Recovery

Dear Mr. Teitzman:

Attached for filing in the above docket is Peoples Gas System, Inc.'s Testimony of Charles T. Morgan and Exhibit CTM-1.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'V. Ponder'.

Virginia L. Ponder

VLP/dk  
Attachment

cc: All Parties of Record (w/attachment)



BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20260004-GU  
IN RE: NATURAL GAS CONSERVATION  
COST RECOVERY CLAUSE TRUE-UP BY PEOPLES  
GAS SYSTEM, INC.

TESTIMONY AND EXHIBIT  
OF  
CHARLES T. MORGAN II

FILED: MAY 1, 2026

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **PREPARED DIRECT TESTIMONY**

3   **OF**

4   **CHARLES T. MORGAN II**

5  
6   **Q.**   Please state your name, business address, by whom you are  
7           employed, and in what capacity?

8  
9   **A.**   My name is Charles T. Morgan II. My business address is  
10           3600 Midtown Drive, Tampa, Florida 33607. I am employed  
11           by Peoples Gas System, Inc. ("Peoples" or the "company")  
12           as Supervisor, Conservation Programs, in the Regulatory  
13           Affairs Department.

14  
15   **Q.**   Please describe your educational and employment  
16           background.

17  
18   **A.**   I graduated from Florida State University in 2009 with a  
19           Bachelor of Science degree in Social Science. My work  
20           experience includes nine years of regulatory experience,  
21           including three years with the Florida Public Service  
22           Commission ("Commission") as a Public Utility Analyst, four  
23           years as a Regulatory Analyst with Peoples, and two years  
24           in my current position as Supervisor, Conservation  
25           Programs. In my current position, I am responsible for

1 Peoples' Natural Gas Conservation Cost Recovery ("NGCCR")  
2 Clause, other Conservation and demand-side management  
3 ("DSM") activities, and various other regulatory  
4 activities.

5  
6 **Q.** What is the purpose of your testimony in this docket?

7  
8 **A.** The purpose of my testimony is to present and support for  
9 Commission review and approval the company's actual DSM  
10 program true-up costs incurred during the January through  
11 December 2025 period.

12  
13 **Q.** Did you prepare any exhibits in support of your testimony?

14  
15 **A.** Yes. Exhibit No. CTM-1, entitled "Peoples Gas System, Inc.  
16 Schedules Supporting Conservation Cost Recovery Factor,  
17 Actual, January 2025-December 2025" was prepared under my  
18 direction and supervision. This Exhibit includes Schedules  
19 CT-1 through CT-3, and CT-6 which support the company's  
20 actual and prudent DSM program-related true-up costs  
21 incurred during the January through December 2025 period.

22  
23 **Q.** What were Peoples' actual January through December 2025  
24 conservation costs?

25

1 **A.** For the period January through December 2025, Peoples  
2 incurred actual net conservation costs of \$27,191,247.

3  
4 **Q.** What is the final end-of-period net true-up for the  
5 conservation clause for January through December 2025?

6  
7 **A.** The final conservation clause end-of-period adjusted net  
8 true-up for January through December 2025 is an over-  
9 recovery, including interest, of \$874,452. This amount  
10 represents the difference between the company's projected  
11 over-recovery of \$8,928,384 and the actual over-recovery of  
12 \$9,802,836. This calculation is detailed on Schedule CT-1  
13 and Schedule CT-2, Page 1 of 3.

14  
15 **Q.** Please summarize how Peoples's actual program costs for  
16 January through December 2025 period compare to the  
17 actual/estimated costs presented in Docket No. 20250004-  
18 GU?

19  
20 **A.** Peoples' actual program costs for 2025 were lower than  
21 actual/estimated costs presented in Docket No. 20250004-  
22 GU by \$1,378,823. The total program costs were projected  
23 to be \$28,570,070, compared to the actual costs of  
24 \$27,191,247 as detailed on Schedule CT-3 Page 1 of 3.

25

1 **Q.** Please summarize the reasons for which actual expenses were  
2 less than projected expenses.

