

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, December 3, 2024, 9:30 a.m.

LOCATION: Betty Easley Conference Center, Joseph P. Cresse Hearing Room 148

DATE ISSUED: November 21, 2024

NOTICE

Persons affected by Commission action on certain items on this agenda may be allowed to address the Commission, either informally or by oral argument, when those items are taken up for discussion at this conference. These items are designated by double asterisks (**) next to the item number.

To participate informally, affected persons need only appear at the conference and request the opportunity to address the Commission on an item listed on the agenda. Informal participation is not permitted: (1) on dispositive motions and motions for reconsideration; (2) when a recommended order is taken up by the Commission; (3) in a rulemaking proceeding after the record has been closed; or (4) when the Commission considers a post-hearing recommendation on the merits of a case after the close of the record. The Commission allows informal participation at its discretion in certain types of cases (such as declaratory statements and interim rate orders) in which an order is issued based on a given set of facts without hearing. See Florida Administrative Code Rules 25-22.0021 (agenda conference participation) and 25-22.0022 (oral argument).

Conference agendas, staff recommendations, vote sheets, and transcripts are available online at <https://www.floridapsc.com>, by selecting *Conferences & Meeting Agendas* and *Commission Conferences of the FPSC*. An official vote of "move staff" denotes that the Item's recommendations were approved.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this proceeding should contact the Office of Commission Clerk no later than five days prior to the conference at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assistive Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

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ITEM NO.

CASE

1**

Consent Agenda

PAA

A) Application for Certificate of Authority to Provide Telecommunications Service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
20240102-TX	Ezee Fiber Texas, LLC d/b/a Ezee Fiber
20240132-TX	Prime Fiber, LLC

Recommendation: The Commission should approve the action requested in the dockets referenced above and close these dockets.

ITEM NO.

CASE

2**

Docket No. 20240149-EI – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Debby, Helene, and Milton, by Florida Power & Light Company.

Critical Date(s): 12/26/24 (60-day interim deadline)

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay

Staff: AFD: Vogel, D. Buys, Quigley Hinson, Norris

ECO: Hampson, P. Kelley

GCL: Brownless, J. Crawford

Issue 1: Should the Commission authorize FPL to implement an interim storm restoration recovery charge?

Recommendation: Yes. The Commission should authorize FPL to implement an interim storm restoration recovery charge, subject to refund. Once the total actual storm costs are known, FPL should be required to file documentation of the total storm costs for Commission review and true-up of any excess or shortfall.

Issue 2: What is the appropriate security to guarantee the amount collected subject to refund through the interim storm restoration recovery charge?

Recommendation: The appropriate security to guarantee the funds collected subject to refund is a corporate undertaking.

Issue 3: Should the Commission approve FPL's proposed interim storm restoration recovery charge tariff as shown in Attachment A of staff's memorandum dated November 21, 2024?

Recommendation: Yes. The Commission should approve FPL's proposal to revise the interim storm restoration recovery tariff and associated surcharges, as shown in Attachment A of staff's memorandum dated November 21, 2024. The tariff should become effective the first billing cycle of January 2025. The interim storm restoration surcharges should be subject to final true-up once the total actual storm costs are known.

Issue 4: Should this docket be closed?

Recommendation: No. This docket should remain open pending final reconciliation of actual recoverable storm costs with the amount collected pursuant to the interim storm restoration recovery charge and the calculation of a refund or additional charge if warranted.

ITEM NO.

CASE

3**PAA

Docket No. 20240046-GU – Petition for rate increase by St. Joe Natural Gas Company, Inc.

Docket No. 20240004-GU – Natural gas conservation cost recovery.

Critical Date(s): 10/29/24 (5-Month Effective Date - PAA Rate Case waived through 12/03/24)

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay (20240046-GU)

Passidomo (20240004-GU)

Staff: AFD: Vogel, D. Buys, Ferrer, Gatlin, McGowan, Norris, Przygocki, Quigley

ECO: Galloway, Hampson, Hudson, Kunkler, McClelland, Ward

ENG: King, Lewis, Ramos, Smith

GCL: Dose, Crawford, Farooqi

(Proposed Agency Action for All Issues, Except for Issues 37 and 39.)

Issue 1: Is SJNG’s projected test period of the twelve months ending December 31, 2024, appropriate?

Recommendation: Yes, SJNG’s projected test period of the twelve months ending December 31, 2024, is appropriate.