3

4 **A.** The variance was primarily due to lower-than-projected  
5 incentive expenses in the Residential New Construction  
6 and Commercial Retention programs. The actual versus  
7 projected variance for each program is detailed on  
8 Schedule CT-2, Page 3 of 3.

9

10 **Q.** Please describe what is included in Schedule CT-6.

11

12 **A.** Schedule CT-6 contains Program Progress Descriptions for  
13 each of Peoples' DSM programs. This includes a program  
14 description, program participation for 2025, total  
15 program expenses for 2025, and total program  
16 participation since the inception of each program.

17

18 **Q.** Should Peoples' costs incurred during the January through  
19 December 2025 period for energy conservation be approved by  
20 the Commission?

21

22 **A.** Yes, the costs incurred were prudent and directly related  
23 to the Commission's approved DSM programs and should be  
24 approved.

25

1 Q. Does that conclude your testimony?

2

3 A. Yes, it does.

4

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NATURAL GAS CONSERVATION COST RECOVERY

INDEX

SCHEDULE	TITLE	PAGE
CT-1	Adjusted Net True-up	7
CT-2	Analysis Of Energy Conservation Program Costs	8
CT-3	Calculation Of True-Up And Interest Provision	11
CT-6	Program Progress Report	14

SCHEDULE CT-1

PEOPLES GAS SYSTEM  
Energy Conservation  
Adjusted Net True-up  
January 2025 through December 2025

End of Period Net True-up

Principle	9,579,751	
Interest	223,085	
Total		9,802,836

Less Projected True-up

Principle	8,695,037	
Interest	233,347	
Total		8,928,384

Adjusted Net True-up

874,452

( ) Reflects Under-Recovery

SCHEDULE CT-2  
Page 1 of 3

PEOPLES GAS SYSTEM  
Analysis of Energy Conservation Program Costs  
Actual vs. Projected  
January 2025 through December 2025

Description	Actual	Projected	Difference
1 Capital Investment	\$0	\$0	\$0
2 Payroll	\$841,821	\$809,874	\$31,947
3 Materials and Supplies	\$0	\$0	\$0
4 Advertising	\$1,500,482	\$1,483,611	\$16,872
5 Incentives	\$24,299,245	\$25,737,833	(\$1,438,588)
6 Outside Services	\$464,907	\$454,178	\$10,727
7 Vehicles	\$0	\$0	\$0
8 Other	\$84,792	\$84,575	\$217
9 Total Program Cost	\$27,191,247	\$28,570,070	(\$1,378,824)
10 Beginning of Period True-up	\$1,353,768	\$1,353,768	\$0
11 Amounts included in Base Rates	\$0	\$0	\$0
12 Conservation Adjustment Revenues	(\$38,124,766)	(\$38,618,875)	\$494,109
13 Regulatory Adjustments	\$0	\$0	\$0
14 True-up Before Interest	\$9,579,751	\$8,695,037	\$884,714
15 Interest Provision	\$223,085	\$233,347	(\$10,262)
16 End of Period True-up	\$9,802,836	\$8,928,384	\$874,452

PEOPLES GAS SYSTEM  
Actual Conservation Program Costs Per Program  
January 2025 through December 2025

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL CUSTOMER ASSISTED AUDIT	-	-	-	-	-	160,938	-	-	160,938
PROGRAM 2: RESIDENTIAL NEW CONSTRUCTION	-	-	-	-	13,955,725	-	-	-	13,955,725
PROGRAM 3: RESIDENTIAL RETROFIT	-	-	-	-	255,863	-	-	-	255,863
PROGRAM 4: RESIDENTIAL RETENTION	-	-	-	-	2,978,655	-	-	-	2,978,655
PROGRAM 5: COMMERCIAL WALKTHROUGH AUDIT	-	-	-	-	-	158,459	-	-	158,459
PROGRAM 6: COMMERCIAL NEW CONSTRUCTION	-	-	-	-	3,189,672	-	-	-	3,189,672
PROGRAM 7: COMMERCIAL RETROFIT	-	-	-	-	561,696	-	-	-	561,696
PROGRAM 8: COMMERCIAL RETROFIT CHP	-	-	-	-	-	-	-	-	-
PROGRAM 9: COMMERCIAL RETROFIT ELECTRIC REPLACEMENT	-	-	-	-	-	-	-	-	-
PROGRAM 10: COMMERCIAL RETENTION	-	-	-	-	3,357,633	-	-	-	3,357,633
PROGRAM 11: CONSERVATION R&D	-	-	-	-	-	-	-	-	-
PROGRAM 12: COMMON COSTS	-	841,821	-	1,500,482	-	145,510	-	84,792	2,572,605
TOTAL	-	841,821	-	1,500,482	24,299,245	464,907	-	84,792	27,191,247

6

PEOPLES GAS SYSTEM  
Conservation Program Costs Per Program  
Variance - Actual vs. Projected  
January 2025 through December 2025

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL CUSTOMER ASSISTED AUDIT	-	-	-	-	-	-	-	-	-
PROGRAM 2: RESIDENTIAL NEW CONSTRUCTION	-	-	-	-	(736,894)	-	-	-	(736,894)
PROGRAM 3: RESIDENTIAL RETROFIT	-	-	-	-	(14,491)	-	-	-	(14,491)
PROGRAM 4: RESIDENTIAL RETENTION	-	-	-	-	(216,939)	-	-	-	(216,939)
PROGRAM 5: COMMERCIAL WALKTHROUGH AUDIT	-	-	-	-	-	13,075	-	-	13,075
PROGRAM 6: COMMERCIAL NEW CONSTRUCTION	-	-	-	-	61,493	-	-	-	61,493
PROGRAM 7: COMMERCIAL RETROFIT	-	-	-	-	(168,808)	-	-	-	(168,808)
PROGRAM 8: COMMERCIAL RETROFIT CHP	-	-	-	-	-	-	-	-	-
PROGRAM 9: COMMERCIAL RETROFIT ELECTRIC REPLACEMENT	-	-	-	-	-	-	-	-	-
PROGRAM 10: COMMERCIAL RETENTION	-	-	-	-	(362,949)	-	-	-	(362,949)
PROGRAM 11: CONSERVATION R&D	-	-	-	-	-	-	-	-	-
PROGRAM 12: COMMON COSTS	-	31,947	-	16,872	-	(2,346)	-	217	46,689
<b>TOTAL</b>	<b>-</b>	<b>31,947</b>	<b>-</b>	<b>16,872</b>	<b>(1,438,588)</b>	<b>10,729</b>	<b>-</b>	<b>217</b>	<b>(1,378,823)</b>

PEOPLES GAS SYSTEM  
Energy Conservation Adjustment  
Summary of Expenses by Program by Month  
January 2025 through December 2025