Issue 2: Should the Commission approve SJNG’s forecasts of customers and therms by rate class for the projected test year ending December 31, 2024? If not, what adjustments should be made?

Recommendation: The Commission should approve SJNG’s forecasts of customers and therms by rate class for the projected test year ending December 31, 2024 with two exceptions: (1) the test year sales projections for the GS-4 rate class should be increased by 42,391 therms, and (2) the test year sales projections for the FTS-4 rate class should be decreased by 2,694 therms.

Issue 3: Are SJNG’s estimated revenues from sales of gas by rate class at present rates for the projected test year appropriate? If not, what adjustments should be made?

Recommendation: No. SJNG’s estimated revenues from sales of gas by rate class at present rates for the projected test year are underestimated for the GS-4 rate class and overestimated for the FTS-4 rate class. SJNG’s estimated revenues from the sales of gas for all other rate classes are appropriate. The Company’s GS-4 rate class test year revenues should be increased by \$6,715 and the FTS-4 rate class revenues should be decreased by \$427, resulting in a net \$6,288 increase to SJNG’s estimated test year revenues from sales of gas at present rates.

Issue 4: Is the quality of service provided by SJNG adequate?

Recommendation: Yes. SJNG’s quality of service is adequate.

ITEM NO.

CASE

3**PAA

Docket No. 20240046-GU – Petition for rate increase by St. Joe Natural Gas Company, Inc.
Docket No. 20240004-GU – Natural gas conservation cost recovery.

(Continued from previous page)

Issue 5: Should the depreciation rates approved in SJNG’s last depreciation study by Order No. PSC-2023-0215-PAA-GU, issued July 26, 2023, be used in this docket for calculating the projected test year’s depreciation expense?

Recommendation: Yes, the depreciation rates approved in SJNG’s last depreciation study and appearing in Order No. PSC-2023-0215-PAA-GU, issued July 26, 2023, should be used for calculating the projected test year’s depreciation expense.

Issue 6: Has SJNG made the proper adjustments to remove all non-utility activities from the projected test year rate base? If not, what adjustments should be made?

Recommendation: No. Plant-in-Service should be decreased by \$58,773 and Accumulated Depreciation increased by \$16,080 in the projected test year rate base related to non-utility activities.

Issue 7: What level of projected test year Plant-in-Service should be approved?

Recommendation: The appropriate amount of Plant-in-Service for the projected test year is \$9,431,217. Staff recommends a reduction to the 13-month average Plant-in-Service of \$59,800 associated with SJNG’s 2024 plant additions. Staff also recommends that SJNG provide the Commission a written update on the purchase status of the trucks within one calendar year of the issuance of the final order in this proceeding.

Issue 8: What level of projected test year Accumulated Depreciation should be approved?

Recommendation: Staff recommends an Accumulated Depreciation balance of \$6,254,754 for the projected test year. Staff recommends increasing Accumulated Depreciation by \$11,930.

Issue 9: What level of projected test year Construction Work in Progress (CWIP) should be approved?

Recommendation: The level of projected test year CWIP that should be approved is \$0.

Issue 10: What level of projected test year Working Capital should be approved?

Recommendation: The amount of projected test year Working Capital should be \$74,822.

Issue 11: What level of projected test year rate base should be approved?

Recommendation: The level of projected test year rate base that should be approved is \$3,251,285.

Issue 12: What amount of projected accumulated deferred taxes should be approved for the projected test year capital structure?

Recommendation: The amount of accumulated deferred income taxes to include in the 2024 projected test year capital structure is \$602,050.

ITEM NO.

CASE

3**PAA

Docket No. 20240046-GU – Petition for rate increase by St. Joe Natural Gas Company, Inc.

Docket No. 20240004-GU – Natural gas conservation cost recovery.

(Continued from previous page)

Issue 13: What amount and cost rate for customer deposits should be approved for the projected test year capital structure?

Recommendation: The amount and cost rate for customer deposits for the 2024 projected test year capital structure is \$50,111 at a cost rate of 2.00 percent.

Issue 14: What amount and cost rate of long-term debt should be approved for inclusion in the projected test year capital structure?

Recommendation: An amount of \$883,741 for long-term debt at a cost rate of 8.36 percent should be approved for inclusion in the projected test year capital structure.

Issue 15: What equity ratio should be approved for the projected test year capital structure?

Recommendation: An equity ratio of 60.00 percent, based on investor sources, should be approved for the projected test year capital structure.