EXPENSES:	January	February	March	April	May	June	July	August	September	October	November	December	Total
PROGRAM 1: RESIDENTIAL CUSTOMER ASSISTED AUDIT	-	-	-	-	-	-	160,938	-	-	-	-	-	160,938
PROGRAM 2: RESIDENTIAL NEW CONSTRUCTION	1,557,975	971,250	1,128,800	812,900	1,642,525	1,541,650	961,525	1,258,800	970,650	609,050	1,345,200	1,155,400	13,955,725
PROGRAM 3: RESIDENTIAL RETROFIT	27,450	23,650	13,850	38,600	32,213	18,725	7,500	30,450	12,175	29,350	12,650	9,250	255,863
PROGRAM 4: RESIDENTIAL RETENTION	211,638	343,010	185,000	425,200	411,200	151,300	232,100	267,250	178,400	257,692	90,900	224,965	2,978,655
PROGRAM 5: COMMERCIAL WALKTHROUGH AUDIT	-	-	-	-	-	-	89,895	4,767	27,476	17,154	14,401	4,767	158,459
PROGRAM 6: COMMERCIAL NEW CONSTRUCTION	197,135	277,368	405,997	160,629	225,959	330,279	283,552	294,067	163,570	235,440	102,774	512,902	3,189,672
PROGRAM 7: COMMERCIAL RETROFIT	30,200	35,068	10,500	128,902	75,034	78,000	52,023	41,969	26,951	38,845	24,499	19,705	561,696
PROGRAM 8: COMMERCIAL RETROFIT CHP	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 9: COMMERCIAL RETROFIT ELECTRIC REPLACEMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 10: COMMERCIAL RETENTION	274,500	585,626	317,750	468,666	492,500	190,999	104,991	289,991	130,000	127,427	92,958	282,225	3,357,633
PROGRAM 11: CONSERVATION R&D	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 12: COMMON COSTS	44,797	365,586	98,321	259,143	93,163	167,471	49,696	87,335	322,253	170,550	253,277	661,015	2,572,605
<b>TOTAL</b>	<b>2,343,694</b>	<b>2,601,557</b>	<b>2,160,218</b>	<b>2,294,041</b>	<b>2,972,595</b>	<b>2,478,424</b>	<b>1,942,220</b>	<b>2,274,628</b>	<b>1,831,475</b>	<b>1,485,507</b>	<b>1,936,658</b>	<b>2,870,228</b>	<b>27,191,246</b>
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>RECOVERABLE CONSERVATION EXPENSES</b>	<b>2,343,694</b>	<b>2,601,557</b>	<b>2,160,218</b>	<b>2,294,041</b>	<b>2,972,595</b>	<b>2,478,424</b>	<b>1,942,220</b>	<b>2,274,628</b>	<b>1,831,475</b>	<b>1,485,507</b>	<b>1,936,658</b>	<b>2,870,228</b>	<b>27,191,246</b>

(0)

PEOPLES GAS SYSTEM  
Energy Conservation Adjustment  
Calculation of True-up and Interest Provision  
January 2025 through December 2025

CONSERVATION REVENUES	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. OTHER PROGRAM REVS	-	-	-	-	-	-	-	-	-	-	-	-	-
2. CONSERV. ADJ REVS	4,481,769	4,435,296	3,805,148	3,502,961	3,105,552	2,540,222	2,363,769	2,302,946	2,372,674	2,403,665	3,145,831	3,664,934	38,124,766
3. TOTAL REVENUES	4,481,769	4,435,296	3,805,148	3,502,961	3,105,552	2,540,222	2,363,769	2,302,946	2,372,674	2,403,665	3,145,831	3,664,934	38,124,766
4. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(123,653)	(123,653)	(123,653)	(123,653)	(123,653)	(123,653)	(123,653)	(123,653)	(123,653)	(123,653)	(123,653)	(123,653)	(1,483,836)
5. CONSERVATION REVS APPLICABLE TO THE PERIOD	4,358,116	4,311,643	3,681,495	3,379,308	2,981,899	2,416,569	2,240,116	2,179,293	2,249,021	2,280,012	3,022,178	3,541,281	36,640,930
6. CONSERVATION EXPS (FROM CT-3, PAGE 1)	2,343,694	2,601,557	2,160,218	2,294,041	2,972,595	2,478,424	1,942,220	2,274,628	1,831,475	1,485,507	1,936,658	2,870,228	27,191,246
7. TRUE-UP THIS PERIOD	2,014,422	1,710,086	1,521,276	1,085,267	9,304	(61,856)	297,896	(95,335)	417,546	794,505	1,085,520	671,053	9,449,684
8. REGULATORY ADJUSTMENTS													-
9. INT. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(1,034)	6,172	12,439	17,488	20,064	20,544	21,431	22,194	22,642	24,317	27,294	29,534	223,085
10. TRUE-UP & INT. PROV. BEGINNING OF MONTH	(1,353,768)	783,273	2,623,184	4,280,552	5,506,960	5,659,981	5,742,322	6,185,302	6,235,814	6,799,655	7,742,130	8,978,597	(1,353,768)
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	123,653	123,653	123,653	123,653	123,653	123,653	123,653	123,653	123,653	123,653	123,653	123,653	1,483,836
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	783,273	2,623,184	4,280,552	5,506,960	5,659,981	5,742,322	6,185,302	6,235,814	6,799,655	7,742,130	8,978,597	9,802,837	9,802,837
Expenses	2,343,694	2,601,557	2,160,218	2,294,041	2,972,595	2,478,424	1,942,220	2,274,628	1,831,475	1,485,507	1,936,658	2,870,228	27,191,246
Deferred Expenses	2,014,421	1,710,086	1,521,276	1,085,267	9,304	-	297,896	-	417,546	794,505	1,085,520	671,053	9,606,874
Revenues	(4,481,769)	(4,435,296)	(3,805,148)	(3,502,961)	(3,105,552)	(2,540,222)	(2,363,769)	(2,302,946)	(2,372,674)	(2,403,665)	(3,145,831)	(3,664,934)	(38,124,766)
Deferred Revenues	-	-	-	-	-	(61,856)	-	(95,335)	-	-	-	-	(157,191)