Issue 16: What return on equity (ROE) should be approved for establishing SJNG's projected test year revenue requirement?

Recommendation: An authorized ROE of 10.50 percent, with a range of plus or minus 100 basis points, should be approved for establishing SJNG's projected test year revenue requirement.

Issue 17: What capital structure and weighted average cost of capital should be approved for establishing SJNG's projected test year revenue requirement?

Recommendation: The projected test year capital structure that should be approved consists of 40.77 percent common equity, 27.18 percent long-term debt, 1.54 percent customer deposits, 18.52 percent deferred taxes, and 11.99 percent for the Florida Coast Paper Company (FCPC) deferred credits. The appropriate WACC that should be approved for establishing SJNG's projected test year revenue requirement is 6.58 percent.

Issue 18: Has SJNG made the proper adjustments to remove all non-utility activities from projected test year net operating expenses, including depreciation and amortization expense? If not, what adjustments should be made?

Recommendation: No. SJNG did not remove all non-utility activities from projected test year net operating expenses. Staff recommends a decrease of \$14,393 to the projected test year operations and maintenance (O&M) expense for non-utility activities, as well as a corresponding increase of \$14,494 to projected test year revenues.

Issue 19: What is the appropriate amount of salaries and benefits to include in the projected test year?

Recommendation: The appropriate amount of projected salaries and benefits that should be included in the test year is \$769,803.

ITEM NO.

CASE

3**PAA

Docket No. 20240046-GU – Petition for rate increase by St. Joe Natural Gas Company, Inc.
Docket No. 20240004-GU – Natural gas conservation cost recovery.

(Continued from previous page)

Issue 20: What amount of projected test year Rate Case Expense should be approved? What amortization period should be used?

Recommendation: The appropriate amount of rate case expense is \$137,500. This expense should be recovered over four years for an annual expense of \$34,375. The annual amortization expense should be increased by \$14,875.

Issue 21: What amount of projected test year O&M expenses should be approved?

Recommendation: Staff recommends a total O&M expense of \$1,548,893 for the projected test year. Staff, therefore, recommends an increase of \$51,072 to projected test year O&M expenses.

Issue 22: What amount of projected test year Depreciation and Amortization Expense should be approved?

Recommendation: The amount of Depreciation and Amortization Expense that should be approved for the projected test year is \$370,803. Based on adjustments in Issues 6, 7, and 8, staff recommends a decrease in depreciation expense of \$3,246.

Issue 23: What amount of projected test year Taxes Other than Income should be approved?

Recommendation: The appropriate amount of Taxes Other Than Income (TOTI) for the 2024 projected test year is \$129,363. TOTI should be increased by \$1,000 for the projected test year.

Issue 24: What amount of projected test year Income Tax Expense should be approved?

Recommendation: The appropriate amount of projected test year Income Tax Expense is \$0. Projected Income Tax Expense should be decreased by \$102,452.

Issue 25: What amount of projected test year Total Operating Expenses should be approved?

Recommendation: The appropriate amount of Total Operating Expenses in the projected test year should be \$2,049,059. Total Operating Expenses should be reduced by \$76,915.

Issue 26: What amount of projected test year Net Operating Income should be approved?

Recommendation: The appropriate amount of Net Operating Income in the projected test year, prior to the rate increase, should be negative \$479,274.

Issue 27: What revenue expansion factor and net operating income multiplier should be approved for the projected test year?

Recommendation: The appropriate revenue expansion factor and net operating income multiplier is 74.058 percent and 1.3503, respectively.

ITEM NO.

CASE

3**PAA

Docket No. 20240046-GU – Petition for rate increase by St. Joe Natural Gas Company, Inc.
Docket No. 20240004-GU – Natural gas conservation cost recovery.

(Continued from previous page)

Issue 28: What annual operating revenue increase should be approved for the projected test year?

Recommendation: The appropriate annual operating revenue increase for the projected test year should be \$936,224.

Issue 29: What is the appropriate cost of service methodology to be used in allocating costs to the rate classes?

Recommendation: The appropriate cost of service methodology to be used in allocating costs to the various rate classes is reflected in the cost of service study contained in the MFRs. SJNG should file a revised cost of service study, including rates and tariffs that reflect the Commission’s vote on all issues by December 16, 2024, close of business.

Issue 30: What are the appropriate customer charges?

Recommendation: This is a fallout issue and will be addressed at the rates agenda on January 7, 2025.

Issue 31: What are the appropriate per therm Gas Delivery Service Rates?

Recommendation: This is a fallout issue and will be addressed at the rates agenda on January 7, 2025.

Issue 32: What are the appropriate miscellaneous service charges?

Recommendation: The appropriate miscellaneous service charges are contained in Table 32-1 of staff’s memorandum dated November 21, 2024. The Company should file a revised tariff sheet to reflect returned charges as pursuant to Section 68.065, F.S.

Issue 33: Should the new Realtor Inspection Charge be approved?

Recommendation: Yes, the new Realtor Inspection Charge of \$105 should be approved.

Issue 34: Is SJNG’s proposal to combine the RS-1 class into RS-2 class appropriate?

Recommendation: SJNG’s proposal to combine the RS-1 class into RS-2 is appropriate and should be approved. SJNG should file revised energy conservation cost recovery (ECCR) factors and associated ECCR tariffs based on the two residential rate classes, for Commission approval at the rates agenda on January 7, 2025.

Issue 35: Should the Commission give staff administrative authority to approve tariffs reflecting Commission-approved rates and charges?

Recommendation: This is a fallout issue and will be addressed at the rates agenda on January 7, 2025.

Issue 36: What is the effective date for SJNG's revised rates and charges?

Recommendation: This is a fallout issue and will be addressed at the rates agenda on January 7, 2025.

ITEM NO.

CASE

3**PAA

Docket No. 20240046-GU – Petition for rate increase by St. Joe Natural Gas Company, Inc.

Docket No. 20240004-GU – Natural gas conservation cost recovery.

(Continued from previous page)

Issue 37: Should any portion of the interim increases granted be refunded to the customers?

Recommendation: No. The proper refund amount should be calculated by using the same data used to establish final rates, excluding rate case expense and other items not in effect during the interim period. This revised revenue requirement for the interim collection period should be compared to the amount of interim revenues granted. Based on this calculation, no refund is required. Further, upon issuance of the final order in this docket, the corporate undertaking should be released.

Issue 38: Should SJNG be required to establish and maintain a Cost Allocation Manual (CAM)?

Recommendation: Yes. SJNG should be required to establish and maintain a CAM. The Company should be required to file its CAM with the Commission, in Docket No. 20240046-GU, by December 31, 2025.

Issue 39: Should SJNG be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

Recommendation: Yes. SJNG should be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case.

Issue 40: Should this docket be closed?

Recommendation: This docket should remain open for the Commission to determine the final rates at a subsequent Commission Conference.

ITEM NO.

CASE

4**PAA

Docket No. 20240005-WS – Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

Critical Date(s): 03/31/25 (Statutory Reestablishment Deadline)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: AFD: York, Sowards

GCL: Dose

Issue 1: Which index should be used to determine price level adjustments?

Recommendation: The Gross Domestic Product Implicit Price Deflator Index is recommended for use in calculating price level adjustments. Staff recommends calculating the 2025 Price Index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter of 2024.

Issue 2: What rate should be used by water and wastewater utilities for the 2025 Price Index?

Recommendation: The 2025 Price Index for water and wastewater utilities should be 2.23 percent.

Issue 3: How should water and wastewater utilities be informed of the indexing requirements?

Recommendation: After the expiration of the Proposed Agency Action (PAA) protest period, the Division of Accounting and Finance should send each regulated water and wastewater utility a copy of the PAA Order establishing the index containing the information presented in Attachment 1 of staff’s memorandum dated November 21, 2024. A cover letter from the Director of the Division of Accounting and Finance should be included with the order (Attachment 2 of staff’s memorandum dated November 21, 2024). The entire package should also be made available on the Commission’s website.

Issue 4: Should this docket be closed?

Recommendation: No. Upon expiration of the 14-day protest period, if a timely protest is not received, the decision should become final and effective upon the issuance of a Consummating Order. Any party filing a protest should be required to prefile testimony with the protest. However, this docket should remain open through the end of the year and be closed upon the establishment of the new docket in January 2025.

ITEM NO.

CASE

5

Docket No. 20240012-EG – Commission review of numeric conservation goals (Florida Power & Light Company).

Critical Date(s): 01/01/25 - Pursuant to Section 366.82(6), F.S., the Commission must review conservation goals at least every five years. New conservation goals must be set by January 1, 2025.