12

PEOPLES GAS SYSTEM  
Energy Conservation Adjustment  
Calculation of True-up and Interest Provision  
January 2025 through December 2025

	January	February	March	April	May	June	July	August	September	October	November	December	Total
INTEREST PROVISION													
1. BEGINNING TRUE-UP	(1,353,768)	783,273	2,623,184	4,280,552	5,506,960	5,659,981	5,742,322	6,185,302	6,235,814	6,799,655	7,742,130	8,978,597	
2. ENDING TRUE-UP BEFORE INTEREST	784,307	2,617,012	4,268,113	5,489,472	5,639,917	5,721,778	6,163,871	6,213,620	6,777,013	7,717,813	8,951,303	9,773,303	
3. TOTAL BEGINNING & ENDING TRUE-UP	<u>(569,461)</u>	<u>3,400,285</u>	<u>6,891,297</u>	<u>9,770,024</u>	<u>11,146,877</u>	<u>11,381,759</u>	<u>11,906,193</u>	<u>12,398,922</u>	<u>13,012,827</u>	<u>14,517,468</u>	<u>16,693,433</u>	<u>18,751,900</u>	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	<u>(284,731)</u>	<u>1,700,143</u>	<u>3,445,649</u>	<u>4,885,012</u>	<u>5,573,439</u>	<u>5,690,880</u>	<u>5,953,097</u>	<u>6,199,461</u>	<u>6,506,414</u>	<u>7,258,734</u>	<u>8,346,717</u>	<u>9,375,950</u>	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	4.360%	4.350%	4.350%	4.320%	4.280%	4.350%	4.310%	4.320%	4.260%	4.080%	3.960%	3.890%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	4.350%	4.350%	4.320%	4.280%	4.350%	4.310%	4.320%	4.260%	4.080%	3.960%	3.890%	3.660%	
7. TOTAL (SUM LINES 5 & 6)	8.710%	8.700%	8.670%	8.600%	8.630%	8.660%	8.630%	8.580%	8.340%	8.040%	7.850%	7.550%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	4.355%	4.350%	4.335%	4.300%	4.315%	4.330%	4.315%	4.290%	4.170%	4.020%	3.925%	3.775%	
9. MONTHLY AVG INTEREST RATE	0.36300%	0.363%	0.361%	0.358%	0.360%	0.361%	0.360%	0.358%	0.348%	0.335%	0.327%	0.315%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9) (exp)/inc)	(1,034)	6,172	12,439	17,488	20,064	20,544	21,431	22,194	22,642	24,317	27,294	29,534	223,085

13

### Program Description and Progress

Program Title: Residential Customer-Assisted Audit

Program Description: The Residential Customer Assisted Energy Audit is designed to save energy by increasing residential customer awareness of natural gas energy use in personal residences. This program allows new and prospective residential customers to engage in an online energy audit. Recommendations provided to the customer include an estimated range of energy savings, including insightful advice on how to manage their overall energy usage.

Program Accomplishments: January 1 to December 31, 2025

Number of customers participating: 6,619

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$160,938.

Program Progress Summary: Since the inception of this program, 49,332 customers have participated.

**Program Description and Progress**

Program Title: Residential New Construction

Program Description: The Residential New Construction Program is designed to encourage builders and developers to construct new single family and multi-family homes with energy efficient natural gas appliances to help reduce the new customer’s energy consumption and conserve energy resources. The rebates offered to builders and developers under this program are designed to assist in defraying the added cost of gas piping and venting.

Program Accomplishments: January 1 to December 31, 2025

Appliance	Rebate Amount	Number
Natural Gas Cooktop/Range	\$300	11,700
Natural Gas Dryer	\$300	1,057
Natural Gas Dryer Stub (installed before March 10, 2025)*	\$200	5,654
Natural Gas Dryer Stub (installed after March 10, 2025)*	\$100	5,364
Natural Gas Heating	\$725	3
Natural Gas Energy Star Tank Water Heater	\$650	7
Natural Gas Tank Water Heater	\$550	2,542
Natural Gas Tankless Water Heater	\$700	10,053
Total Appliances		36,380

\*The Commission approved Peoples’ 2025-2034 DSM Program Standards in Order No. PSC-2025-0054-PAA-EG, issued on February 12, 2025, in Docket No. 20240148-EG. All appliances installed after the Commission’s Consummating Order, Order No. PSC-2025-0069-CO-EG, issued on March 10, 2025, are subject to the 2025-2034 DSM Program Standards. All appliances installed prior to this date were subject to Peoples’ 2019-2028 DSM Program Standards.

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$13,955,725.

Program Progress Summary: Since the inception of this program, 245,639 customers have participated.

**Program Description and Progress**

Program Title: Residential Retrofit

Program Description: The Residential Retrofit Program is designed to encourage current and new natural gas customers to make cost-effective improvements to existing residences with the installation of energy efficient natural gas appliances to help reduce their energy consumption and conserve energy resources. The rebates offered to customers under this program are designed to assist in defraying the added cost of gas piping and venting.

Program Accomplishments: January 1 to December 31, 2025

Appliance	Rebate Amount	Participants
Natural Gas Cooktop/Range	\$300	163
Natural Gas Dryer	\$200	199
Natural Gas Heating	\$725	3
Natural Gas Energy Star Tank Water Heater	\$650	0
Natural Gas Tank Water Heater	\$550	16
Natural Gas Tankless Water Heater	\$700	206
Natural Gas Space Conditioning	\$500/ton	0
Total Participants		587

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$255,863.

Program Progress Summary: Since the inception of this program, 34,188 customers have participated.

**Program Description and Progress**

Program Title: Residential Retention

Program Description: The Residential Retention Program is designed to encourage current natural gas customers to make cost-effective improvements to existing residences with the installation of energy-efficient natural gas appliances to help reduce their energy consumption and conserve energy resources. The goal is to offer customer rebates for installing new energy-efficient natural gas equipment.

Program Accomplishments: January 1 to December 31, 2025

Appliance	Rebate Amount	Participants
Natural Gas Cooktop/Range	\$100	293
Natural Gas Dryer	\$150	663
Natural Gas Heating	\$500	1,515
Natural Gas Energy Star Tank Water Heater	\$400	7
Natural Gas Tank Water Heater	\$350	2,863
Natural Gas Tankless Water Heater	\$550	1,975
Natural Gas Space Conditioning	\$500/ton	0
Total Participants		7,316

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$2,978,655.

Program Progress Summary: Since the inception of this program, 248,816 customers have participated.

### Program Description and Progress

Program Title: Commercial Walkthrough Energy Audit

Program Description: The Commercial Walk-Through Energy Audit is designed to reduce the energy consumption of commercial facilities by increasing customer awareness of the energy use in their facilities. The savings are dependent upon the customer's implementation of conservation measures and practices recommended.

Program Accomplishments: January 1 to December 31, 2025

Number of Customers Participating: 169

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$158,459.

Program Progress Summary: Since the inception of this program, 333 customers have participated.

### Program Description and Progress

Program Title: Commercial New Construction

Program Description: The Commercial New Construction Program is designed to encourage new natural gas customers to construct commercial facilities with energy efficient natural gas equipment to help reduce the new customer's energy consumption and conserve energy resources. The rebates offered to builders and developers under this program are designed to assist in defraying the added cost of gas piping and venting.