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ENG: Thompson, Davis, Ellis, King, Sanchez, Wooten

AFD: Cicchetti

GCL: Imig, Harper, Rubottom

(Post-Hearing Decision - Participation is Limited to Commissioners and Staff)

Issue 10: Is FPL’s proposed HVAC On-Bill option for its existing Residential On-Call program with its associated HVAC Services Agreement (proposed Tariff sheets 9.858 through 9.866) a regulated activity within the jurisdiction of the Commission? If not, should the savings associated with FPL’s HVAC On-Bill option and HVAC Services Agreement be removed from its conservation goals?

Recommendation: No, FPL’s proposed HVAC On-Bill option is not within the jurisdiction of the Commission because it appears to include the sale of HVAC units as defined by Florida law. Additionally, the program would consider profit and loss from such sales in rates charged to customers, and appears to mix non-jurisdictional appliance sales with jurisdictional FEECA investments for ratemaking purposes, which Chapter 366, F.S., appears not to allow. Further, staff recommends that the proposed stipulation offered by FPL does not answer the question at issue. As such, staff recommends that the Commission not approve the proposed stipulation language, and recommends that the savings associated with the HVAC On-Bill option and HVAC Services Agreement be removed from FPL’s conservation goals.

Issue 12: What residential and commercial/industrial summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2025-2034?

Recommendation: If the Commission approves staff’s recommendation on Issue 10, then the Commission should approve conservation goals for FPL as shown in Table 12-1 of staff’s memorandum dated November 21, 2024. However, if the Commission does not approve staff’s recommendation on Issue 10, no further decision is necessary on Issue 12 due to the stipulated goals already approved by the Commission at the hearing.

ITEM NO.

CASE

5

Docket No. 20240012-EG – Commission review of numeric conservation goals (Florida Power & Light Company).

(Continued from previous page)

Issue 14: Should this docket be closed?

Recommendation: Yes. If no party files a timely request for rehearing or an appeal, the docket should be closed. Within 90 days of issuance of the final order, FPL should file a demand-side management plan designed to meet the Utility’s approved conservation goals.

ITEM NO.

CASE

6**

Docket No. 20240133-GU – Petition for approval of 2023 true-up, projected 2024 true-up, and 2025 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System, Inc.

Critical Date(s): 04/30/25 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Ward, Hampson

AFD: D. Buys, Souchik

GCL: Sandy

(Tariff Filing)

Issue 1: Should the Commission approve Peoples' proposed CI/BSR Rider surcharges for the period January through December 2025?

Recommendation: Yes, the Commission should approve Peoples' proposed CI/BSR Rider surcharges to be effective for the first billing cycle of January through the last billing cycle of December 2025. Staff has reviewed Peoples' filings and supporting documentation and believes that the calculations are consistent with the methodology approved in the 2012 Order and are reasonable and accurate.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

7**

Docket No. 20240134-GU – Petition for approval of safety, access, and facility enhancement program true-up and 2025 cost recovery factors, by Florida City Gas.

Critical Date(s): 04/30/25 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: P. Kelley

GCL: Dose

(Tariff Filing)

Issue 1: Should the Commission approve FCG's proposed SAFE tariffs for the period January through December 2025?

Recommendation: Yes. The Commission should approve FCG's proposed SAFE tariff for the period January through December 2025. After reviewing FCG's filings and supporting documentation, the calculations of the 2025 SAFE factors appear consistent with the methodology approved in the 2015 Order and are reasonable and accurate.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

8**

Docket No. 20240137-GU – Petition for approval of GUARD cost recovery factors, by Florida Public Utilities Company.

Critical Date(s): 05/03/25 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Guffey

GCL: Brownless

(Tariff Filing)

Issue 1: Should the Commission approve FPUC's 2025 Gas Utility Access and Replacement Directive (GUARD) cost recovery factors and associated Second Revised Sheet No. 7.403 for the period January to December 2025?

Recommendation: Yes. The Commission should approve FPUC's 2025 GUARD cost recovery factors and associated Second Revised Sheet No. 7.403, included in Attachment B of staff's memorandum dated November 21, 2024, to be effective for the first billing cycle of January through the last billing cycle of December 2025. The GUARD surcharge would allow FPUC to replace problematic pipes and facilities and relocate certain facilities located in rear easements to the front easements, and recover the project costs on an expedited basis.

Issue 2: Should this docket be closed?

Recommendation: Yes. If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.