Program Accomplishments: January 1 to December 31, 2025

Appliance	Rebate Amount	Participants
Natural Gas Cooking Equipment	\$2,000	262
Natural Gas Dryer	\$2,500	41
Natural Gas Fryer	\$3,500	300
Natural Gas Tank Water Heater	\$2,500	7
Natural Gas Tankless Water Heater	\$3,500	488
Total Participants		1,098

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$3,189,672.

Program Progress Summary: Since the inception of this program, 3,999 customers have participated.

**Program Description and Progress**

Program Title: Commercial Retrofit

Program Description: The Commercial Retrofit Program is designed to encourage current and new natural gas customers to make cost-effective improvements to existing commercial facilities with the installation of energy-efficient natural gas equipment to help reduce their energy consumption and conserve energy resources.

Program Accomplishments: January 1 to December 31, 2025

Appliance	Rebate Amount	Participants
Natural Gas Cooking Equipment	\$2,000	12
Natural Gas Dryer	\$2,500	0
Natural Gas Fryer	\$3,500	29
Natural Gas Tank Water Heater	\$2,500	0
Natural Gas Tankless Water Heater	\$3,500	130
Natural Gas Heat Pump	\$500/ton	0
Total Participants		171

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$561,696.

Program Progress Summary: Since the inception of this program, 3,128 customers have participated.

### Program Description and Progress

Program Title: Commercial Retrofit Combined Heat and Power

Program Description: The Commercial Retrofit Combined Heat and Power Program is designed to encourage current and new natural gas customers to make cost-effective improvements to existing commercial facilities with the installation of energy efficient natural gas equipment to help reduce their energy consumption and conserve energy resources. The goal is to offer customer rebates for installing new energy-efficient natural gas combined heat and power equipment that utilizes waste heat to displace portions of natural gas usage for on-site heating, cooling, and/or water heating.

Program Accomplishments: January 1 to December 31, 2025

Number of customers participating: 0

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$0.

Program Progress Summary: Since the inception of this program, 7 customers have participated.

### Program Description and Progress

Program Title: Commercial Electric Replacement

Program Description: This Commercial Retrofit Electric Replacement Program is designed to encourage current and new natural gas customers to make cost-effective improvements to existing commercial facilities with the installation of energy-efficient natural gas equipment to help reduce their energy consumption and conserve energy resources. The goal is to offer customer rebates for installing new energy efficient natural gas equipment.

Program Accomplishments: January 1 to December 31, 2025

Total kw Displaced: 0 kW

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$0.

Program Progress Summary: Since the inception of this program, 60,581 kW have been displaced.

**Program Description and Progress**

Program Title: Commercial Retention

Program Description: The Commercial Retention Program is designed to encourage current natural gas customers to make cost-effective improvements to existing commercial facilities with the installation of energy-efficient natural gas equipment to help reduce their energy consumption and conserve energy resources.

Program Accomplishments: January 1 to December 31, 2025

Appliance	Cost/Efficiency Category	Rebate Amount	Participants
Natural Gas Cooking Equipment	Up to \$3,000	\$1,000	34
Natural Gas Cooking Equipment	\$3,001 and up	\$1,500	63
Natural Gas Dryer	All	\$2,000	159
Residential Natural Gas Dryer	All	\$150	0
Natural Gas Tank Water Heater	All	\$1,500	11
Natural Gas Tankless Water Heater	Up to \$3,000	\$1,000	7
Natural Gas Tankless Water Heater	\$3,001 and up	\$2,000	262
Natural Gas Fryer	50-55%	\$1,000	41
Natural Gas Fryer	56-60%	\$2,000	71
Natural Gas Fryer	Over 60%	\$3,000	5
Installed Prior to March 10, 2025*			
Natural Gas Cooking Equipment	All	Up to \$1,500	194
Natural Gas Dryer	All	Up to \$2,000	74
Natural Gas Tank Water Heater	All	Up to \$1,500	8
Natural Gas Tankless Water Heater	All	Up to \$2,000	144
Natural Gas Fryer	All	Up to \$3,000	593
Total Participants			1,666

\*The Commission approved Peoples' 2025-2034 DSM Program Standards in Order No. PSC-2025-0054-PAA-EG, issued on February 12, 2025, in Docket No. 20240148-EG. All appliances installed after the Commission's Consummating Order, Order No. PSC-2025-0069-CO-EG, issued on March 10, 2025, are subject to the 2025-2034 DSM Program Standards. All appliances installed prior to this date were subject to Peoples' 2019-2028 DSM Program Standards.

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$3,357,633.

Program Progress Summary: Since the inception of this program, 9,958 customers have participated.

### Program Description and Progress

Program Title: Conservation Research & Development

Program Description: This program is in support of Rule 25-17.001(5)(f), Florida Administrative Code, and Order No. PSC-1989-22176, issued November 14, 1989. R&D activity will be conducted on proposed measures to determine the impact on the company and its ratepayers and may occur at customer premises, Peoples facilities or at independent test sites.

Program Accomplishments: January 1 to December 31, 2025

Number of Research Projects: 0

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$0.

Program Progress Summary: Peoples continues to review possible programs to research.

**Program Description and Progress**

Program Title: Common Expenses

Program Description: These are expenses common to all programs.

Program Fiscal Expenditures: January 1 to December 31, 2025

Actual expenses were \$2,572,605.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Testimony and Exhibit of Charles T Morgan has been furnished by electronic mail on this 1st day of May 2026 to the following:

Saad Farooqi  
Carlos Marquez  
Office of General Counsel  
Florida Public Service Commission  
Room 390L – Gerald L. Gunter Building  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
[sfarooqi@psc.state.fl.us](mailto:sfarooqi@psc.state.fl.us)  
[cmarquez@psc.state.fl.us](mailto:cmarquez@psc.state.fl.us)

Walt L. Trierweiler  
Charles J. Rehwinkel  
Patricia A. Christensen  
Octavio Ponce  
Austin Watrous  
Office of Public Counsel  
111 West Madison Street – Room 812  
Tallahassee, FL 32399-1400  
[trierweiler.walt@leg.state.fl.us](mailto:trierweiler.walt@leg.state.fl.us)  
[rehwinkel.charles@leg.state.fl.us](mailto:rehwinkel.charles@leg.state.fl.us)  
[christensen.patty@leg.state.fl.us](mailto:christensen.patty@leg.state.fl.us)  
[ponce.octavio@leg.state.fl.us](mailto:ponce.octavio@leg.state.fl.us)  
[watrous.austin@leg.state.fl.us](mailto:watrous.austin@leg.state.fl.us)

Charles A. Shoaf/ Debbie Stitt  
St. Joe Natural Gas Company  
P.O. Box 549  
Port St. Joe, FL 32457-0549  
[andy@stjoegas.com](mailto:andy@stjoegas.com)  
[dstitt@stjoegas.com](mailto:dstitt@stjoegas.com)

Mr. Matt Everngam  
Florida City Gas  
208 Wildlight Ave.  
Yulee, FL 32097  
[meverngam@chpk.com](mailto:meverngam@chpk.com)

Beth Keating  
Gunster Law Firm  
215 South Monroe Street, Suite 601  
Tallahassee, FL 32301-1839  
[bkeating@gunster.com](mailto:bkeating@gunster.com)

Jerry H. Melendy, Jr.  
Sebring Gas System  
3515 Highway 27 South  
Sebring, FL 33870-5452  
[jmelendy@floridasbestgas.com](mailto:jmelendy@floridasbestgas.com)

Michelle D. Napier  
Joanah Baugh  
Jessica Husted  
Florida Public Utilities Company  
1635 Meathe Drive  
West Palm Beach, Florida 33411  
[Michelle\\_napier@chpk.com](mailto:Michelle_napier@chpk.com)  
[jbaugh@chpk.com](mailto:jbaugh@chpk.com)  
[jhusted@chpk.com](mailto:jhusted@chpk.com)



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